

### Checklist for implementing and reforming employer pay gap reporting systems

The following policy checklist offers simple guidance to governments interested in implementing, reforming, or monitoring their pay gap reporting requirements for employers. It covers various aspects of reporting systems, including coverage of workers, quality of reported data, enforcement, ease of reporting, stakeholder awareness, and mandatory follow-up actions by firms. By evaluating these factors, policy makers can identify areas for improvement and implement measures to ensure the success of gender pay gap reporting systems.

The right-most choice in the following response options represents current good practice in OECD countries; the left-most choice indicates room for improvement.

Guidance for the checklist:

- Review each section of the checklist, labelled A to F, which represents different dimensions of gender pay gap reporting systems. For each numbered item within a section, mark the checkbox () that best reflects the current state or level of implementation in your country.
- Consider the implications and importance of each item in relation to the overall design of the gender pay gap reporting system in the country. Use the results of the checklist to assess the strengths and weaknesses of your country's gender pay gap reporting system.
- Identify areas that require improvement and develop/reform policies to enhance the effectiveness of the reporting system.
- Regularly review and update the checklist to ensure ongoing evaluation and improvement of the reporting system.

This checklist is informed by the findings in the study *Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform* (OECD 2023), available at <https://oe.cd/pay-transparency-2023>.

## POLICY CHECKLIST FOR GENDER PAY GAP REPORTING SYSTEMS

### A. Coverage of gender pay gap reporting rules.

*Why it matters:* The share of firms that are required to report their gender pay gap is positively associated with the (potential) success of a system in reducing the overall gender wage gap in a country.

1. Considering the company size thresholds that define the number of firms required to report, what share of employees nationwide are covered by pay gap reporting rules?  
 None  Fewer than half  More than half
2. To what degree does the definition of “employee” in firm headcounts for pay gap reporting include workers who may be in more precarious situations, such as temporary or part-time workers?  
 Not at all  Some precarious workers are included  Most precarious workers are included

### B. Quality of gender-disaggregated pay data reported.

*Why it matters:* The type of data reported, either in the form of mean/median pay by gender or the gender pay gap itself, has implications for illustrating the size and shape of the gender wage gap across different types of employees.

1. Does gender-disaggregated pay data reporting illustrate the firm-level aggregate pay gap, pay gaps by subgroups within the firm (e.g. by job classification or seniority), or neither of the above?  
 Neither of the above  Firm-level aggregate pay gap  Aggregate pay gap and by subgroups within the firm
2. If gender-disaggregated pay data are reported by subgroups, are an adequate range of subgroups included? In addition to basic subgroups like job category and seniority, to what degree do subgroup reporting requirements represent a diverse range of different employee categories, e.g. by parenthood status or racial/ethnic background?  
 No subgroups are included  Basic subgroups are included  Diverse range of subgroups included
3. If job classifications are used in the country, to what degree are they gender-neutral/gender-sensitive job classifications?<sup>1</sup>  
 No job classifications are gender-neutral  Some are gender-neutral  Most are gender-neutral

### C. Enforcement of gender pay gap reporting rules.

*Why it matters:* Adequate enforcement of gender pay gap reporting regimes is important for ensuring that the appropriate firms comply with reporting requirements, that the proper data are collected and analysed, and that results are shared with required stakeholders. This can help ensure that pay gap reporting regimes have both de jure and de facto effectiveness.

1. To what degree can a government agency or other stakeholders identify which companies are required to report (typically defined by company size)?  
 It is not possible to identify  Some firms can be identified  Most firms can be identified

2. To what degree is firm compliance with pay gap reporting monitored by employees, employee representatives, a government agency, and/or a non-governmental auditing body?

There is no monitoring  Workers and their representatives principally monitor  An external body monitors

3. How commonly are financial sanctions levied in the event of non-compliance with reporting rules?

Never  Occasionally  Frequently

4. To what degree are firm-specific gender pay gaps shared with the general public?

No information provided to public  Public can see whether firms complied with requirements (but not firm-specific pay gap(s))  Public can view firm-specific pay gap(s)

#### D. Ease of firms' reporting.

*Why it matters:* To reduce the potential issue of administrative burden on firms, governments can provide accessible tools to improve companies' understanding of pay gap reporting systems and facilitate firms' reporting.

1. How easily can firms access government instructions on gender pay gap reporting rules?

Not at all  Somewhat easily  Very easily

2. To what degree does the government facilitate firms' reporting, e.g. via online portals to submit data to the government and/or software for firms to calculate gaps themselves?

Not at all  Somewhat  To a high degree

3. To what degree does the government calculate firms' gender wage gaps with limited employer involvement, e.g. via the use of pre-existing government data to calculate gaps?

