EUPTD, Equal Pay, and Pay Transparency: June 2026 Update

Including the labor law implications of the failure to transpose the EUPTD into German law by the deadline, transposition of the EUPTD in other EU member states, and academic insights on job evaluation

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Our schedule for today

01 Prologue: Status Quo

02 No immediate application of the EUPTD after June 7, 2026

03 Indirect application through interpretation in line with the directive

04 Looking beyond our borders: Implementation of the EUPTD in other EU Member States

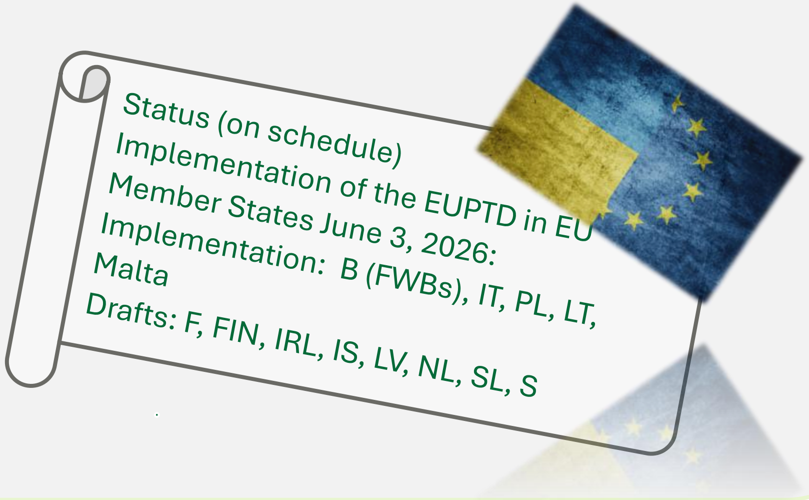
05 Current (Scientific) Developments in Job Evaluation

06 Q&A

Prologue: The Current Situation

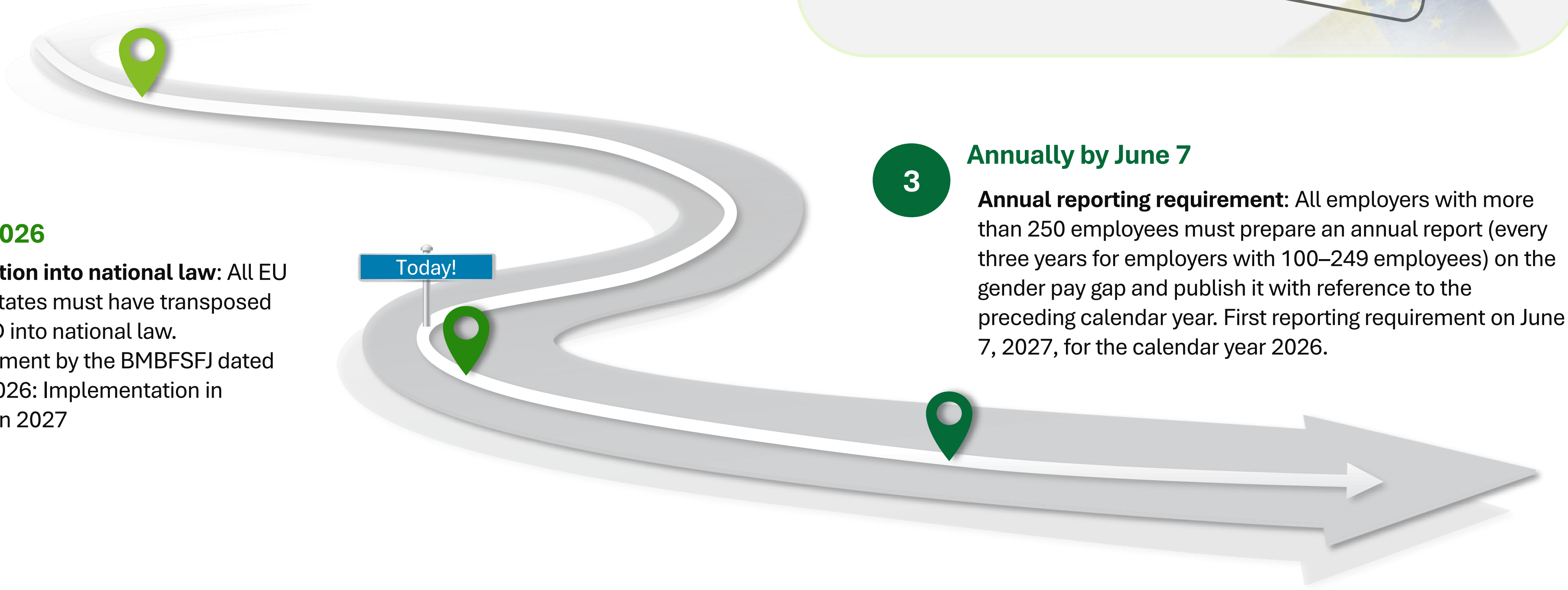
EU Pay Transparency Directive (EUPTD): Current Status and Roadmap

The concrete roadmap...



1 **July 2023**

EU Pay Transparency Directive (EUPTD): The EU directive promoting pay transparency in the European Union enters into force.



2 **June 7, 2026**

Transposition into national law: All EU member states must have transposed the EUPTD into national law.
Announcement by the BMBFSFJ dated May 29, 2026: Implementation in Germany in 2027

3 **Annually by June 7**

Annual reporting requirement: All employers with more than 250 employees must prepare an annual report (every three years for employers with 100–249 employees) on the gender pay gap and publish it with reference to the preceding calendar year. First reporting requirement on June 7, 2027, for the calendar year 2026.

EU Pay Transparency Directive (EUPTD): Current Status and Roadmap

… and waiting for the draft bill for the EntgeltTG 2.0

1. **April 30, 2026 - Nachfrage HR Magazine**
   → *“The transposition of the EU Pay Transparency Directive into national law will take place during this legislative term.”*

2. **May 18, 2026 – Parliamentary Question from the Greens**
   Question: *How and when will the Pay Transparency Directive be implemented?*
   → Not yet answered

3. **May 27, 2026 – Cabinet meeting**
   Draft was not discussed and disappeared from the calendar

4. **May 29, 2026 – Articles in Die *Zeit* and *Handelsblatt*, among others**
   → Statement from the BMBFSFJ: Implementation/entry into force in Germany in early 2027 and first application of the expanded right to information and expanded reporting obligation starting (June) 2028

5. **June 7, 2026 – No transposition of the EUPTD into German law**

6. **June 24, 2026 – Cabinet meeting:** Discussion of the draft?

