

EQUAL PAY AND THE GENDER PAY GAP IN THE UK



ED&I FACT SHEET: 13

What is Equal Pay?

Equal pay means that men and women must receive the same pay and employment terms when they are doing equal work for the same employer. **This is a legal right under the Equality Act 2010.**



Equal pay covers more than just salary.

It can include:

- Basic pay
- Overtime pay
- Bonuses
- Pension contributions
- Annual leave
- Sick pay
- Redundancy pay
- Other workplace benefits



What Counts as Equal Work?

Work may be considered equal if it is:

Like Work – Jobs that are the same or very similar.

Work Rated as Equivalent – Different jobs that have been assessed and found to be of equal value through a job evaluation process.

Work of Equal Value – Different jobs that require similar levels of skill, effort, responsibility and decision-making.

When Can Pay Be Different?

Employers can sometimes pay people differently if there is a genuine reason that is not related to gender, such as:

- Different qualifications or experience
- Additional responsibilities
- Specialist skills that are difficult to recruit
- Different locations
- Different shift patterns

The employer must be able to show that the difference is fair and not because someone is a man or a woman.

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What is the Gender Pay Gap?

The gender pay gap is different from equal pay. The gender pay gap measures the difference in average earnings between all men and all women across an organisation or across the UK workforce. It does not compare people doing the same job.

Example 1: No Equal Pay Issue, But a Gender Pay Gap Exists

A company pays:

- All Administrators £28,000
- All Managers £50,000



The pay is the same for men and women in each role.

However:

- 80% of Administrators are women
- 80% of Managers are men



Because more men work in the higher-paid roles, men earn more on average across the organisation. This creates a gender pay gap even though everyone is being paid equally for the same work.

Example 2: Equal Pay Issue

A male and female Sports Development Officer:

- Do the same job
- Have similar experience
- Have the same responsibilities



The man is paid £34,000 and the woman is paid £31,000.

This could be an equal pay issue because they are doing equal work but receiving different pay.

Example 3: Gender Pay Gap Caused by Working Patterns

- An organisation employs:
- Mostly men in full-time senior roles
 - Mostly women in part-time roles

Even if everyone is paid fairly and equally, average earnings for women may be lower because part-time roles typically result in lower overall earnings. This can contribute to a gender pay gap.

Why Does the Gender Pay Gap Happen?

- There is no single cause. Factors can include:
- More women working part-time
 - Women being under-represented in senior leadership roles
 - Career breaks linked to caring responsibilities
 - Occupational segregation (where men and women tend to work in different sectors or jobs)
 - Fewer women in higher-paid industries and professions

What Does the Data Show?

The gender pay gap in the UK has reduced over time but still exists. According to recent UK statistics, women's median hourly pay for all employees remains lower than men's on average. The gap is larger when all employees are included because women are more likely to work part-time.

Why Does Equal Pay Matter?



- Equal pay helps to:
- Promote fairness and trust
 - Reduce discrimination
 - Attract and retain talented staff
 - Improve workplace culture
 - Meet legal responsibilities
 - Support greater equality across society



Key Messages

Equal pay is about paying men and women equally for equal work.

The gender pay gap is about the difference in average earnings between men and women across an organisation or workforce.

An organisation can have equal pay and still have a gender pay gap. Understanding the difference is an important step towards creating fairer and more inclusive workplaces.