 Gender Pay Gap Reporting

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Gender Pay Gap Reporting

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. Employers with less than 250 employees are not required to comply with the regulations, but they should give serious consideration to the benefits of publishing the information.

Relevant external guidance and legislation

The advice contained in this document should be read in conjunction with the guidance Gender pay gap reporting: guidance for employers’ issued by the Government Equalities Office which can be accessed at [Gender pay gap reporting: guidance for employers - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers).

There are two sets of regulations which impose the mandatory Gender Pay Gap reporting obligations on employers:

1. **The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017**

This applies to public sector employers with 250 or more employees on 31 March in the year to which the information relates (known as the snapshot date). The Regulations require employers to publish Gender Pay Gap information, information annually by 30 March, and that this is accessible for at least three years.

1. **The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017**

This applies to all other private, voluntary, and public sector employers, i.e., Independent Schools. These Regulations are almost identical to the first set of regulations; however, the main difference is that the snapshot date for these employers is 5 April.

Who is considered a ‘relevant employer’ for reporting purposes?

The guidance for public sector employers on [www.gov.uk](http://www.gov.uk/) is not clear, however, the current legal interpretation of the Regulations is summarised below.

For Local Authority Maintained Schools, Regulation 2(3) of [The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017](https://www.legislation.gov.uk/uksi/2017/353/regulation/2/made) states that an employee “*is to be treated as an employee of the governing body of that school*”. Therefore, the Governing Body of a Maintained School will be required to publish gender pay reports where the individual School (and not the Local Authority) has 250 or more employees. This same logic also applies for Foundation and Voluntary Aided Schools regarding the requirements to report the Gender Pay Gap.

In the case of Academy Trusts and Multi-Academy Trusts (MATs), the Trust is the employer of all staff employed within their Academies and will act as a single legal entity. Therefore, if a MAT employs 250 or more staff collectively, they will be required to publish Gender Pay Gap information. Academies within a MAT are not obliged to report individually, regardless of their size. However, a stand-alone Academy with 250 or more employees would be required to report.

Schools who are not required to report their Gender Pay Gap, either because of the number of staff they employ or because they are part of a MAT, may still choose to do so to ensure transparency and best practice. In addition, some Local Authorities may require their Maintained Schools to publish a report as part of their agreed protocols.

Therefore, EPM has made the report available for all customers who are contracted with us for Payroll Services, regardless of whether they are required to report. For our MAT customers, EPM has provided the report both as a collective analysis across the Trust and on an individual School basis.

What data needs to be captured?

Employers must publish the required information based on the data captured on the snapshot date of 31 March (or 5 April) each year. The data to be captured in summary is:

* The salaries paid to employees in the pay period that includes 31 March (or 5 April) - the “snapshot date” - each year.
* The gender bonus gap information. This is based on all bonuses received by employees in the Relevant Bonus Period which is the 12 months prior to the snapshot date.

What data needs to be reported?

* The difference in the mean hourly rate of pay between male and female full-pay relevant employees.
* The difference in the median hourly rate of pay between male and female full-pay relevant employees.
* The proportion of male and female full-pay relevant employees in each of four quartile pay bands.
* ‘Full-pay relevant employees’ for the purposes of the report is defined in the gov.uk guidance as “*all employees employed on your snapshot date and who are paid their usual full basic – including paid leave – or paid piecework during the pay period in which your snapshot date falls or paid less than their usual basic pay or piecework rate, but not because of leave (for example, because they have irregular working hours).*” The relevant pay period is the period within which the snapshot date falls. The period varies but is usually a week, fortnight, or month. Therefore, the calculation in respect to mean, median and quartile figures for ‘full-pay relevant employees’ excludes employees not in receipt of their full basic pay; such as employees on unpaid leave, maternity leave, paternity leave, half or no sick pay.
* The difference in mean bonus pay between male and female **relevant employees**.
* The difference in median bonus pay between male and female **relevant employees**.
* The proportion of male and female **relevant employees** who received bonus pay.
* **‘Relevant employees’** for the purposes of the report is defined in the gov.uk guidance as “*all employees employed on your snapshot date who either: have a contract of employment – including employees who are part-time, job-sharing, and on leave, or are self-employed, where they must perform the work themselves – that is, they are not permitted to subcontract any part of the work or employ their own staff to do it*”. This includes full-pay relevant employees and also other employees employed on the snapshot date, but on less than full-pay because of leave’. ‘Relevant employees’ are included in the bonus pay gap calculations.