Pay Transparency 2.0

Overview: Necessary amendment to the EntgTranspG, among other things, due to EU Directive 2023/970 (EUPTD)

1. **Assessment parameters for work of equal value and compensation:** Readjustment of the substantive assessment for determining the amount of individual compensation components
2. **Comparable employees:** Expansion of the group of comparable employees with regard to work of equal value
3. **Persons Entitled to Information:** Expansion of the personal scope of the right to information on pay to include applicants as well as employees in an ongoing employment relationship, regardless of company size
4. **Employers subject to reporting requirements:** Extension of the reporting obligation regarding gender equality and equal pay to all companies with at least 100 employees
5. **Enforceability in court:** Refinement of the principles regarding the reversal of the burden of proof to facilitate the enforceability of employees' rights in cases of non-application of the principle of equal pay, as well as regarding related claims for damages by the employee
6. **Obligation to consult with the works council/staff council**: Extension of the obligation to conduct an internal review process to all employers subject to reporting requirements where the gap in average pay exceeds 5%
7. **Penalties for violations of the EntgTranspG:** (First-time) introduction of (administrative) fines against employers for non-compliance with the EntgTranspG's requirements regarding gender-neutral pay and transparency obligations

Status Quo as of June 7, 2026 I:
(In principle) No direct application of the EUPTD

No direct application of the EUPTD

Generally, no horizontal application in national law

Art. 288(3) TFEU

“This Directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.”

No horizontal effect of EU directives

- EU directives are generally binding only on Member States
- Member States are **obligated** with regard to the **objective to be achieved**, but are **free to choose the form and means of implementation**
- Concrete rights and obligations for companies and employees arise **only through domestic law as national law**
- Applicability to legal entities under private law, **if at all, is indirect via an interpretation** of domestic law **that complies with the directive**

No direct application of the EUPTD

...exceptionally, direct vertical effect

Requirements for direct vertical application

Implementation deadline has expired without full and correct implementation

The provision of the directive is **unconditional and sufficiently precise**

Covered employers

- Government agencies and local authorities
- Entities under state supervision
- Organizations with special rights conferred by the state
- Providers of public services in the public interest

Possible direct application of the EUPTD

- Criteria for assessing **equal or equivalent work**
  → Competencies, workload, responsibility, working conditions
- **Applicants' right to information on pay**
  → Starting pay or relevant collective bargaining classification
- **Employees' annual right to information on pay**
  - Average pay of comparable employees
  - All components of pay
- **Joint salary review** with the works council/staff council, provided the guidelines are sufficiently defined

Status Quo as of June 7, 2026 II:
Indirect Application of the EUPTD through an Interpretation of the Wage Transparency Act 1.0 Consistent with the Directive

Indirect application through interpretation in conformity with the directive

Courts as the addressees of the duty to properly implement

Limits

- Wording
- Fundamental legislative decision

Stage 2

Which interpretation is consistent with the requirements of the EUPTD?

Stage 1

Does national legislation offer several reasonable interpretations?

Indirect application through interpretation in accordance with the directive

Subjects of a possible interpretation compliant with the EUPTD Directive

Equal or equivalent work and comparable employees

Assessment of Section 4(1), (2) of the EntgTransG I (catalog of rules and examples) based on the expanded catalog in Article 4(4), sentence 3 of the EU PTD

Burden of proof on the employer

Specification of the employer's burden of proof regarding the gender-neutral structure of compensation under Section 22 AGG through the requirements of Article 18 EU PTD

Indirect application through interpretation in accordance with the directive

No subjects of a possible EU PTD-compliant interpretation

Job applicants’ right to remuneration information

No extension of the group of persons entitled to the right to remuneration information pursuant to § 10(1), sentence 1, EntgTranspG I to include job applicants

Remuneration components subject to disclosure

No extension of the information-related remuneration components specified in § 10(1), sentence 3, EntgTranspG I to all remuneration components under Art. 3(1)(a) EUPTD

Joint remuneration assessment

No joint remuneration assessment with employee representatives within the meaning of Art. 10 EUPTD

Indirect application through interpretation in accordance with the directive

No subjects of a possible EUPTD-compliant interpretation

Burden of proof regarding comparable work (and thus relevant comparable employees of the opposite sex)

The employee must identify the comparable work (Section 10(1) EntgTranspG).

No right to information if the cohort of comparable employees of the opposite sex is too small (= < 6)

Continued application of Section 12(3) of the EntgTranspG

Thinking outside the box: Implementation of the EUPTD in other EU Member States

Implementation of the EUPTD in other Member States

... Status Quo (see also: here)

Complete Country Overview

Country	Code	Status	Current Status	Transposition Approach	Expected Entry into Force
Bulgaria	BG	DELAYED	Draft bill	Total / Gold-plating	June 7, 2026
Czechia	CZ	DELAYED	Draft bill	Total / No gold-plating	January 1, 2027
Denmark	DK	DELAYED	Draft bill	Total / Gold-plating light	January 1, 2027
France	FR	DELAYED	Draft bill	Total / Gold-plating	TBC (after June 2026)
Germany	DE	DELAYED	Commission report, no draft bill yet	Partial / No gold-plating	TBC (January or June 2027)
Greece	GR	DELAYED	Draft bill – not yet published	Total / No gold-plating	TBC (after June 2026)
Ireland	IE	DELAYED	Draft bill	Partial / Minimal	TBC (after June 2026)
Italy	IT	ON TRACK	Draft bill	Total / No gold-plating	June 2026
Latvia	LV	DELAYED	Draft bill	Total / Gold-plating light	TBC (after June 2026)
Lithuania	LT	ON TRACK	Draft bill (Passed May 2026)	Partial / Gold-plating light	June 7, 2026 (partial)
Netherlands	NL	DELAYED	Draft bill	Total / Gold-plating	January 1, 2027
Poland	PL	DELAYED	Law/Draft bill	Partial / Gold-plating light	After June 6, 2027
Romania	RO	DELAYED	Draft bill	Total / Gold-plating	TBC (targeting June 2026)
Slovakia	SK	ON TRACK	Approved draft bill	Total / No gold-plating	June 2026
Spain	ES	DELAYED	Public consultation	TBC	TBC
Sweden	SE	SUSPENDED	Draft bill	Suspended	Suspended

Implementation of the EUPTD in other Member States

… an overview of the Member States that have implemented the directive on time (at least certain provisions)

