

Comments by **Chris Weaver**, Associate in the Employment Department at Payne Hicks Beach first published by Financial Times online on 6 April 2018 and reproduced with kind permission [https://www.ft.com/content/f47ce522-38e1-11e8-8eee-e06bde01c544?FTCamp=engage%2FCAPI%2Falert%2FChannel\\_signal%2F%2FB2B](https://www.ft.com/content/f47ce522-38e1-11e8-8eee-e06bde01c544?FTCamp=engage%2FCAPI%2Falert%2FChannel_signal%2F%2FB2B)

# FINANCIAL TIMES



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## Gender pay gap

### Warning to companies that missed gender pay deadline

Tough sanctions threatened for 1,500 corporate data defaulters



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Barney Thompson, Billy Ehrenberg-Shannon and Aleksandra Wisniewska YESTERDAY

Hundreds of companies that failed to file **gender pay gap data** before this week's deadline must be forced to comply or face tough sanctions, the parliamentary equality committee demanded on Thursday.

About 1,500 qualifying companies missed Wednesday's midnight deadline, according to **the Equality and Human Rights Commission**, which is overseeing compliance with the rules.

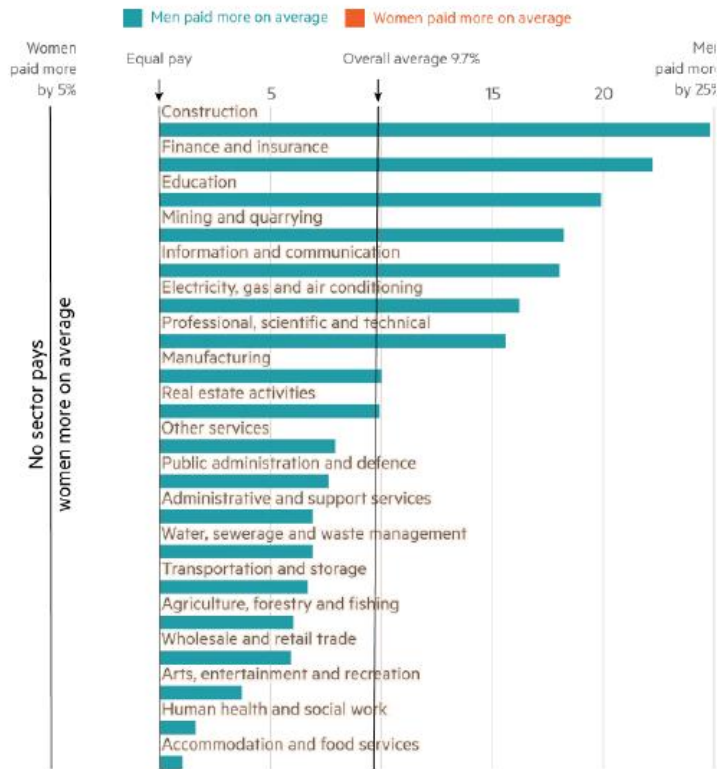
Under rules introduced last year, UK employers with 250 or more workers are required to report the difference between what they pay men and women.

Maria Miller, the MP who chairs the Commons women and equalities committee, said making sure those companies that had not filed would comply with the law was "a real test" of the EHRC "and they need to get it right".

She added that her committee would be asking for monthly progress reports of action taken against non-reporting organisations. "I will want to make sure that any companies that haven't complied are taking the appropriate action and that this issue is not simply kicked into the long grass."

## No sector pays women more, on average, than men

Average median pay gap by sector\* (%)



\*Sectors with fewer than 25 companies reporting excluded.

FT graphic and analysis Aleksandra Wisniewska; Billy Ehrenberg-Shannon Source: Govuk

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The EHRC had “open, clear routes” to taking legal action, including unlimited fines, Ms Miller said. “They have to do that, and not fall into the trap of bending over backwards to work with companies who have no intention of complying with the law.”

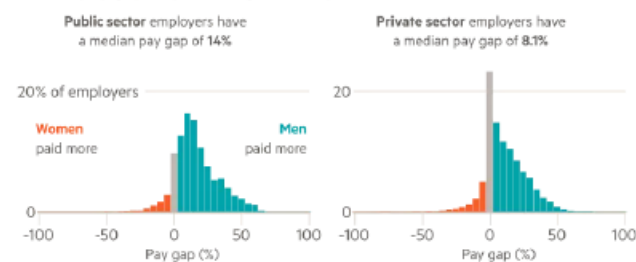
The EHRC said: “We have a strong record of legal success and using our legal powers in the most effective way.”

With more than 10,000 private and public sector employers hitting the deadline, **the figures showed** that more than three-quarters of UK companies pay men more than women, with an average pay gap of 9.7 per cent.

The private sector overall performed better than the public sector, with average median pay gaps of 8.1 per cent and 14 per cent, respectively.