Employers must express each of the above as a percentage figure.

Which customers will EPM provide a report for?

For our customers who are contracted with EPM for Payroll Services, we provide you with this information as part of our Service Level Agreement, regardless of whether you are required to publish a report.

For customers who were contracted with us for Payroll on or before the start of the reporting period, we can provide you with a full report detailing the information required for Gender Pay Gap Reporting for all employees paid through your PAYE payroll.

For customers who joined us for Payroll between the start and the end of the reporting period, we can provide you with information for your employees that we have processed through payroll, but this will be limited to the data that we have recorded on our system (i.e. data from your start date with EPM Payroll services).

For customers who joined us for Payroll on or after the end of the reporting period, your report will contain no data as we did not process payroll data for you during the relevant period.

In situations where we do not/have not provided Payroll services for all Academies within a Multi-Academy Trust (MAT) for the relevant period, we will only be able to provide you with the information for each Academy that we have recorded on our system.

What information can EPM provide?

The report that EPM provides will need to be published by employers no later than 30 March (or 4 April) of the relevant year. Please be aware that this report will only provide an analysis of the payments that have been processed through EPM Payroll. Any payments that were not processed via Payroll will need to be added by the Governing Body/employer to the data provided by EPM. You will also need to recalculate the Gender Pay Gap statistics using the formulas provided in the gov.uk guidance, prior to the information being published.

The report is available to download from the EPM Portal. It can be located under ‘**Download Reports/Archived and Other Reports/Gender Pay Gap**’.

The report includes some statistical analysis; in addition to the raw data upon which this analysis is based so that you can amend the raw data and use this to re-calculate the statistical analysis should you need to do so.

If you have access to data for a MAT, your report will include combined data for all your Schools within the MAT. If you have access to data for an Academy, your report will just include the data for that individual Academy.

The report is based on employees’ pay, which includes a combined hourly rate if they have multiple roles in a School or MAT.

The Regulations define the term ‘employment’ as *“employment under a contract of employment, a contract of apprenticeship or a contract personally to do work’ or ‘provide services”*. Therefore, this potentially includes agency workers and self-employed people. Agency workers will form part of the headcount of the agency that provides them, rather than your headcount as the employer they are assigned to.

Off-payroll workers are included in the report that we provide, however, any payments made to off-payroll workers that are not made via the EPM payroll will need to be added to the data we provide. You will also need to recalculate the Gender Pay Gap statistics using the formulas provided in the gov.uk guidance, prior to the information being published.

Casual workers are included in the report and their salary details from the pay period, including the snapshot date plus the 70 days prior to this pay period, have been used to calculate an average hourly rate. Employees who have more than one casual post will have the salary and hours combined for all posts and then averaged, for example:

* £150 20 hours @ £7.50
* £150 15 hours @ £10.00
* £242 22 hours @ £11.00

Calculation £542/57 hours = £9.51 hourly rate

The report has referred to data recorded on the payroll system. Therefore, if customers are paying staff on non-standard hourly rates, we suggest that these are checked for accuracy. An example of such rates could be in respect of employees who are on annualised hours contracts, such as a Clerk to Governors. If the information is not accurate, please discuss this with your HR Administration contact, and the information can be amended so it is accurate for future processes and reporting.

For an in depth understanding of the data provided within this report, please refer to the information in our appendix.

What about employees on half or no pay during the relevant period?

Employees on reduced pay on the snapshot date will be listed on the excluded employees tab as they are not a full-pay relevant employee. Employees who are on half or no pay during the relevant period but who are on full pay for the snapshot date will be included on the Relevant Employees tab. However, as they have not been in receipt of full pay for the relevant period, they should be excluded employees. Therefore, you should review and manually remove any employees who have been on half or no pay at any point during the relevant period but who have returned to full pay for the snapshot date.