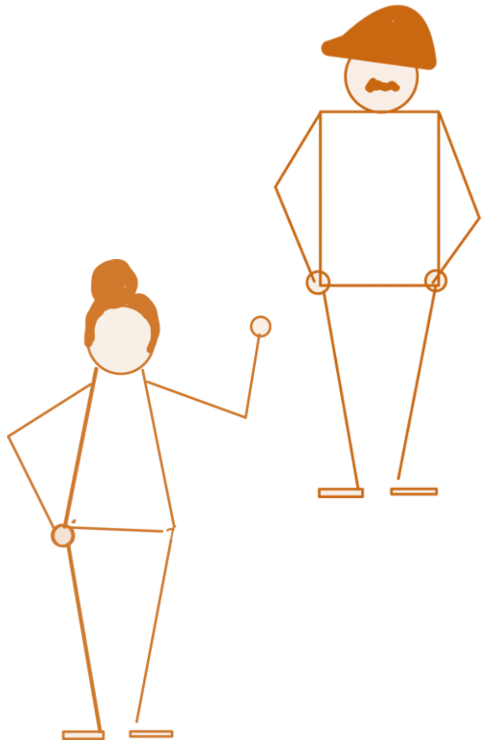
	Italy	Lithuania	Malta	Poland	Slovakia
Payroll Information for Employees	(1) Once a year (2) Focus (only) on fixed (regularly paid) compensation components	(1) No time limit (2) No restrictions on pay components	(1) No time limit (2) No restrictions on compensation components	[not yet implemented]	(1) No time limit (first applicable to 2027 compensation in 2028) (2) No restrictions on compensation components
Remuneration information for applicants	(1) Information in job postings (2) No restrictions on compensation components	(1) Information provided no later than upon signing the employment contract (2) No restrictions on compensation components	(1) Information provided no later than the start of the employment relationship (2) No restrictions on compensation components	(1) Information provided no later than before the employment contract is signed (2) No restrictions on compensation components	(1) Information provided no later than before the employment contract is concluded (2) No restrictions on compensation components
Criteria for equal/equivalent work	(1) EUPTD criteria (2) Use of collective bargaining agreements (NCBA) as a reference system	(1) EUPTD criteria (2) Mandatory introduction of a formal evaluation system	(1) EUPTD criteria (2) Mandatory introduction of a formal evaluation system (including categorization)	[not yet implemented]	EUPTD criteria
Discussion of the pay gap with employee representatives	EUPTD	EUPTD	[not yet implemented]	[not yet implemented]	EUPTD
Reporting requirement	EUPTD + biennial reporting requirement for companies with ≥ 50 employees	EUPTD	[not yet implemented]	[not yet implemented]	EUPTD + Report by April 15 of the following year at the latest; first reporting obligation for companies with 100 to 249 employees starting in 2031
Sanctions	Administrative sanctions	Fines of up to 8,000 EUR)	Fines of up to approximately 6,000 EUR	[not yet implemented]	Fines of up to approximately 8,000 EUR

Current (academic) developments in job evaluation

Is that fair?

“Until the 1970s, collective bargaining agreements contained women’s wage groups or wage reduction clauses, according to which women explicitly received less pay than men for the same work, and were thus directly discriminated against.

Even though direct pay discrimination based on gender still exists, the main problem today is that women are paid less for work of equal value, and are thus indirectly discriminated against.”



 Abridged, taken from Krell, G., Ortlieb, R., & Sieben, B. (Eds., 2011): Equal Opportunity Through Human Resources Policy: Gender Equality in Companies and Public Administration. 6th ed. Gabler.

Perspectives on Pay Equity

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Entgeltgerechtigkeit in Anlehnung an Kosiol (1962)

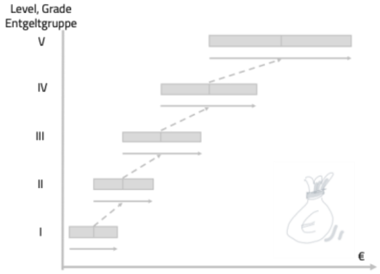
- Arbeitsmarkt
- Arbeitswert
- Leistung und Erfolg
- Soziale und andere Aspekte

Organisationsgerechtigkeit
(Robbins & Judge, 2015, S. 234)
Wahrnehmung von Fairness in der Organisation

Verteilungs-gerechtigkeit	Prozess-gerechtigkeit	Interaktionale Gerechtigkeit
Wahrgenommene Fairness von im-/materieller Anerkennung	Wahrgenommene Fairness des Prozesses	Wahrgenommener Level von Respekt im Umgang

Leistungsgerechtigkeit durch Beurteilung von Ergebnis/Prozess

Anforderungsgerechtigkeit durch Stellenbewertung (Arbeitswert)



Verfahrensgerechtigkeit in der Anwendung + Dokumentation und Messung Respektvolle Kommunikation

Marktgerechtigkeit durch Marktvergleiche

Kosiol, E. (1962). Performance-Based Compensation (2nd ed.). Dr. Th. Gabler Business Publishing. Robbins, S. P., Judge, A. T. (2015): Organizational Behavior. 17th ed.
Eisele-Wijnbergen, D. (2020): Pay Equity and the Law on Pay—What Is Meant by Fair Pay and (What) Does It Have to Do with the Law?

The foundation is the (organizational) value of work!

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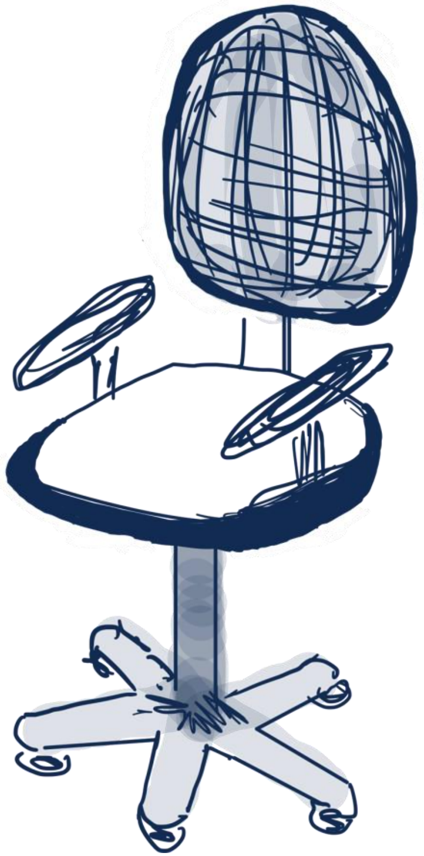
A central role is played by…

- the work value (“normal performance”).
- the position to be filled.
- creating a basis for a fair compensation system.
- internal fairness.
- establishing a job hierarchy to which salary bands are linked.
- the process.
- a participatory approach.
- a transparent method and its consistent application.

