

Checklist

Assess your EU Pay Transparency Directive readiness



With the EU Pay Transparency Directive now in force across EU member states, many organisations assume this is a Total Rewards or Legal issue. In reality, talent acquisition has a much bigger role to play.

Use our interactive checklist below to assist in evaluating your level of readiness for this Directive that’s taken effect, and learn ways to better prepare for ongoing changes.

Disclaimer: This is a general guide for informational purposes only. This is not legal advice and should not be relied on alone to assess your company’s risk or compliance with the Directive. Please be sure to evaluate all requirements with your legal department or outside legal counsel, as regulations constantly evolve.

1. HAVE YOU ASSESSED WHETHER THE DIRECTIVE APPLIES TO YOU?

Effective June 2026, the Directive applies to all employers (public and private sector) with workers in the EU, regardless of size. To confirm if it applies to your company, check all that apply:

- Employ workers located in any of the 27 EU member states (subject to local implementation)

Use an Employer of Record (EOR) or staffing agency to employ workers in any of the 27 EU member states (while the legal compliance responsibility lies with the employer, the client company using the service retains significant practical responsibility since it sets compensation and defines the role)

Is the member state where you currently employ workers one of the few with specific, complete Directive legislation? If not currently, do you have a plan or partner to keep you up to date and informed as new member states add their own local legislation?

2. ARE SALARY RANGES READY TO BE DISCLOSED?

The Directive requires employers to provide pay information to candidates before employment. Ask:

- Do you have salary ranges established for all roles?
- Are those ranges documented and approved?
- Are you prepared to include pay ranges in job adverts or before interview, depending on local requirements?

3. HAVE YOU STOPPED ASKING ABOUT SALARY HISTORY?

Employers are no longer permitted to ask candidates about their current or previous pay. Ask:

- Have application forms been updated to exclude salary disclosure questions?
- Have recruiters and hiring managers been trained and candidate screeners updated?
- Have third-party recruitment partners removed salary history questions?

4. CAN YOU EXPLAIN HOW PAY IS DETERMINED?

Employees have the right to understand the criteria used to determine pay progression. Ask:

- Are job architectures and grading frameworks in place?
- Are promotion criteria documented?
- Can managers articulate how pay decisions are made?

5. HAVE YOU CONDUCTED A PAY EQUITY ANALYSIS?

This is often the biggest piece of work, since it requires gathering data points and insights that may not be readily available. Ask:

- Have you analysed gender pay gaps by category of worker?
- Have you identified any unexplained differences?
- Do you have an action plan to address gaps?

6. ARE YOU READY FOR EMPLOYEE INFORMATION REQUESTS?

Keep in mind employees can request information about both their own pay level, and average pay levels for comparable employees by gender. Ask:

- Do you have a process to respond to these requests?
- Who owns the process (HR, Total Rewards, Legal)?
- Can your systems produce the required data?

7. DO YOU KNOW YOUR PAY GAP REPORTING OBLIGATIONS?

Employers meeting employee thresholds will have mandatory gender pay gap reporting obligations. Check if any of the current Directive reporting thresholds apply to you:

- 250+ employees: annual reporting beginning 7 June 2027 (2026 data)
- 150–249 employees: every three years beginning 7 June 2027 (2026 data)
- 100–149 employees: every three years beginning 7 June 2031 (2030 data)
- Fewer than 100 employees: no mandatory reporting currently, however member states may require it

Ask:

- Have you confirmed the thresholds in each country where you operate?
- Have you identified who will prepare and sign off reports?

8. HAVE YOU IDENTIFIED “WORK OF EQUAL VALUE”?

This concept goes beyond identical job titles. Ask:

- Do you have a job evaluation methodology?
- Have you grouped employees into comparable categories?
- Is your approach legally defensible?

9. HAVE YOU REVIEWED TECHNOLOGY AND DATA QUALITY?

Many organisations struggle here to gain insights from dashboards and other KPIs. Ask:

- Can your HRIS generate the necessary reports?
- Is gender data complete?
- Are compensation records accurate and consistent across countries?

10. WHO IS LEADING THE PROGRAMME?

A surprising number of organisations haven’t clarified ownership. Ask:

- Is there an executive sponsor?
- Is there a cross-functional working group involving HR, Total Rewards Talent Acquisition, Legal and Data teams?
- Is there a documented implementation roadmap?

Results

How many checkmarks did you get?

<15

If you checked <15 out of 32, you have a **low** level of readiness. It’s important to identify ownership and put an action plan into place to make sure you have the right data and information readily available.

16 - 24

If you checked at least 16 out of 32, you have a **medium** level of readiness. You’ve prepped some areas of your business but could use an extra eye to make sure no requirements are missed.

>25

If you checked 25+ out of 33, congratulations, you have a **high** level of preparation for the Directive! You’re in a good place based on today’s information, but it never hurts to double check your data and processes and to futureproof for updates.

No matter what your score today, remember that implementation of the Directive, along with compliance requirements and enforcement, are still evolving in each member state, so **don’t rely on today’s information alone**. As a best practice, it’s critical to implement a plan to regularly receive and review updates for ongoing changes and regulations across the EU.

After completing this checklist, if you need more help assessing what you need to be prepared for this Directive and others in the future, we’re always available for a chat.

Contact us

