

# Gender pay gap reporting

## April 2017



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### Background

The gender pay gap shows the difference between the average (mean or median) earnings of all male and all female employees. It is expressed as a percentage of men's earnings – if an organisation has a pay gap of 15 per cent this means that women's average earnings are 15 per cent less than men's.

The gender pay gap is not the same as equal pay. Equal pay is about ensuring men and women doing similar work or work that is different but of equal value (in terms of skills, responsibility, effort) are paid the same. A gender pay gap could reflect a failure to provide equal pay but it usually reflects a range of factors, including a concentration of women in lower paid roles and women being less likely to reach senior management levels.

### Gender pay gap reporting regulations 2017

New regulations that take effect on 31 March 2017 require all public sector organisations in England employing 250 or more staff to publish gender pay gap information. GP practices and most CCGs (clinical commissioning groups) are likely to be exempted because of their size.

Large private and voluntary sector organisations in England, Wales and Scotland, are also obliged to publish gender pay gap information with effect from 6 April 2017. This guidance focuses on the requirements for public sector organisations, but the requirements for all sectors are similar.

The new legal requirement for reporting follows a 2016 Government consultation, which the BMA submitted a [response](#) to.

The potential benefits for employers of publishing the information are:

- It provides an initial indication of gender equality in the workplace and it should encourage them to consider what they can do to address the underlying issues, including training and support for women (eg mentoring, coaching and leadership skills), improving flexible working opportunities and return to work support.
- Addressing the gender pay gap will help organisations attract, retain and develop the talent within their workforce.
- Being transparent will help demonstrate employers' commitment to equality, encourage staff to contribute to the dialogue and strengthen their engagement with the organisation.

### Gender pay gap reporting regulations for the public sector in the devolved nations

In 2012 the Scottish Government introduced legislation requiring all public sector organisations employing 150 or more staff to:

- Publish information on their gender pay gap every two years – calculated by working out the difference between the female and male mean hourly pay rate.
- Publish an equal pay statement every four years, including information on occupational segregation, which sets out how they plan to achieve equal pay for their staff.

In 2016 **the Scottish Government** reduced the threshold for gender pay gap reporting to organisations employing more than 20 staff. More information about reporting in Scotland can be found on the [Close the Gap website](#).

In 2011 **the Welsh Government** introduced legislation requiring all public sector bodies to publish:

- Annual information about its employees by protected characteristic. In relation to male/female employees, the information should be broken down by job, grade, pay, contract type and working pattern.
- An equality objective, addressing any gender pay difference identified or publishing reasons why it has not done so. It must also publish an action plan setting out how it plans to address any identified pay gap. [More information about Wales.](#)

In **Northern Ireland** there are no public sector gender pay gap reporting regulations.

### What information are organisations required to publish?

Employers will be required to publish six gender pay gap measures:

1. **Mean pay gap** – the difference between the mean hourly rate of pay (excluding overtime) of male and female employees
2. **Median pay gap** – the difference between the median hourly rate of pay (excluding overtime) of male and female employees
3. **Mean bonus gap** – the difference between the mean bonus paid to male and female employees who received a bonus in the relevant pay period
4. **Median bonus gap** – the difference in the median bonus pay for male and female employees who received a bonus
5. **Bonus distribution by gender** – the proportions of male and female employees who received bonus pay
6. **Pay distribution by gender** – the proportion of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands.

The measures are calculated using a 'snapshot date'. This means employers need to base their calculations on a comparison of pay for all male and all female employees in the pay period that includes the snapshot date of 31 March 2017 for public sector organisations (and on the same date every year subsequently).

### What is included in the pay comparisons?

Areas of pay to be included in the mean and median gender pay gap calculations are:

- Basic pay
- Pay for leave, including annual, sick, maternity, paternity, adoption or parental leave except where an employee is paid less than usual (eg statutory pay only, or nothing because of being on leave)
- Area and other allowances, eg London weighting or recruitment and retention premiums
- Shift premium pay (defined as the difference between basic pay and any higher rate paid for work during different times of the day or night)
- Bonus pay – remuneration that relates to performance, productivity, incentive, commission or profit-sharing. Any bonus pay received over the 12 months prior to the snapshot date needs to be included. Doctors' clinical distinction/excellence awards will be regarded as bonus pay under the regulations.

The following are excluded from the calculations:

- Overtime pay – this could include consultants' waiting list initiative payments
- Redundancy pay and other pay relating to termination of employment
- Expenses
- Payments into salary sacrifice schemes
- Pensions.