The following factors do not play a role…

- (individual) performance.
- the person performing the work.
- creating a basis for performance evaluation.
- external competitiveness.
- directly linking salaries.
- a manual.
- a backroom committee.
- statistics.



 Adapted from Choudhary, S., & Singh, G. G. (2016). Job Evaluation: a Strategy for Compensation Consistency. International Journal of Advanced Research in Management and Social Sciences, 5(5), pp. 90–100

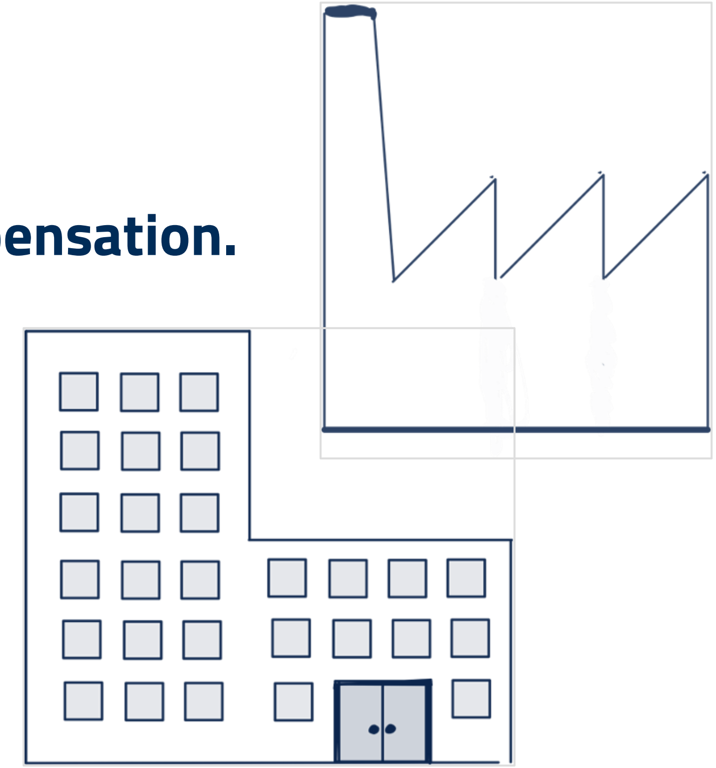
A job evaluation is conducted for this purpose

- **Job evaluation is a systematic process of assessing jobs (relative to one another) and the basis for determining compensation.**

- **Generally, jobs within an organization are ranked "lowest to highest" in terms of complexity and value.**

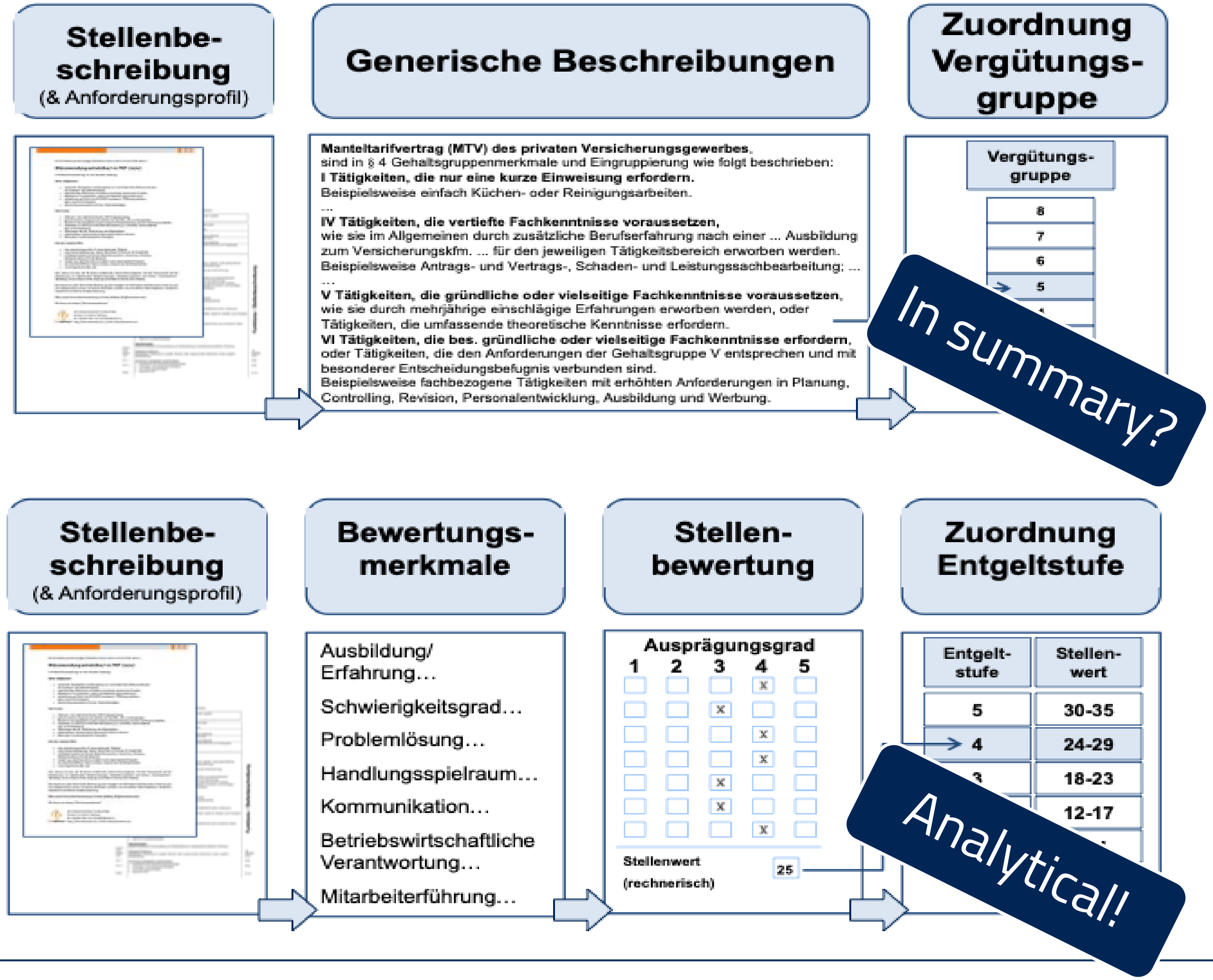
- **There are various methods of job evaluation.**

- **The following aspects are particularly important when selecting a method:**
  - **Feasibility**
  - **Comprehensibility**
  - **Acceptance**



Based on Bussin, M., & Swart-Opperman, C. (2022). *Job evaluation in the new world of work: How to achieve equal pay for work of equal value*. Knowledge Resources and Ackermann, K.-F., and D. Eisele. (2004). "Compensation Policy." In *HWP*, edited by W. Weber, pp. 698–711.

