

Directive – 2023/970

Information Note from the Department

1. Directive Title

Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (Text with EEA relevance)

2. Transposition Deadline

07/06/2026

3. Anticipated Transposition date

07/06/2026

Include information on any specific administrative, policy or legislative changes required before the Directive may be transposed.

4. COM number of original Commission proposal

COM/2021/93

5. Department with primary responsibility

Department of Children, Equality, Disability, Integration and Youth

6. Other Departments involved

DETE

7. Background to, short summary and aim of the directive

In March 2021 the Commission published a proposal for a Directive of the European Parliament and of the Council, to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, meeting a commitment in President Von Der Leyen's political priorities and in the EU Gender Equality Strategy.

The aim of the proposal is to:

- empower workers to enforce their right to equal pay through a set of binding measures on pay transparency;
- strengthen the transparency of pay systems;
- improve public understanding of the relevant legal concepts;
- enhance enforcement of the rights and obligations relating to equal pay.

The final text of the new directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (the “pay transparency directive”) was formally adopted on 24 April 2023 by the Council of Ministers and on 30 March 2023 by the European Parliament. The Directive (Directive (EU) 2023/970) entered into force on the 20th day following its

publication in the Official Journal of the European Union. Member States will have three years following the entry into force of the directive to adopt the required national measures, i.e. until 7 June 2026. The directive provides that EU companies will be required to share information about how much they pay women and men for work of equal value and take action if their gender pay gap exceeds 5%, and also provides for compensation for victims of pay discrimination and penalties, including fines, for non-compliance.

A detailed consideration of the options for transposition of the measure is underway, particularly in regard to the expanded or new roles envisaged for the national equality bodies, a labour inspectorate function and a monitoring function, and the role of social partners, and examination of the policy options available in transposing the Directive, such as extension of its provisions to a wider range of employers.

8. Legal basis of the Directive

Article 157(3) of the Treaty on the Functioning of the European Union (TFEU)

9. Category of Directive

Little/Some/major significance. Please also indicate if the Directive is new/codifying/amending?

Some significance

New Directive

10. Implications for Ireland (including details of regulatory impact assessments carried out in Ireland, if required)

A Regulatory Impact Assessment (RIA) was prepared for the Oireachtas Committee on CEDIY in May 2022, which has concluded its consideration of the proposal.

11. Impact on the public

The proposals under the Directive will apply to all employees.

12. Estimated cost to the Exchequer

Unknown, additional resources may be required to meet reporting and monitoring requirements.

13. Consequences and possible costs, arising from non-transposition

Please indicate potential consequences and costs if known. Also include if a Directive outlines a fine that would be imposed for non-transposition.

Unknown

14. Have consultations taken place with stakeholders or are there any plans to do so?

Include information on consultations by the Department with stakeholders and representations from stakeholders to the Department in relation to the transposition of the Directive.

The EU Commission conducted consultations on the development of the legislative proposal. Further consultations may be conducted regarding transposition.

15. Are there areas of the Directive where Member States have discretion on implementation?

Include information on how Ireland plans to implement these areas.

There are a number of provisions of the Directive where Member States have discretion on the policy approach to transposition. These are under consideration as part of the transposition of the Directive.

16. Does Ireland intend to seek any derogations from the provisions of the Directive?

No

17. Offences or penalties (if any) to be created by the transposition of the Directive

The Directive provides for the provision of remedies where infringement occurs.

18. Competent authorities or market surveillance authorities (if any) to be designated by the transposition of the Directive

Unknown

19. Consequences for national legislation?

Legislative amendments will likely be required to transpose the Directive, the exact nature of these are still under consideration.

20. Are there any parts of the Directive which are planned to be transposed by primary legislation, and if so, which parts?

By way of guidance, it may also be useful to indicate the parts of the Directive proposed to be transposed by statutory instrument and parts where transposition may not be necessary.

Unknown

21. When is it anticipated that the draft statutory instrument(s) transposing this Directive will be available?

Unknown

22. Contact name, telephone number and e-mail address of official in Department with primary responsibility

Equality and Gender Equality Unit, Department of Children, Equality, Disability, Integration and Youth

Date **11/09/2023**