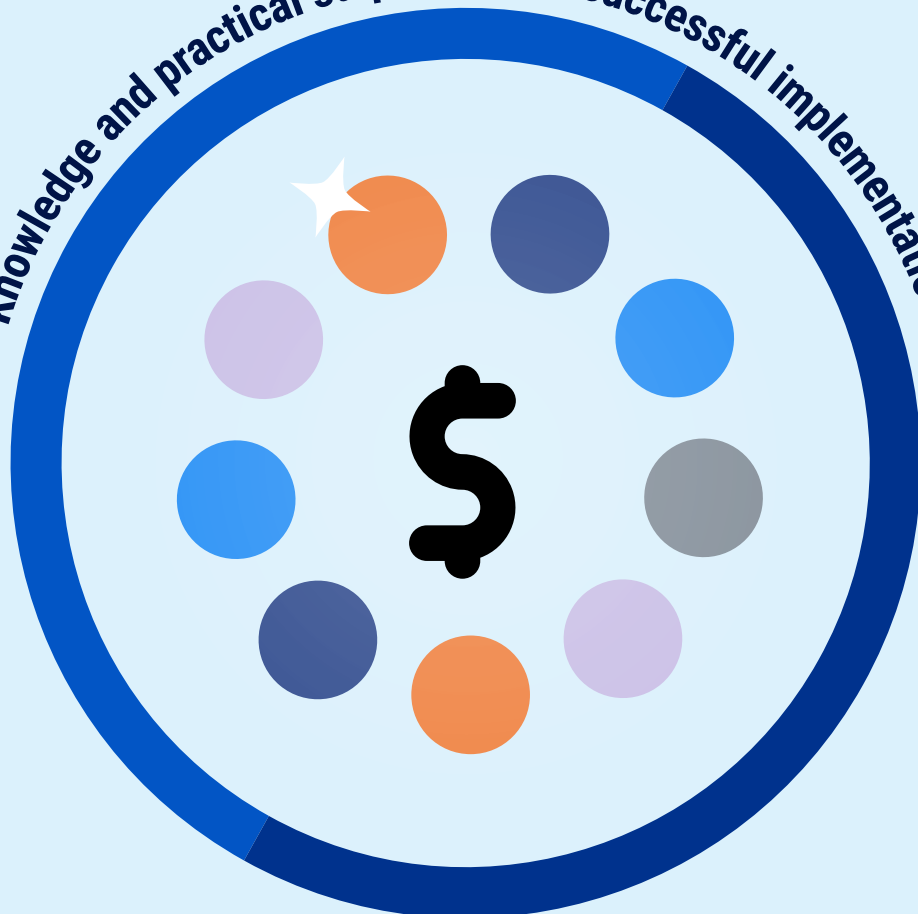


# Get Ready: EU Pay Transparency From Legislation to Dialogue

Knowledge and practical steps towards successful implementation.





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## PART 1

# The EU Pay Transparency Directive

In this section, we provide an overview of the EU Pay Transparency Directive, which aims to promote pay transparency and address gender-based pay differences. The directive introduces requirements for pre-employment pay information, employee access to pay data, and pay reporting. Intect supports these requirements through automated reports and templates that promote an objective, gender-neutral pay structure.

## New EU requirements on pay transparency aim to ensure equal pay and openness

The European Pay Transparency Directive (EU Directive 2023/970) is changing the rules for how companies must handle pay, recruitment, and equality. The directive aims to promote transparency and address the gender pay gap.

Despite years of focus on equal pay, systematic pay differences between women and men still exist across the EU. According to the European Commission, women earn an average of 13% less per hour than men. It is why the Pay Transparency Directive has been introduced – to ensure:

- Greater transparency in recruitment and pay processes
- Effective tools for addressing pay gaps
- Stronger legal protection for employees and applicants

The directive was adopted in April 2023 and must be implemented in all member states by June 2026.



# Key points from the directive:

## 1. Pay information before employment (Art. 5)

Companies must inform applicants about the starting salary or salary range, either in the job advertisement or before the first interview. Employers are not allowed to ask about salary history.

## 2. Right to information for employees (Art. 7)

Employees have the right to receive information about their own pay and the average pay of colleagues in similar roles, broken down by gender. As an employer, you must actively inform all employees each year of their right to receive this information.

## 3. Pay audits and pay mapping (Art. 9)

Companies with more than 100 employees must regularly report pay statistics broken down by gender.

- Companies with 100–249 employees must report every three years
- Companies with more than 250 employees must report annually

If pay differences exceed 5% and cannot be explained by objective factors, action is required.

## 4. Burden of proof is reversed (Art. 18)

If an employee raises a claim of unequal pay, the employer must prove that no discrimination has occurred.