Job Evaluation Methods and Steps



EntgTranspRL
Excerpt from Article 4 IV

“Pay structures shall be designed in such a way that on the basis of objective, gender-neutral criteria agreed upon with employee representatives, where such representatives exist, it can be assessed whether employees are in a comparable situation with regard to the value of their work.*

They include skills, workload, responsibility, and working conditions, and, where applicable, any other factors
that are relevant to the specific job or position. … In particular, relevant social skills must not be undervalued.”

Eisele-Wijnbergen, D. & Lieske, D. (2022): A Practical Introduction to Human Resource Management. 8th ed. Kohlhammer
Pay Transparency Directive https://eur-lex.europa.eu/legal-content/DE/TXT/HTML/?uri=CELEX:32023L0970

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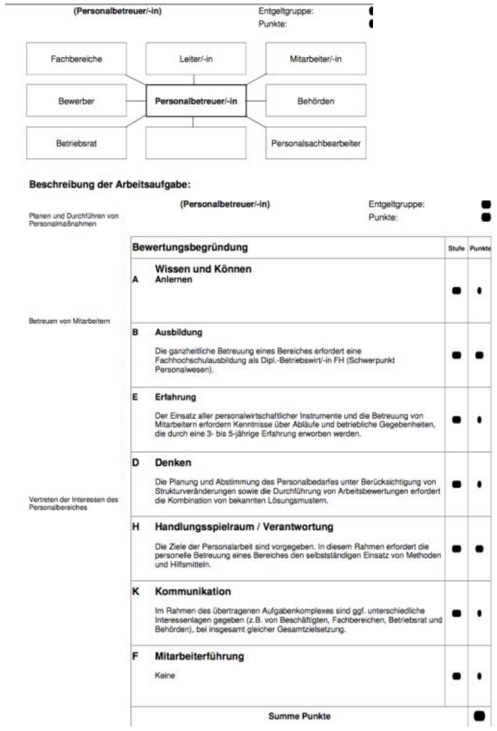
Evaluation criteria: an example



SÜDWESTMETALL
Verband der Metall- und Elektroindustrie Baden-Württemberg e.V.
ERA

Stufen der Bewertungsmerkmale

Wissen und Können

A durch Anlernen

		Punkte
A1	Kenntnisse, körperliches Können bzw. Fertigkeiten, die eine einmalige Arbeitsunterweisung und kurze Übung erfordern (Erläuterung: Anlernzeit wenige Tage).	3
A2	Kenntnisse, körperliches Können bzw. Fertigkeiten, die eine Arbeitsunterweisung und längere Übung erfordern (gemäß Tarifbeispiele i.d.R. bis zu 2 Wochen).	4
A3	Kenntnisse, körperliches Können bzw. Fertigkeiten, die eine Arbeitsunterweisung und Übung über mehrere Wochen erfordern (Erläuterung: Anlernzeit 2 – 8 Wochen).	5
A4	Kenntnisse, körperliches Können bzw. Fertigkeiten, die ein systematisches Anlernen über einen Zeitraum der Stufe A 3 hinaus erfordern, wobei das Anlernen auch die Vermittlung theoretischer Kenntnisse umfassen kann (Erläuterung: Anlernzeit 8 Wochen bis ½ Jahr).	7
A5	Kenntnisse, körperliches Können bzw. Fertigkeiten, die ein umfangreiches systematisches Anlernen über ein halbes Jahr hinaus erfordern.	9

oder

B durch Ausbildung und

		Punkte
B1	Abgeschlossene, i.d.R. **zweijährige** Berufsausbildung i.S. des BBiG.	10
B2	Abgeschlossene, i.d.R. **drei- bis dreieinhalbjährige** Berufsausbildung i.S. des BBiG.	13
B3	Abgeschlossene Berufsausbildung i.S. des BBiG und eine darauf aufbauende abgeschlossene, i.d.R. **einjährige** Vollzeit-Fachausbildung (z. B. Meister-Ausbildung IHK).	16
B4	Abgeschlossene Berufsausbildung i.S. des BBiG und eine darauf aufbauende abgeschlossene, i.d.R. **zweijährige** Vollzeit-Fachausbildung (z. B. staatlich geprüfter Techniker).	19
B5	Abgeschlossenes Fachhochschulstudium.	24
B6	Abgeschlossenes Universitätsstudium.	29

E ... durch Erfahrung

		Punkte
E1	bis 1 Jahr	1
E2	ab 1 Jahr bis 2 Jahre	3
E3	ab 2 Jahre bis 3 Jahre	5
E4	ab 3 Jahre bis 5 Jahre	8
E5	ab 5 Jahre	10

D Denken

		Punkte
D1	Einfache Aufgaben, die eine leicht zu erfassende Aufnahme und Verarbeitung von Informationen erfordern.	1
D2	Aufgaben, die eine schwerer zu erfassende Aufnahme und Verarbeitung von Informationen erfordern oder Aufgaben, die es erfordern, standardisierte Lösungswege	3
D3	Aufgaben, die eine schwierige Erfassung und Verarbeitung von Informationen erfordern, oder Aufgaben, die es erfordern, aus bekannten Lösungsmustern zutreffende Lösungswege auszuwählen und anzuwenden.	5
D4	Umfangreiche Aufgaben, die es erfordern, bekannte Lösungsmuster zu kombinieren.	8
D5	Problemstellungen, die es erfordern, bekannte Lösungsmuster weiterzuentwickeln.	12
D6	Neuartige Problemstellungen, die es erfordern, neue Lösungsmuster zu entwickeln.	16
D7	Neue komplexe Problemstellungen, die innovatives Denken erfordern; längerfristige Entwicklungstrends sind zu berücksichtigen.	20

H Handlungsspielraum / Verantwortung

		Punkte
H1	Die Arbeitsdurchführung erfolgt nach Anweisungen.	1
H2	Die Arbeitsdurchführung erfolgt nach Anweisungen mit geringem Handlungsspielraum bei einzelnen Arbeitsverrichtungen (einzelne Arbeitsstufen innerhalb einer Teilaufgabe).	3
H3	Die Arbeitsdurchführung erfolgt nach Anweisungen mit Handlungsspielraum bei einzelnen Teilaufgaben (Teil eines Gesamtauftrages oder Arbeitsablaufes).	5
H4	Die Arbeitsdurchführung erfolgt nach Anweisungen mit Handlungsspielraum innerhalb der Arbeitsaufgabe.	7
H5	Die Arbeitsdurchführung erfolgt nach allgemeinen Anweisungen mit erweitertem Handlungsspielraum innerhalb der Arbeitsaufgabe. Alternative Handlungswege bzw. Möglichkeiten sind gegeben.	9
H6	Die Arbeitsdurchführung erfolgt nach Zielvorgaben mit Handlungsspielraum für ein Aufgabengebiet. Zur Aufgabendurchführung ist der selbstständige Einsatz bekannter Methoden und Hilfsmittel erforderlich.	11
H7	Die Arbeitsdurchführung erfolgt nach Zielvorgaben mit erweitertem Handlungsspielraum für ein komplexes Aufgabengebiet.	14
H8	Die Arbeitsdurchführung erfolgt nach allgemeinen Zielen mit weitgehendem Handlungsspielraum für ein umfangreiches Aufgabengebiet.	17

