Gender Pay Gap and Equal Pay - What’s the Difference?

Article By

Clare McNicholas

Squire Patton Boggs (US) LLP
Employment Law Worldview

Related Practices & Jurisdictions

- Global
- Labor & Employment
- United Kingdom

Monday, December 5, 2016

Sometimes people get confused between the gender pay gap and equal pay. They are not all the same thing.

The gender pay gap measures the difference between men and women’s average pay. Equal pay, on the other hand, is the legal obligation under UK Equality Act 2010 that requires employers to give men and women equal pay if they are employed to do like work. Failing to pay a woman the same pay as a man for doing the same job is likely to be unlawful, whereas having a gender pay gap is not.

Furthermore, having a gender pay gap does not necessarily mean that an employer has breached the equal pay provisions in any way. This is because the gender pay gap is not caused simply by employers paying men and women in the same job different pay. An employer providing entirely equal pay between men and women in the same job may still have a large pay gap because, for example, women are on predominantly lower grades or in less well paying parts of the business.
It is fair to say, however, that the forthcoming obligation on larger employers to publish information about the gender pay gap in their business is likely to bring the issue of equal pay to the fore and trade unions and employees may use this as the basis for threatening claims or demanding negotiations over pay. We discuss the relationship between the gender pay gap and equal pay in more detail in a later blog piece.

© Copyright 2022 Squire Patton Boggs (US) LLP

National Law Review, Volume VI, Number 340