Do we need to adjust the report to take into account any backpay for the relevant period?

Where backpay has been paid in a later month but relates to the relevant period for example due to a pay award or backdating the start of a new role you are not required to adjust the report to reflect the pay that would have been attributed to the relevant period.

Which bonus payments can EPM report on?

EPM will only report on bonuses that have been paid through our Payroll under the pay element “Bonus”. This will not include any honorarium payments or recruitment and retention allowances, as these are already included in the hourly rate as part of this section of the report.

Bonuses only need to be included in the hourly rate calculation if the bonus is paid in the relevant pay period, which is March (or April).

What is the basis of EPM’s calculations?

To ensure that the report complies with the gov.uk guidance, the following considerations are included within the basis of the calculations:

* That paternity pay is paid at 1 week full-pay, 1 week no contractual pay.
* That a teacher’s hourly rate is based on them working a 32.43 FTE week.
* That for support staff who receive equated pay (i.e. term time only workers) their hourly rate is calculated based on average hours paid, equated over the year.
* That the information used to calculate the average hourly rate for casual staff is any payments made within 70 days prior to the start of the reporting period, plus payments within the reporting period.
* The Regulations do not require overtime to be included. Therefore, any overtime related pay elements are excluded from the data, including “out of school learning activity” as we have assumed that out of school learning is in addition to, and not part of, a teacher’s usual role.
* When calculating the ‘hourly pay’, any bonus paid in the relevant period relates to a 12 month period based on the information we hold.
* When collating the information for the Snapshot Pay Period the amount includes ‘basic pay’, which may include over and underpayments of basic pay. Therefore, you will need to check this and if the amount does not reflect the pay the employee would normally receive in the pay period, you will need to amend the amount and recalculate the Gender Pay Gap statistics.

If any of the above is not correct for any employees in your School or MAT, you will need to amend your data using the raw data provided within the EPM report. If you add to or amend the data, you will need to recalculate the Gender Pay Gap statistics using the formulas provided in the gov.uk guidance.

Does the report provide the quartile statistics?

The EPM report provides quartile statistical analysis based on the information that we hold. If you need to add ‘workers’ into the ‘Relevant Employees’ tab then you will need to recalculate the quartile statistics using the information below, which is based on the gov.uk guidance:

1. Use Column O of the ‘**Relevant Employees**’ tab of the report to identify all the male and female **full-pay relevant employees** and list in order from the lowest to the highest hourly pay rate.
2. Add to the list any ‘workers’ who also need to be taken into account who are not PAYE employees.
3. Divide this list into four equal sections (quartiles). The quartiles (from the lowest to highest) are called the lower quartile, the lower middle quartile, the upper middle quartile, and the upper quartile.
4. Where there are a number of employees on the exact same hourly rate of pay spanning two quartiles, ensure that the males and females are split as evenly as possible across the quartiles.
5. Calculate the proportion of male employees and the proportion of female employees in each quartile (as a %). The calculation is expressed in the gov.uk guidance as:





Gender pay gap reporting and gender identity

It is important for employers to be sensitive to how an employee chooses to self-identify in terms of their gender. The Regulations do not define the terms ‘male’ and ‘female’ and the requirement to report gender pay should not result in employees being singled out and questioned about their gender.

You will have recorded on the EPM system whether an employee is ‘male’ or ‘female’ for purposes of statutory reporting, i.e. Pensions. Where you consider this information not to be accurate, you are advised to establish a method which enables all employees to confirm or update their gender. This can be handled proactively when informing employees that gender pay reporting is taking place. It can be done by inviting employees to check their recorded gender and update it if required.

In cases where the employee does not self-identify as either gender, an employer may omit the individual from the Gender Pay Gap calculations. Alternatively, employers may voluntarily report pay gap figures on their trans employees or carry out an equal pay audit focusing on all staff – including trans and non-binary employees.

How do I publish my gender pay information?