K Kommunikation

		Punkte
K1	Informationseinholung und -weitergabe zur Erledigung der Arbeitsaufgabe (z. B. Auftrag entgegennehmen und abmelden, auftretende Abweichungen melden).	1
K2	Abstimmung in routinemäßigen Einzelfragen in direktem Zusammenhang mit der Arbeitsaufgabe (z.B. auftretende Abweichungen durchsprechen und abstimmen)	3
K3	Abstimmung über routinemäßige Einzelfragen hinaus bei häufig unterschiedlichen Voraussetzungen in direktem Zusammenhang mit der Arbeitsaufgabe (z. B. auftretende Abweichungen klären).	5
K4	Abstimmung und Koordinierung im Rahmen des übertragenen Aufgabenkomplexes bei gleicher Gesamtzielsetzung. Unterschiedliche Interessenlagen treten auf.	7
K5	Interessenvertretung für den übertragenen Aufgabenkomplex gegenüber Anderen bei unterschiedlichen Zielsetzungen (z.B. Gespräche Einkäufer mit Lieferant).	10
K6	Verhandlungen von funktionsübergreifender Bedeutung mit Anderen bei unterschiedlichen Zielsetzungen.	13

F Mitarbeiterführung

		Punkte
F1	Erteilen von Anweisungen unter konstanten und überschaubaren Rahmenbedingungen und Zielen.	2
F2	Erläuterung der Ziele und Abklärung der Aufgabenstellung mit Anhörung der Mitarbeiter. Sich ändernde bedingungen und deren Auswirkung sind nach Art und Umfang überschaubar.	3
F3	Erreichung eines gemeinsamen Aufgabenverständnisses zur Zielerreichung, auch bei teilweise unterschiedlicher Interessenlage. Sich ändernde Rahmenbedingungen und deren Auswirkungen sind abschätzbar.	4
F4	Gemeinsame Entwicklung von aufgaben-/bereichsbezogenen sowie individuellen Zielen bei teilweise unterschiedlicher Interessenlage. Sich ändernde Rahmenbedingungen und deren Auswirkungen sind schwerer abschätzbar.	5
F5	Gemeinsame, auf persönliche Überzeugung der Mitarbeiter ausgerichtete Entwicklung und Ausgestaltung von aufgaben-/bereichsbezogenen sowie individuellen Zielen, bei häufig unterschiedlichen Interessenlagen, mit eigenen und/oder anderen Mitarbeitern. Sich ändernde Rahmenbedingungen und deren Auswirkungen sind schwer abschätzbar, funktions- und/oder bereichsübergreifend.	7

Punkte	6 - 6	7 - 8	9 - 11	12 - 14	15 - 18	19 - 22	23 - 26	27 - 30	31 - 34	35 - 38	39 - 42	43 - 46	47 - 50	51 - 54	55 - 58	59 - 63	64 - 96
Entgeltgruppe	EG 1	EG 2	EG 3	EG 4	EG 5	EG 6	EG 7	EG 8	EG 9	EG 10	EG 11	EG 12	EG 13	EG 14	EG 15	EG 16	EG 17

+ Any allowances for additional burdens Conditions

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Evaluation criteria: an example

EU categories	Professional career	Project management	Management career
Skills	Technical expertise		
	Experience		
	Analytical skills / Problem-solving		
Responsibility	(Technical) Responsibility for employees	Project responsibility & Span of control	Span of control & group of employees managed
(Social) Skills	Organizational knowledge		
Responsibility	Processes & Complexity	Project size & project budget	Processes & Complexity
	Functional Responsibility & Scope of Decisions		Organizational responsibility & Scope of Decisions
Social skills	Communication		
Stress	Mental stress		
	Physical strain		
Working conditions	External influences		

Working conditions and stress separately!

