



EU Pay Transparency: What you need to know

A quick-start guide for Reward
and Benefits leaders

EU Pay Transparency: What you need to know

Pay transparency is coming.

From 2026, the EU's Pay Transparency Directive will require large employers to publicly report pay and benefits data. You'll need to collect, organise and explain compensation across your entire workforce, including bonuses, pensions, equity and non-cash benefits. This guide outlines what's changing and how to start preparing.



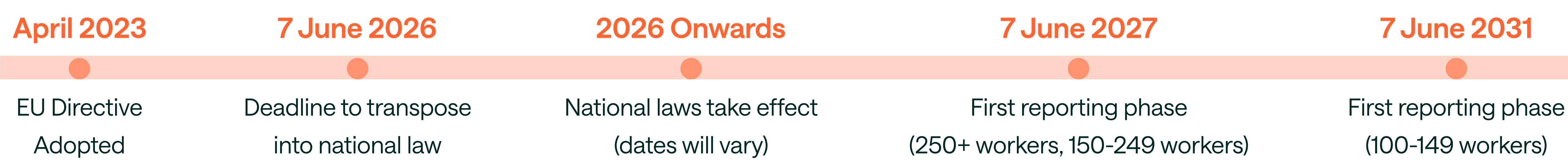
Who's impacted?

If you operate in the EU and employ more than 100 people (FTE, part-time, or fixed-term), you must comply. Your first reporting deadline depends on headcount:

250+ employees	Reporting required from June 2027 and must be completed annually
150–249 employees	Reporting starts June 2027 and must be completed every three years
100–149 employees	Reporting required from June 2031 and must be completed every three years

⚠️ Some countries (like Ireland and Belgium) are going further, check your local requirements.

Key Dates



What's Changing (and What You Must Report)

Directive requirement

An expanded definition of compensation

What employers must do

Report all compensation, not just salary. This includes bonuses, pensions, equity, allowances, and non-cash benefits like insurance and wellness stipends.

Transparency in hiring & employee rights

- Provide a salary range in the published vacancy notice or prior to the job interview.
- Drop salary-history questions.
- Provide anonymised comparative pay data on request.

Enhanced pay gap reporting

Report detailed pay gap metrics, including:

- Mean and median gender pay gaps.
- Gender gaps in complementary and variable parts of pay.
- Gender gap across pay quartiles.
- Gender gap across categories of workers.
- 5%+ gaps must trigger joint assessment with employee reps.

Data is your new compliance currency.

Every figure - from flex allowances to equity awards - must flow into one auditable source of truth. If your rewards data sits in multiple spreadsheets, now's the time to consolidate.



Preparation Checklist



Your practical roadmap to meet the Directive:

✓ 1 . Map & Evaluate Roles

- Build or refresh your job architecture: group roles by **equal work, similar work, or equal value**.
- Use a points-factor or analytical grading tool; log evidence so you can defend every grade.
- Match each role to a **worker-category code** you will use in reports.

✓ 2 . Run a Gap Diagnostic

- Export **total compensation** (salary + bonuses + benefits) from HRIS, payroll, and benefits systems.
- Split by location, worker category, and gender.
- Calculate mean, median, quartile, and category gaps; **flag categories that are >5%**.

✓ 3 . Build Your Action Plan

- For every >5% gap, record a root-cause note (market premium, office location, etc.).
- Model remediation scenarios - budget, timeline, comms impact.
- Draft the joint assessment template you'll share with employee reps if a gap persists.

✓ 4 . Review Pay Bands & Policies

- Align inconsistent ranges; freeze or top-up outliers.
- Publish a **pay-progression matrix**: steps, criteria, review cadence.
- Update recruiter and manager guidelines to ban salary-history questions and include ranges in every posting.

✓ 5 . Train Managers & Communicate

- Appoint an executive sponsor to approve budgets, sign off on data quality, and chair quarterly pay gap reviews.
- Train managers on salary-range disclosure, data request SOPs, and how to navigate tough conversations.
- Create a centralised space for employees to view their total compensation and submit pay data requests.

✓ 6 . Monitor & Report

- Schedule automated extracts from HRIS, payroll, and benefits platform into one audit file.
- Review gap quarterly; log decisions.
- Pulse-survey employee trust and perception over time; adjust comms.

Stay compliant with Ben's Total Reward Statement (TRS)

Ben's TRS gives you the tools to handle pay transparency with confidence:

- See total compensation across salary, equity, and benefits in one place
- Control how and when employees access pay data
- Get real-time alerts and audit-ready exports
- Integrate with your HRIS to report by location and job category

Want to see TRS in action?

[Book a Demo](#)