Employers will be required to publish their Gender Pay Gap information on their own websites and on the government's website, <https://www.gov.uk/report-gender-pay-gap-data>, within one year of the relevant snapshot date (before 30 March or 4 April, of the relevant year, as appropriate). There is no requirement for this information to be accompanied by a statement from a senior member of the organisation confirming that the information is accurate (unless you are a private/voluntary sector employer), but you can do so if you wish.

The information must be maintained on the employer’s website for a minimum of three years. However, employers may want to maintain the information on their website beyond that period to show their longer-term progress.

Only the calculation results and written statement should be published, which should not in itself raise employee Data Protection issues. However, employers should bear in mind Data Protection principles when going through the process of Gender Pay Gap reporting (including data gathering), since it may involve processing personal data.

There is no requirement for an employer to publish the data at the same time each year, as long as it is published by the deadline for that year.

Do I need to add a supporting narrative?

It is strongly recommended that you add a supporting narrative to your report. This will help explain the information in the report, as a Gender Pay Gap does not necessarily mean the organisation has acted inappropriately or discriminatorily. Including the narrative will help the reader to understand the organisation's view of why a Gender Pay Gap is present and what the organisation intends to do to close it. You should also consider any change to your gender pay gap from last year and whether this demonstrates a reduction of the gender pay gap.

Further information regarding implementation plans to manage the Gender Pay Gap can be found in the gov.uk document [Gender pay gap reporting: guidance for employers](https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers#:~:text=Any%20employer%20with%20250%20or,employees%20on%20your%20snapshot%20date.).

If you have any concerns or queries regarding this, please speak to your EPM Adviser for further guidance.

Useful references

gov.uk provide significant information on Gender Pay Gap Reporting on their website: [Gender pay gap reporting: guidance for employers - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers)

The Government Equalities Office has produced a toolkit with the Chartered Institute of Personnel and Development, called ‘*Closing the Gender Pay Gap: Actions for Employers*’. This toolkit is for employers looking for advice on how to understand and address their Gender Pay Gap. It sets out several actions’ employers can take to improve gender equality in their workplace. It is available on the government website: <https://www.gov.uk/government/publications/closing-the-gender-pay-gap-actions-for-employers>

If you have any questions regarding the report provided by EPM or the requirements of the Regulations, please contact your HR administration contact.

Appendix

Relevant Appointments tab

This tab will show all appointments with an end date of 31 March. There can be multiple appointment lines per employee as it splits down roles individually.

This tab will also include off payroll worker appointments, any payments made to off-payroll workers that are not made via the EPM payroll will need to be added to the data we provide. You will also need to recalculate the Gender Pay Gap statistics using the formulas provided in the gov.uk guidance, prior to the information being published.

Casual appointments will not be included if they have not received any pay in March.

The end date shown should always be 31 March. If the end date is before this, then the appointment is not relevant and therefore should not be considered or included in the report. If the end date is after this, then there has not been an April line issued properly and EPM data is flawed so the report will need to be manually amended for this employee.

Days in Period

This will always be 31 as this is the number of days in March.

Appointment Days in Period

If the appointment date is before March, then this column will show 31 days. If the appointment started mid-March, then this column counts the amount of days employed in March.

Supply Hours Daily

This is the divisor that we hold for the school used to calculate hourly pay.

Weekly Hours

* **Teaching Staff –** 32.43 is full time, however if the teacher is part time 32.43 will be reduced proportionate to their working percentage. The 32.43 hours is calculated by taking directed hours 1265 / 39 weeks.
* **Support Staff –** Total hours (ending 31/03)
* **Casual Staff –** for both teaching and support casual staff this column should be ‘0’

Casual Hours

* This is calculated by dividing the Calculated Amount column by the Calculated Hours column

Casual Hourly Rate

This is calculated by dividing Calculated Amount by Calculated Hours. However, if this appointment has not worked any hours during periods 10, 11 and 12 then the report will show the hourly rate information held on the system.

Calculated Amount

This will only be populated for casual employees and is calculated by totalling the pay for period 10, 11 and 12 together, divided by 14 and multiplied by 4.35.

These periods are used because we look at the current relevant period (i.e. March) plus 70 days prior to this which totals 14 weeks. 4.35 is the weeks in the year divided by the months in the year (52.14/12).