No-Gos

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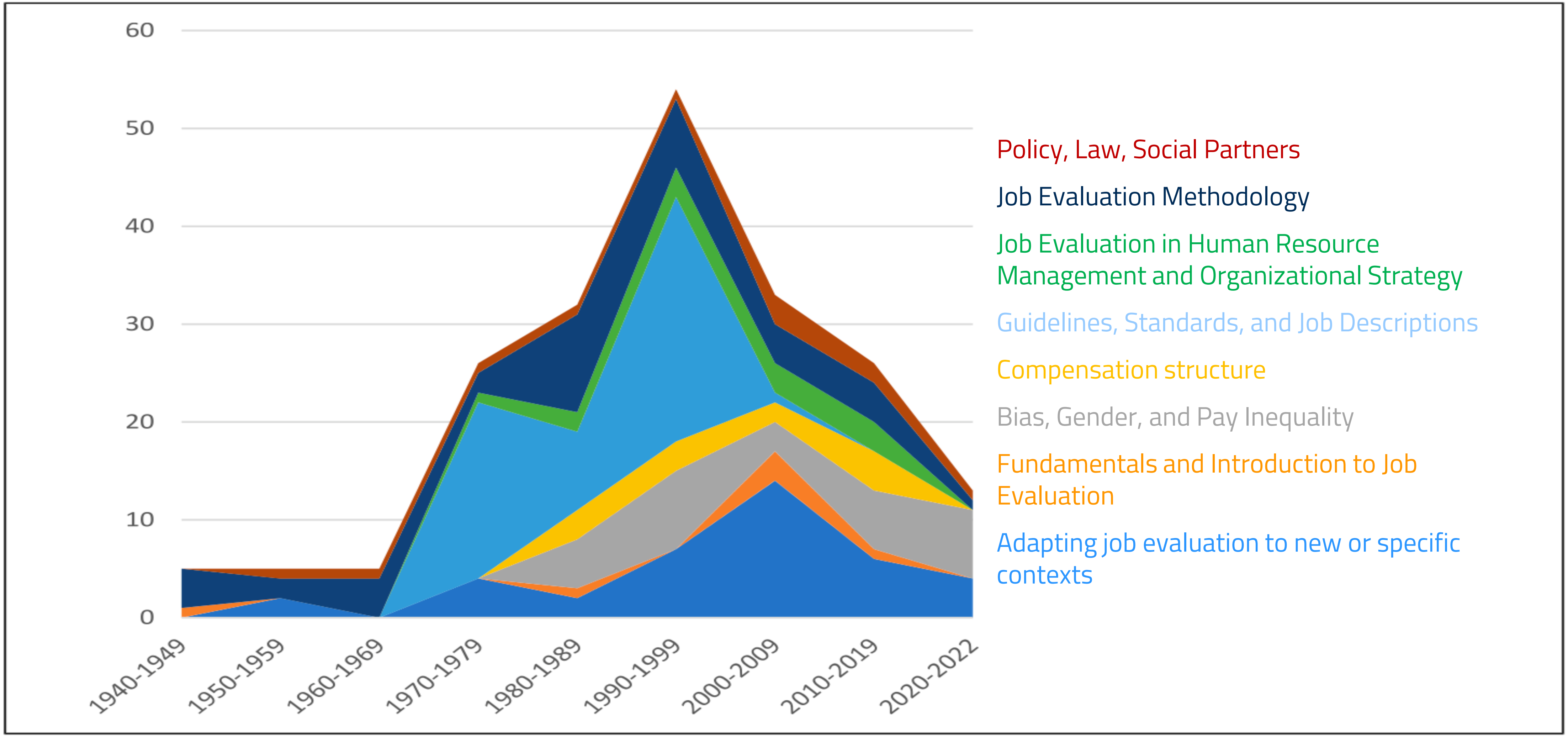
- Use of different job evaluation methods within an organization
- Using different methods for female- or male-dominated jobs
- Failure to check for gender-related biases in the evaluation factors
(e.g., a hazard pay allowance for lifting objects, but not for lifting people)
- Failure to consider social skills, social responsibility, or emotional demands
(e.g., technical problem-solving is included in the criteria list, but not social problem-solving)
- Double counting of individual requirements due to overlapping criteria
(e.g., Rummler case C-237/85 [1986] ECR 2101 with “necessary muscular strength” and “continuous physical strength”)
- Unjustified imbalance of criteria typically associated with female- or male-dominated occupations (responsibility for equipment and machinery is highly weighted, responsibility for people is low)
- …

Based on European Commission. (2013). *Report from the Commission to the European Parliament and the Council: Report on the application of Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast)* (COM(2013) 861 final).

An established but under-researched field



Job evaluation topics in the academic literature over the years (N = 199)

van de Glind, I., Mulder, R., Akkerman, A., van der Biezen, M., Bootsma, J., Finnema, E., Heerma van Voss, L., Mouter, N., van Rooij, J., & van de Ven, G. (2025). Mapping the Literature on Job Evaluation: A Scoping Review. Compensation and Benefits Review, 57(1), 24–46

What do stricter regulations mean?
International longitudinal studies* suggest that…

- **the actual gender pay gap is reduced through the consistent enforcement of strict rules, as measured by the adjusted gender pay gap.**

- greater transparency leads to a reduction in pay inequality among employees overall, as lower-paid employees are empowered to renegotiate.
  → This means there will (initially) be an upward trend, accompanied by lower satisfaction.

- In the longer term, however, the bargaining power of employees as a whole appears to be declining. Presumed background: Employers show less willingness to pay particularly high wages in individual cases to avoid costly new or renegotiations with others
  —and because they have a better overview of the market.
  → In the long term, this could result in a (slight) countervailing equalizing that is slightly below a scenario with lower transparency.

**Ceballos, M. et al. (2022): Pay Transparency across Countries and Legal Systems, in: ifo Institute – Leibniz Institute for Economic Research, 2, 3–11; Cullen, Z. (2023): Is Pay Transparency good? Working paper HBS, 1–33; Holtzen, S. (2022): Exploring secrecy in pay communication, in: Employee Relations: The International Journal, 1448 ff.*

Q&A

Thank you very much

for your attention

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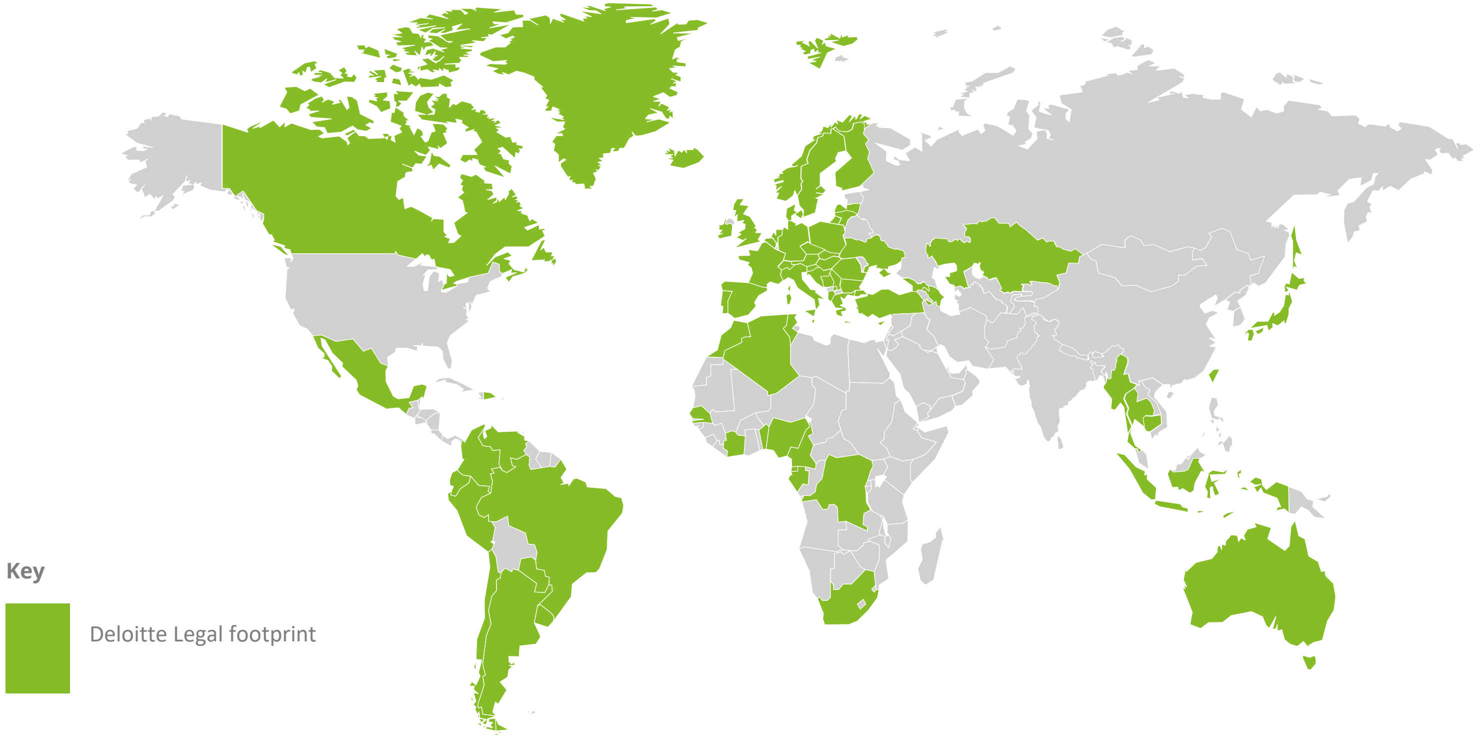

