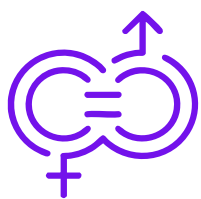




Gender pay gap reporting

2025





Gender pay gap reporting

Mandatory Gender Pay Gap Reporting was introduced in Ireland with enactment of the Gender Pay Gap Information Act 2021. The Act was followed by the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 which resulted in the first reports being published in 2022 by all relevant employers with a headcount of 250 or more. This marked the roll out of a phased approach to annual reporting highlighting the differences in average pay between men and women.

The last 3 years of reporting has revealed some anomalies in the approach to reporting, leading to variable quality in published reports due to employers interpreting the legislation differently. At the same time, Ireland has made significant strides in gender pay gap reporting. Here we summarise the overall findings of mandatory gender pay gap reporting over the years to date:



2022-2023

2022 marked the first year of mandatory reporting for all employers with a headcount of 250 or more employees.

This was the year where employers' gender pay gap reports got the most attention from the media, given it was the first year where the gender imbalance was made more transparent and statistics were published to support the pay disparity between genders. Latest CSO results showed the average gap reported was 9.6 % across all industries in 2022



Ireland has made significant strides in gender pay gap reporting



2024

This year saw the scope of relevant employers increase to all employers with a headcount of 150 or more employees.

In line with prior years, the overall results continued to show disparities, with females earning less than males across the various industries. There continued to be a wide variance in the style of reports being issued with some reports more easily accessible and transparent than others. New regulations (the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) (Amendment) Regulations 2024) also introduced changes in the treatment of certain payments and benefits.



2025

The reporting period of 2024 to 2025 will see the threshold further reduce to include employers with 50 or more employees.

On 8 March 2025, Minister Foley announced that a new gender pay gap reporting portal will be launched in autumn 2025. The announcement came to mark International Women's Day. The portal will hopefully draw attention to the importance of gender pay gap reporting whilst making the results more accessible to the public and improving transparency. The Minister also announced that further amending regulations will issue in Spring/ Summer 2025.



Navigating gender pay gap reporting

Gender Pay Gap reporting in Ireland has been a significant issue, and the passing of the Gender Pay Gap Information Act 2021 has further emphasized the work that needs to be done to address the ongoing inequality that exists. Focus on this area is increasing with the EU Pay Transparency Directive (2023/970) which is due to be transposed into Irish law by June 2026.

When approaching Gender Pay Gap analysis it can be very overwhelming. We have outlined a quick step by step guide below for our recommended approach:

Each year

ensure you review the updated regulations which can significantly change the treatment of key pay items

Step 01

Familiarise yourself with the legislation and the key definitions, the mandatory metrics required to be reported, and the additional metrics suggested. Each year ensure you review the updated regulations which can significantly change the treatment of key pay items.

Step 02

Review the required data and any additional metrics that are needed to calculate the gender pay gap of your organisation (Consider where this data is attainable from, is everything you need accessible from the one file, or do you have multiple HR files, payroll files and monetary voucher data that does not feed through your standard payroll files?).

Step 03

Begin the data collection process collecting data items such as salary, bonus, monetary vouchers, BIK, contracted hours/working hours, gender indicator, indicator of contract type, FTE % etc. (ensure there is a consistent unique identifier across all data sources when dealing with multiple files).

Step 04

Review the data and begin the data analysis and data processing using a suitable software tool as an aid. It is important you are familiar with how each pay item is classified here to ensure accuracy of results. Hours should also be calculated carefully to ensure hours are adjusted for periods of unpaid leave, overtime etc. This is a common issue we encounter and will adversely affect gender pay gaps as unpaid leave is not evenly attributed between the genders.



The Gender Pay Gap Information Act 2021 has further emphasised the work that needs to be done

Step 05

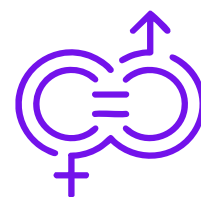
Once the data processing is complete you should review your results and look for outliers that could be skewing the results. This could include incorrect pay or hours that need to be updated, former employees who need to be excluded, or non-employees on payroll (e.g. pensioners, international assignees non-executive directors) that also need to be excluded. Any assumptions made throughout the data processing should be documented.

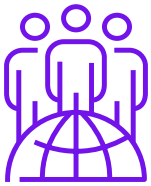
Step 06

Next begin building out your report with the reasons for the gender pay gap in your organisation. Measures should also be detailed in your report which outline how the organisation plans to address gaps.

Step 07

Publish your finalised gender pay gap report to your company's website or online where it is accessible to the public for a minimum of three years from the date of publication. The new portal should remove the difficulty of publishing the reports online as one should simply be able to input results in the new government portal. Employers can also continue to upload their gender pay gap reports with more information on their own websites if they wish.





