

## Essential Tips for Equal Pay Policy and Audits

### Why audit?

The Equality Act 2010, outlined that employers with over 250 employees should measure and publish their gender pay data. A voluntary scheme since its 2011 introduction has seen only 5 employers actually publishing their data.

From October 2014, tribunals could order employers guilty of gender pay discrimination, to conduct a full equal pay audit.

In March 2015, a debate in the House of Lords has commenced which will potentially make it mandatory for employers with over 250 employees to publish their data. **That could come into force in the next 12 months.**

### The cost of getting it wrong

The cost of getting it wrong can be astronomical. A landmark case brought by 11,000 employees has seen Birmingham City Council agreeing to settle out of court. As employees can claim 6 years' back pay, the cost of getting it wrong for them has already exceeded £1.1bn in payouts and they are continuing to deal with claims.

To keep your organisation safe and ahead of the game, use the following tips to establish your policy and conduct your audits now.

### 4 Tips for formulating Equal Pay Policy:

1. Review your recruitment procedures and ensure fair and equal selection.
2. In establishing new job offers, ensure you compare salaries of other people and groups doing similar work so you ensure the offer is justifiable and not discriminatory to other workers.
3. Establish a policy to conduct an annual Equal Pay Audit.
4. Extend your audits to also cover disability, race, age and gaps in hourly pay between full and part time workers in addition to gender.

### 7 Tips for conducting Equal Pay Audits:

1. Scope your audit and the data that you will need to carry it out.
2. Identify the people or groups doing similar work.
3. Conduct your audit to identify any discrepancies.
4. Review discrepancies to establish if any are justifiable.
5. Keep a full record of your analysis and any notes for justification of differences.
6. Formulate an action plan based on your findings and what you are going to do to rectify any discrepancies that are not justified.
7. Review and monitor your progress.

If you need help or advice, contact us at [www.morganredwood.com](http://www.morganredwood.com) or on 0845 880 1811.