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Annex

Final Report of the Commission dated October 24, 2025, on the streamlined implementation of the EUPTD into the EntgTranspG

Pay Transparency 2.0

Employees entitled to information (AN), employers obligated to provide information (AG), and extended scope of information

Pay Transparency Act 2017

Sections 10 et seq. of the EntgTranspG:

- **Employees' right to information:** Right to information regarding comparable employment to be specified by the employee: (1) average monthly gross pay and up to two individual pay components with respect to the pay regulations in the same employer's establishment, (2) time limit of a two-year information cycle (Sections 10 et seq.)
- **Parties obligated to provide information**: Employers for establishments generally with more than 200 employees (Section 12(1))
- **Assertion of the right to information:** (1) For employers bound by collective agreements / applying collective agreements: through the works council, (2) direct claim only against employers not bound by collective agreements (Sections 13 et seq.)

Expanded requirements of the Pay Transparency Directive 2023

Art. 5 et seq. Remuneration Directive 2023:

- **Job applicants' right to information**: Right to information regarding starting pay and applicable collective bargaining provisions (Art. 5)
- **Employees' right to information**: Right to information regarding individual income and average income, (1) broken down by gender and for groups of employees performing the same or equivalent work, (2) no limitation to individual pay components, (3) no time limitation (Art. 6, 7)
- **Parties Obligated to Provide Information**: All employers (regardless of company size)
- **Exercising the right to information**: Employee's right to choose: (1) directly from the employer, (2) through the works council, (3) through the equal treatment body (Art. 7, paras. 1 and 2)
- **Mechanism to ensure the exercise of information rights**: Employers must actively inform employees annually about the right to information and the application procedure (Art. 7(3))

Commission report

- **Formation of comparison groups**: (1) Clear explanation of how comparison groups are formed to minimize follow-up inquiries; (2) Exclusion of former employees; (3) Retention of the limit set forth in § 12(3) EntgeltTransG
- **Content of the information:** total gross remuneration paid during the same period of the previous year, broken down into gross annual remuneration and corresponding gross hourly remuneration (no breakdown into individual remuneration components)
- **Limitations:** (1) once a year; (2) expires 3 years after the entitlement arises
- **Privileges for companies bound by collective bargaining agreements:** (1) Information limited to the collective bargaining group of the person requesting the information; (2) extended deadlines for responding to inquiries
- **And what else?** (1) Information forms; (2) Information in written form; (3) Works council as messenger

Pay Transparency 2.0

Reporting obligation extended to AGs; reporting cycle and period extended

EntgTranspG 2017

Sections 21 et seq. of the EntgTranspG

- **Reporting companies:** Companies (1) that generally have more than 500 employees and (2) are required to prepare a management report in accordance with §§ 264 and 289 HGB (corporations and partnerships with legal entities as partners, § 21)
- **Reporting cycle and reporting period:** (1) Companies bound by collective agreements vs. companies applying collective agreements: every five years with a five-year reporting period; (2) Companies not bound by collective agreements: every three years with a three-year reporting period (§ 22)

Extended requirements of the EUPTD

Art. 9 EUPTD

- **Companies subject to reporting requirements:** Companies with more than 100 employees (regardless of legal form; optional for companies with fewer than 100 employees)
- **Reporting cycle and reporting period:** (1) annual reporting requirement for companies with more than 250 employees, (2) three-year reporting requirement for companies with between 100 and 249 employees

Commission report

- **Reporting Entities**: (1) Consolidation of reports by the parent company; (2) Cross-company aggregation of individual indicators (mandatory); (3) No extension to AGs with fewer than 100 employees
- **Reporting format and presentation**: (1) in text form; (2) harmonization with CSRD reporting to avoid duplication; (3) standardization through digital templates and analyses; (4) certification of tools largely rejected
- **Involvement of works councils in reporting**: only "consultation on the accuracy of the information" (Art. 9(6) EUPTD) – no equal participation
- **Companies without works councils**: (1) no obligation to establish a new representative body; if necessary, a representative should be selected from among the employees; (2) no state authority or equal treatment body to be established
- **And otherwise?:** Secure, automated interfaces for data transfer (such as DATEV)

Pay Transparency 2.0

Report content (extended)

EntgTranspG 2017

Sections 21 et seq. of the Pay Transparency Act

Report content: Presentation of

(1) measures to promote gender equality,

(2) measures to achieve equal pay for women and men,

(3) quantitative data (broken down by gender) on the average total number of employees as well as on the average number of full-time and part-time employees (Section 21)

Extended requirements of the EUPTD

Art. 9 EUPTD

Report content: Presentation of:

(1) gender-specific pay gap,

(2) gender-specific pay gap for supplementary or variable components,

(3) average gender pay gap,

(4) average gender pay gap for supplementary or variable components,

(5) Proportion of employees receiving supplementary or variable components,

(6) Proportion of employees in each pay quartile,

(7) Gender-specific pay gaps among employees within groups of employees, broken down by regular base pay or salary as well as by supplementary or variable components

Commission report

- **Clarification of the definition of remuneration:** (1) Actual remuneration vs. target remuneration; (2) Sum of all remuneration components (exceptions: remuneration not corresponding to work performed; minor benefits such as discounted cafeteria meals, stock options not granted by the contracting employer, etc.)
- **Report content:** (1) Gross annual remuneration broken down into base pay and all other and variable components (not all components listed separately); (2) Gross hourly pay (contractual vs. actual working hours); (3) Based on full-time equivalents; (4) Indicators broken down by employment status; (5) Support for differentiating between employees covered by collective bargaining agreements and those not covered
- **Calculation of the gender pay gap:** The basis should be the actual gross annual pay and gross hourly pay (actual, not target compensation)