

Achieving Equal Pay in the Workplace

Your Guide to Changing Policy and Practice

What is Equal Pay?

It is unlawful for an employer to discriminate between men and women in the same employment doing equal work in relation to their contractual terms, including pay^[i].

However, there is plenty of evidence that for some people unequal pay is a reality of working life.

The right to no less favourable contractual terms than a valid comparator of the opposite sex is set out in the Equality Act 2010 and the [Equality and Human Rights Commission \(EHRC\) statutory code of practice on equal pay](http://www.equalityhumanrights.com/en/publication-download/equal-pay-statutory-code-practice) (www.equalityhumanrights.com/en/publication-download/equal-pay-statutory-code-practice) .

It is also helpfully summarised by [ACAS](http://www.acas.org.uk/equal-pay) (www.acas.org.uk/equal-pay) .

Equal pay law applies to pay and terms and conditions of employment, including:

- Basic salary
- Basic wages
- Pension
- Working hours
- Annual leave allowance • Holiday pay
- Overtime pay
- Redundancy pay
- Sick pay
- Performance-related pay
- Bonuses
- Benefits, for example health insurance or a company car

Equal pay law covers employees, workers, apprentices, agency workers, full time, part time or temporary workers and self-employed people who are hired personally to do work for someone.

Two jobs can be classed as equal work, even if the roles seem different. For example, a clerical job and a warehouse job might be classed as equal work because the level of skill required for each is similar.

Work counts as equal if it is:

- **‘Like work’** – work where the job and skills are the same or similar;
- **‘Work rated as equivalent’** – work that has been rated as equivalent, using a job evaluation system^[ii]; or
- **‘Work of equal value’** – work that is not similar but is of equal value. This could be because the level of skill, training, responsibility or demands of the working conditions are of equal value.

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In some circumstances, it is legal for men and women doing equal work to be paid differently, for example when the person receiving higher pay is located in a high-cost area like London. This is often referred to as a ‘London weighting’. The employer must be able to demonstrate that the pay difference has nothing to do with whether the higher paid individual is a man or a woman and every case depends on the individual circumstances.

Employers can pay everyone the same rate for the same work but still pay women less on average than men.

“...in 2020, nine out of 10 women in this country work in companies or organisations that pay them less on average than their male counterparts.”

– MP Stella Creasy, ‘Equal Pay and Claims Bill’, October 2020

The difference between men and women’s average earnings is known as the gender pay gap. UK organisations with 250 or more employees are legally obliged to [publish](https://gender-pay-gap.service.gov.uk/) (<https://gender-pay-gap.service.gov.uk/>) gender pay gap data for their organisation under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

According to the Office of National Statistics, the gender pay gap for all employees in the UK was 15.5% in 2020.



Having a gender pay gap is not in itself illegal. However, a pay gap may indicate that there are equality issues that need to be addressed. For example, there could be stereotyping, prejudice or bias in recruitment & selection processes that result in more women being appointed to low-paid roles.

Wider society also influences equality of pay between men and women. Some jobs predominantly done by women have historically been paid lower salaries, caring roles for example. The concept of “comparable worth” is sometimes included in discussions about equal pay. This is the idea that jobs which are equal in their value to the organisation should be equally compensated, whether the work content of those jobs is similar or not.

While equal pay law currently only requires men and women to be paid the same if they are doing equal work, people may also be disadvantaged in the workplace because of their ethnicity, disability or their sexuality. Some face a double or a triple disadvantage; if they are a woman who is Black and has a disability, for example. When a person has more than one protected characteristic, they might be described as having ‘intersectional’ characteristics. It is useful to keep this ‘intersectionality’ in mind to fully understand and address pay inequality in the workplace.

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[i] When talking about equal pay and the gender pay gap, it is common for many organisations to fall into a binary of male and female. Part of the reason for this is that the current legislation, and by extension a lot of the information we have about the extent and causes of unequal pay in our economy, maintains this binary. Do try and make sure that you are sensitive to the fact that this language excludes the experiences of people who do not identify as either gender, as well as the specific experiences of people who have transitioned, and support them to achieve better representation both nationally and in your workplace.

[ii] Job evaluation is a way to work out the relative importance of different jobs in an organisation and devise pay arrangements to match this. See [ACAS job evaluation advice \(www.acas.org.uk/job-evaluation-considerations-and-risks-advice-booklet\)](http://www.acas.org.uk/job-evaluation-considerations-and-risks-advice-booklet) for details.