Contracted Hours

* **Teaching Staff** – weekly hours x 4.35 (52.14 / 12).
* **Support Staff** – weekly hours x (total weeks / fte weeks) x (52.18 / 12). 52.18 is used in line with government guidance.
* **Casual Staff** – for both teaching and support casual staff this column should be ‘0’

Calculated Hours

This is calculated by dividing Contracted Hours by 31 days in the appointment period and then multiplied by the Appointment Days in Period field.

For a casual employee it is calculated by dividing the Calculated Amount column by Casual Hours column.

Unpaid Maternity Parental Half Pay

The report firstly checks whether the employee is recorded on the system as being on a type of leave ending 31 March. If the employee is recorded as being on no pay or half pay the report automatically shows as Yes.

Unpaid Leave

The report then secondly checks to see if the employee is in receipt of:

* Half Pay Maternity
* Maternity Pay
* Paternity Leave
* Sick Pay
* SSP
* Statutory Maternity Pay
* Statutory Pay
* Paid Parental Bereavement Leave
* Unpaid Parental Bereavement Leave
* Contractual parental pay
* Unpaid Leave

If any of the above are present for pay period 12 then Unpaid Leave will be updated to show Yes, regardless of whether the leave is for that particular appointment or not as the employee is checked, not the appointment.

It is possible for an employee to be in receipt of SSP and still receive their usual full pay for the snapshot period where the SSP has topped up their salary. You will need to manually update the report to include an employee who has been automatically excluded and is a full pay relevant employee for the snapshot period. You will also need to recalculate the Gender Pay Gap statistics using the formulas provided in the gov.uk guidance, prior to the information being published.

It is possible for an employee to be recorded as being on maternity or parental leave, but they are not receiving any maternity payments because they have used all contractual mat leave and SMP. In this case they will be ‘Y’ in unpaid mat column but ‘No’ in unpaid leave column. It is also possible for an employee to be recorded as being on maternity or parental leave and be in receipt of their full pay in the snapshot period because this will be dependent on when their leave commenced and their contractual entitlement to maternity or parental leave. You will need to manually update the report to include an employee who has been automatically excluded due to maternity/parental leave and is a full pay relevant employee for the snapshot period. You will also need to recalculate the Gender Pay Gap statistics using the formulas provided in the gov.uk guidance, prior to the information being published.

This unpaid leave column also enters ‘Yes’ where the employee has the leave type ‘Post on Hold’ entered, which is also indicated under ‘Unpaid Maternity Parental Half Pay’ column.

Relevant Employee tab

This tab should only have one line per employee. If an employee has multiple appointments, then they are combined into one employee line and field results are an average of all the appointments.

Full Pay Relevant Employee

This column is a reflection of the Unpaid Leave column under the Relevant Appointment tabs. If any of the appointments for one employee have an Unpaid Leave indication of ‘yes’ then the Full Pay Relevant Employee column answer should be ‘N’.

If either the ‘Unpaid Maternity Parental Half Pay’ column or ‘Unpaid Leave’ column have a ‘Y' field under Relevant Appointment tab then ‘Full Pay Relevant Employee’ column on Relevant Employee tab needs to be 'N’.

Snapshot Bonus Paid

This is the sum of all bonus payments paid in the relevant pay period.

Previous 12 Month Bonus Paid

This is the sum of all bonus payments paid for the previous 12 month period.

Snapshot Hours

This is the sum of the calculated hours fields from the Relevant Appointments tab.

Snapshot Ordinary Pay

This is the total pay received in March for all appointments for contracted, non-casual appointments only.

Snapshot Casual Pay

This mirrors the Calculated Amount field on the Relevant Appointments tab.

Snapshot Total Pay

This is calculated by adding Snapshot Ordinary Pay and Snapshot Casual Pay.

Snapshot Hourly Rate

This is calculated by dividing Snapshot Total Pay by the Snapshot Hours

Total Appointments

This is the total number of appointments considered on the Relevant Appointments tab for that one employee.

Casual Appointments

This is the total number of Casual appointments considered on the Relevant Appointments tab for that one employee.