Practical Challenges



**Bonus /
Restricted
Stock Units**



**Maternity
Leave**



**Multiple
Varying
Payrolls**



New Joiners



**Employees without
defined working hours**



Leavers

**Parental
Leave**



**New Legal
Entities created
during the period**



**FTE%
Changes in
the period**

The last 3 years of reporting have exposed recurring practical challenges some of which we have discussed in greater detail below:

Leavers and Unpaid Leave:

Often leavers are only noticed at the end of the analysis when we review outliers. These employees stand out as having very low pay per hour as they left during the snapshot period. If leavers aren't removed, they could greatly skew the overall Gender Pay Gap results of a company. Equally, each year relevant employees who have unpaid leave during the period pose practical challenges. To correctly account for these employees pay usually the unpaid leave is correctly captured in the payroll data. However, we must in turn apportion the hours for the purposes of the calculation.

Getting accurate data in relation to unpaid hours has proved challenging.

Employees without defined working hours:

Many companies have contracted hours which can be used for the purposes of the Gender Pay Gap calculations. However, we have seen many companies whereby, there are not defined working hours for every relevant employee and so to ensure accuracy in calculations we must work out actual hours worked during the snapshot period, which often can require complex calculations and data analysis. Going forward as the scope of the relevant employer threshold is reduced to 50 employees or more we would expect this issue to be more challenging.

RSU's and Interest in Shares:

Over the years understanding how to classify RSU's and stock options have been a practical challenge. As per the updated legislation, when a stock option or RSU is granted, then the value of the stock at the date of grant should be included in the BIK calculation. This classification of stock options and RSU's can be particularly challenging to identify in payroll files. Different rules apply to the grant of shares.



Most significant Legislation Changes

The last 3 years of reporting have exposed significant anomalies and failings in the legislation, leading to variable quality in published reports due to companies interpreting the legislation differently.

Employment Act 1998 Section 20(A) (Gender Pay Gap Information) (Amendment) Regulations 2024 clarified these varying interpretations.

The most notable amendments were:



'basic pay' includes, for the purposes of these Regulations, a payment made to an employee, in respect of a period during which the employee is on leave and entitled to relevant benefit,



'benefit in kind' includes any non-cash benefit of an estimated monetary value and, for the purposes of these Regulations, includes share options and interests in shares;

In 2023 many employers included share options and interest in shares within the bonus metric. However, the amendments made to the legislation in 2024 saw large movements in companies bonus gap following the exclusion of share options and interests in shares, RSU's from bonus and reclassifying them as Benefit in Kind. BIK metric is reported as the % of employees, male and female in receipt of BIK rather than the gap in value between genders. Many companies have universal benefits implemented for every employee. As such, it is common for an employer to report 100% of their employees, both male and female to be in receipt of BIK.



All Legislation Changes to date

Lastly in a snapshot please see below the significant changes to Gender Pay Gap reporting legislation between 2024 and 2025 for you to consider for the upcoming reporting period:



Reporting Threshold:

In 2024, the threshold for mandatory reporting was lowered to include employers with over 150 employees. By 2025, this threshold was further reduced to include employers with over 50 employees



Reporting Deadline:

The deadline for submitting Gender Pay Gap reports was moved from December to November, giving employers five months from their June snapshot date to report



Inclusion of Statutory Leave Payments:

The definition of 'basic pay' was updated to include payments made during periods of statutory leave, such as adoptive leave, maternity leave, parents leave, and paternity leave



Calculation Adjustments:

A minor amendment was made to the calculation of variable hours over a 12-week period, changing the multiplier from 52.14 to 52.18

These changes aim to increase transparency and ensure a more comprehensive understanding of the gender pay gap across various sizes of employers.

Get in Touch!



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Role on engagement:

Aoife leads the Employment and Immigration Law team in KPMG Law LLP. Before joining KPMG in 2014, Aoife trained and worked with a leading Irish international law firm and worked for over 8 years with the Irish business and employers' representative body (Ibec). Aoife leads KPMG Law's the legal gender pay gap and pay transparency projects ensuring clients are in compliance with Gender Pay Gap Regulations, and getting ready for the transposition of the Pay Transparency Directive.

Experience:

Aoife has experience in assisting with Gender Pay Gap challenges and has a deep understanding of employment law and employment equality law and has experience in largescale workforce restructuring projects. Including the workforce review and restructure for a leading third level education body and a leading global cosmetics company.

Qualifications:

- Solicitor, Law Society of Ireland
- Diploma in Commercial Litigation
- Completed Mediation training in the Harvard Negotiation Institute



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Role on engagement:

Andrew is a Director in KPMG's Tax Transformation and Technology team and leads KPMG's tax data and analytics service offering.

Andrew leads the data analysis review of gender pay gap data and computations. Andrew undertakes independent assessments of gender pay gaps. Andrew also works with the legal team to explore and understand the specific causes of the gender pay differences.

Experience:

Andrew has delivered a number of Gender Pay Gap projects for a range of clients including public sector organisations and private enterprises.

Qualifications:

- FCA – Chartered Accountants Ireland
- CTA – Irish Tax Institute
- MSc in Computer Science, UCD
- Bcomm – UCD
- Alteryx Designer - Core Certification



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