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1. Introduction

Although companies are not required by law for private companies to conduct regular equal pay audits, it is good practice for all companies to do so as a part of a commitment to equal opportunities and to ensure that its pay practices are fair and transparent.

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As of October 2014, employment tribunals have the power to require employers to carry out equal pay audits where they have been found to be in breach of equal pay legislation. Carrying out regular equal pay audits makes it less likely that a company will be found in breach and demonstrates a commitment to a fair and transparent pay structure.

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Before embarking on an equal pay audit, a company should decide if the audit is only going to consider gender or whether other factors, like ethnicity, will also be included. For the purposes of these guidance notes, gender is used as the focus for the equal pay audit.

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The equal pay audit is a structured process that involves:

any to:

- identify where men and women are doing equal work and compare their pay;
- identify and explain the reasons for any differences that may arise; and
- eliminate any pay differences that are discriminatory, either directly or indirectly.

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These guidance notes focus on the process of carrying out an equal pay audit and there is a separate set of guidance notes on equal pay documents. More detailed guidance notes on equal pay can be found on the Equality and Human Rights Commission website.

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2. What is equal pay?

Equal pay encompasses all forms of remuneration (including contractual bonus payments, overtime rates, pension contributions and non-cash contractual benefits (including annual leave and sick leave)).

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3. What is equal work?

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- "like work" (work that is similar);
- "work rated as equivalent" (work that is rated as equivalent under an analytical job evaluation scheme);
- "work of equal value" (work that can be shown to be of equal value in terms of the demands made on the worker, such things as effort, skill or experience).

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decision-making plac

4. **How is job evaluation carr**

The most reliable and objective way analytical, job evaluation scheme d considerations and the company's s evaluation process that can provide

In the absence of such a job evalua ways of assessing equal value (see

5. **Equal pay claims**

In order to bring a claim before a tri identify a 'comparator'. The compa the same employer, doing like work beneficial terms and conditions than

An employer has a defence to an e women are being paid differently, th Weighting allowance.

If an employee brings a successful

- a declaration of the claimant
- equalisation of contractual te
- arrears of pay for up to six y
- recommendations on how in

6. **Carrying out the audit**

Carrying out an equal pay audit will

- gender;
- full - or part-time status;
- ethnicity and disability;
- all elements of the pay and
- starting salary;
- standard hours worked

The equal pay audit needs to comp work. Therefore it must look at whe work, work rated as equivalent or w

The Simply-Docs equal pay audit fo to identify significant gaps.

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audit is to use an objective, d to take account of equal value This is the only type of job an equal pay claim.

ny will need to find alternative

pay legislation, the worker must the opposite gender, working for who is paid more or has more claim.

ow that, although men and terial factor' e.g. a London

al can order:

sed within the Company.

of data, including information on:

female employees doing equal ing compared are doing like

e and compare pay information