## Public sector has a wider gap than the private sector

Gender pay gap vs percentage of companies



Source: Govuk  
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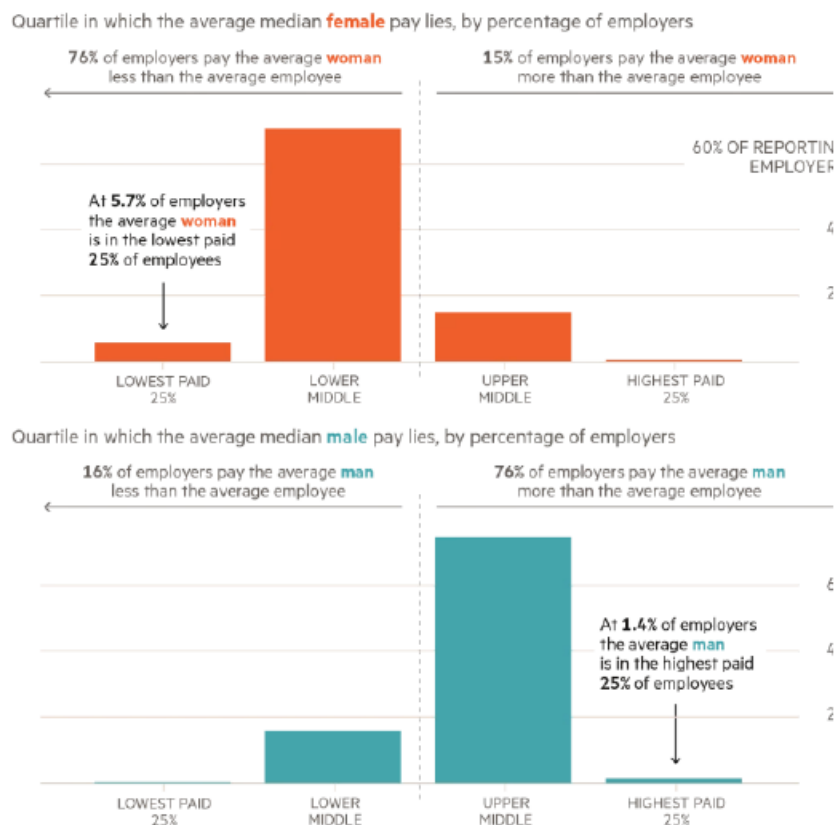
On Monday, the commission will begin writing to employers who have missed the deadline and give them 28 days to do so before launching an investigation. It can obtain court orders to get companies to obey and, if that does not work, seek further court action that can ultimately lead to unlimited fines.

Chris Weaver, an employment lawyer at Payne Hicks Beach, said the EHRC’s initial approach would be to “seek to persuade rather than rush in to fine”. But he added that the reputational risk of failing to report the pay gap data was as much of an incentive.

“This is a hot topic at the moment. The highest levels of government, including Theresa May, have spoken of a desire to address this issue. It is key for organisations to be seen to be complying.”

One problem facing the EHRC will be assessing exactly how many organisations have or have not reported their gender pay gap data, given that there is some confusion over the numbers.

### More than three-quarters of employers pay the average woman less than the average employee

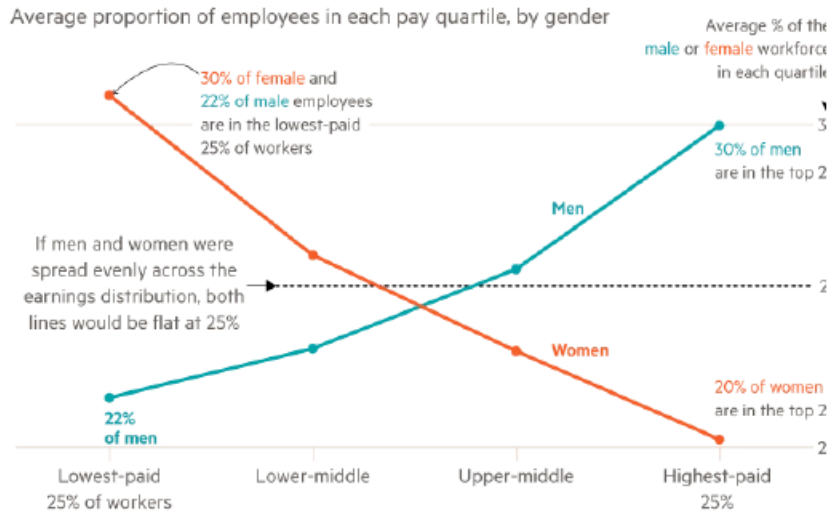


Employers with no pay gap are excluded  
 FT graphic and analysis Cale Tiltford; Billy Ehrenberg-Shannon  
 Source: Gov.uk  
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The Government Equalities Office, which manages [the portal where gender pay gap data are registered](#), originally estimated a total of 9,000 entities. On Thursday, however, 10,147 had done so — with both public and private sectors overshooting expected numbers.

In addition, some companies have reported data that is statistically unlikely, such as having a zero average gender pay gap measured by both the mean and median. Several companies have resubmitted their figures as a result.

### Why it pays to be a man



FT graphic and analysis Billy Ehrenberg-Shannon;  
Source Gov.uk  
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