Not at all  To a limited degree, e.g. the aggregate gap  To a high degree, e.g. including subgroups

#### E. Stakeholder awareness of the results of pay gap reporting.

*Why it matters:* Awareness of the results of firms' pay gap assessments among employees, their representatives, the government and the public has important implications for increasing transparency around wage gaps and mobilising support to close gaps.

1. How broadly must pay reporting results be shared, e.g. to employees, their representatives, the government, the general public?

To no one  To workers and representatives  To workers, representatives, and government and/or public

2. How clear are instructions to firms on communicating pay gap results to employees?

No instructions are provided  Firms are given limited guidance  Firms are given clear guidance

3. To what degree does the government measure stakeholder awareness of gender pay gap reporting regimes?

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Not at all  Government informally measures awareness  Government conducts surveys on awareness

#### F. Follow-up action required by firms.

*Why it matters:* The simple act of reporting gender-disaggregated pay information helps raise awareness of pay inequity, but it may not be sufficient to reduce gender wage gaps without mandatory, well-informed follow-up actions by firms.

1. To what degree is gender pay gap reporting accompanied by mandatory follow-up assessments of the gaps found, i.e. gender equality audits or joint pay assessments, in order to understand their causes?

Not at all  Follow-up action is recommended  Follow-up action is required

2. What kinds of follow-up actions are required by firms to address gender pay gaps they find?

None  Firms must assess causes of gaps  Firms must assess causes and develop plans to close gaps

3. To what degree is follow-up action monitored by employees, employee representatives, a government agency, and/or a non-governmental auditing body?

Not at all  Only workers and representatives monitor follow-up action  An external body monitors

4. To what degree are pay transparency schemes and their effectiveness in closing the gender pay gap rigorously evaluated?

Not at all  Ad hoc studies of effectiveness  Regular studies of effectiveness

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1. Gender-neutral/gender-sensitive job classification schemes are frameworks that attempt to categorise jobs in a way that avoids gender bias and is based on “objective” criteria. These systems typically use a set of factors, such as skill level, responsibility, and working conditions, to determine the appropriate job classification.

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**Box.1. Key terms and definitions used in *Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform* (OECD, 2023)**

A **comparator**, in the context of equal pay litigation, refers to a worker whose salary is used as a reference for another person who is in a comparable working situation. Guidelines as to who qualifies as a comparator (and whether a comparator is necessary to prove pay discrimination) vary by country. A comparator may be real or hypothetical.

**Equal pay for work of equal value** implies that women and men should get equal pay if they do identical or similar jobs, and that they should also earn equal pay if they do completely different work that can be shown to be of equal value when based on “objective” criteria. These objective criteria tend to encompass job-related characteristics such as skills, effort, levels of responsibility, working conditions and qualifications. Many countries have attempted to clarify the use of the concept of “work of equal value” in national legislation.

An **equal pay audit** is a process conducted by an employer or external auditor that should include an analysis of the proportion of women and men in different positions, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. An equal pay audit is more intensive than simple pay reporting. A pay audit should make an effort to analyse any gender pay gaps found, should attempt to identify the reasons behind these gaps, and could be used to help develop targeted actions on equal pay. An **equal pay audit** is comparable to a **joint pay assessment**, as proposed in recent EU pay transparency legislation.

**Intersectionality** is a term used to describe how social and political identities, such as race, gender, class, sexual orientation, and ability, intersect to create unique experiences of discrimination and privilege. The concept of intersectionality acknowledges that individuals can experience various forms of oppression and discrimination simultaneously, and that these experiences cannot be fully understood or addressed by considering only one aspect of their identity in isolation.

**Job classifications** are related to job evaluation process and commonly entail human resource personnel and/or social partners ranking each job within an organisation against objective criteria that relates to the required skills, effort, responsibilities, working conditions, education, and difficulty of a role, amongst other observable characteristics. Related to this, gender-neutral job classification systems refer to job classification systems that account for the gender predominance of a given job class and categorise work based on the same objective criteria for men and women.

**Gender-neutral or gender-sensitive job classification** systems refer to a framework for categorizing jobs that avoids historic gender bias and is based on objective criteria. The aim is to eliminate gendered assumptions and stereotypes about what type of work is suitable for men or women. These systems typically use a set of factors, such as skill level, responsibility, and working conditions, to determine the appropriate job classification.

**Pay reporting** refers to policies mandating that employers regularly report (including to employees, workers’ representatives, social partners, a government body, and/or the public) gender pay gap statistics. Such statistics typically include the average or median remuneration of men and women at the firm level but are often more detailed and include breakdowns by groupings such as job category.

**Pay transparency** is an umbrella term referring to policy measures that attempt to share pay information in an effort to address gender pay gaps. Such measures may include mandating pay reporting, equal pay auditing, job classification systems, and publishing pay information in job vacancies.