Part-time as well as full-time employees are included the calculation. If an employer uses job-share arrangements then every individual doctor within a job-share counts as one employee each.

Pay for doctors who work as locums are covered by their employing organisation. If locums are directly employed by a trust their earnings should be included in the trust's gender pay gap report, but if they are employed by a private agency their earnings should be included in the agency's report.

### Calculating hourly pay rates

The mean and median gender pay gaps are based on a comparison of hourly pay. So all the elements of pay for the relevant pay period need to be added up then divided by an employee's normal contractual working hours. For doctors working variable hours, their average working hours in the 12 weeks preceding the relevant pay period have to be used. Hours where a doctor is required to be on call, awake and available must be included. However, hours of paid or unpaid overtime are not included in the calculation.

### Publishing gender pay gap information

Employers must publish the information within one year of the snapshot date (ie by 30 March 2018 and by the same date every subsequent year). It must be published on the NHS hospital/trust website in a way that is accessible to employees and the public. It must be retained on the website for three years. The report must also be uploaded to a Government website, which will be launched in April 2017.

There is no legal requirement to publish any accompanying narrative or commentary to explain what the figures mean, what the employer believes are the factors behind the gender pay differences and what they intend to do to close the gap. However, guidance produced by ACAS and GEO (the Government Equalities Office) emphasises the importance of employers producing a supporting narrative.

The [Equality and Human Rights Commission](#) will be responsible for monitoring how public bodies are complying with the reporting requirements and can take enforcement action.

### The gender pay gap for doctors

The information that employers are required to publish under these regulations will be for the whole organisation. Employers are not required to publish information on pay gaps by grade or occupation.

The overall workforce figures for an NHS hospital or trust will be of limited use in understanding the factors behind the pay gap for doctors. The BMA argued strenuously in our consultation response that the complexity of doctors' pay arrangements necessitates a breakdown by staff group and more detailed analysis. In addition, the pay distribution that employers are required to publish will only be by pay band quartiles. It is likely that all doctors will fall in the upper pay quartile so it will tell us little about the pay distribution of men and women within the profession.

However, as outlined above, employers will have to do detailed calculations to work out the hourly pay of male and female employees before comparing the average pay and bonuses for all employees. They should easily be able to produce pay gap information for doctors only, as well as for the whole workforce. So they could go beyond the legal requirement and publish this information too, or at least share it internally with doctors and BMA representatives. The reasons for the national gender pay gap in medicine will be scrutinised in a separate independent review which the Government has committed to (see box on **page 4**).

### What action can doctors take?

- Ask your employer what action they are taking to prepare for gender pay gap reporting. Ask them now whether they plan to produce more detailed information than is required by law – eg can they break the information down for doctors only, and will they provide a narrative alongside the figures?
- Discuss with local BMA representatives and staff – include this on the agenda for meetings and forums.
- Once your employer has published its pay gap information, see how this compares to other similar employers (this will be possible by looking at employer websites or the Government gender pay gap reporting website that launches in April 2017). Ask about plans to discuss the findings with staff and what action the employer plans to take to address gender pay differences.

### Independent review of the pay gap for doctors

A gender pay gap has long been identified in medicine. In 2004 male doctors [earned 21 per cent more](#) than their female colleagues. By 2016 the gap had grown to [30 per cent](#). This is higher than the pay gap for chief executives and senior officials and significantly above the national average (18 per cent).

A major factor behind the gap in medicine (and many other careers) is the unequal impact of family and caring responsibilities on men and women. Women are more likely to have career interruptions, to work part time or to work in areas with more family-friendly working hours. Women are also less likely to progress to more senior, higher paid posts, or to apply for or receive clinical excellence awards.

In July 2016, the Secretary of State for Health [announced an independent review](#) of how the gender pay gap can be eliminated in medicine. This review is currently being set up and the BMA hopes it will cover many of the issues identified above.

### Where can I find more information?

[Gender pay gap reporting regulations for English and cross-border public sector organisations](#); Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017  
[ACAS and GEO guidance](#)  
[BMA response](#) to government consultation on gender pay gap reporting

### Other useful websites

[NHS Employers' information on gender pay gap reporting](#)  
[Equal Pay Portal](#)

If you would like more information about the gender pay gap and the new reporting requirements email the BMA's Equality, Inclusion and Culture team: [info.eic@bma.org.uk](mailto:info.eic@bma.org.uk)

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