## 5. Ban on pay secrecy clauses (Art. 7(5))

Companies may not prohibit employees from sharing information about pay. Pay agreements may not be subject to confidentiality clauses.



# What should your company do?

The new EU directive will lead to fundamental changes in the way we talk about pay in Danish companies. It also places greater demands on internal reporting, which must provide an overview of how pay is distributed across gender, departments, and comparable roles.

That is why it is a good idea to begin putting the necessary framework in place now to meet upcoming legal requirements.

It includes, among other things, developing internal pay policies – if you do not already have them – and adapting your guidelines for how employees can gain access to the required pay data.

## **How should the process work in your organization?**

In addition, you should conduct an internal pay analysis, map comparable positions and roles across the organization, and review actual pay conditions. You must ensure that any pay differences can be explained objectively using criteria such as experience, responsibility, education, and performance.

When reviewing and comparing the company's actual pay conditions, there is a need for a tool to support the process. In many cases, your payroll system can generate the necessary reports, since the legal requirement concerns precisely the type of data it handles – namely, pay.



# How Intect can support you

As a cloud-based payroll system with a strong payroll engine and an even stronger reporting tool – Intect Insights – Intect can help you meet the new reporting requirements and create a clear overview of the required pay distributions.

## **Intect Insights**

Intect Insights is built on Excel functionality and connects directly to your data via the Intect API, giving you complete freedom to define reports by combining your data as needed. It means there are no real limitations on data insights and reporting options. It simply requires that your organization has internal Excel capabilities that can work with Power Query and PivotTables – or that you reach out to Intect for support in building them.

With Intect Insights, you can generate reports that illustrate pay based on gender, age, address, seniority, and more, enabling you to report the required gender-segregated pay statistics.

You can also build reports that group this information across departments, job categories, and roles in order to meet employees' right to gain insight into the average salary of colleagues in comparable roles, broken down by gender.

Once the reports are set up, they will update automatically as new data is added. Access to the reports can also be managed via permissions, allowing relevant users to view the insights without the ability to edit them.



## Employee templates

When mapping comparable positions that involve the same work or work of equal value, Intect's employee templates can support the required pay structure.

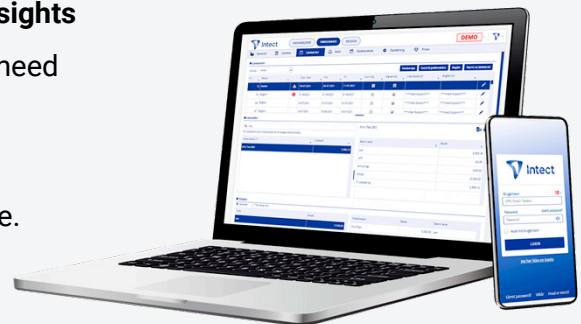
With this feature, you can create templates so that employees with the same employment terms use the same base template, ensuring that objective, gender-neutral criteria form the basis of pay setting.

For example, a construction company with carpenters, bricklayers, and an administrative department could create three templates so that each employee group follows the same basic employment terms, including pay levels.

## Turn pay data into action with insights from Intect Insights

With Intect Insights, you can create the overview you need to comply with the EU Pay Transparency Directive. Use flexible reports to analyze pay gaps, document the criteria behind pay decisions, and strengthen your work towards a fair and transparent pay structure.

[Book a demo](#)





# Transparent Pay at Work: 5 Steps to Effective Communication

Transparent pay in the workplace will become a real factor that Danish workplaces must address when the new EU directive takes effect on 7 June 2026.

And it will affect all companies in Denmark, as the new equal pay directive covers all employers. The purpose of the directive is to reduce pay differences between genders.

But what does it mean for your workplace when employees know the pay levels of those doing the same work or work of equal value? And what does it mean for you in HR or People & Culture?

In this section of the white paper, you will find five practical communication tips to help ensure a smooth transition when transparent pay becomes a workplace reality under the new EU equal pay directive. In the next section, you will gain a better understanding of what the directive actually entails and how to approach it from a technical perspective.



## STEP 1

# Do you wear the HR or P&C hat? Here is how to prepare

If you work with HR or People & Culture, the new directive will most likely affect your work in several areas:

- Leadership must be prepared
- Employees must be informed
- Employees may have questions that you need to answer
- Recruitment of new employees: requirements for pay information
- Annual communication to employees
- Gender-segregated pay statistics in your HR and payroll systems

As the points above show, there is significant work to be done. And if you want to create the foundation for good communication about pay transparency in your company, you must understand what the new directive means and how it will affect employees.

We would like to help you gain that knowledge. In this white paper, you can therefore read more about what the directive entails and gain insight into its most important requirements. Here in Part 2, you will also learn which new data you need to register in your HR system to comply with the EU's legal requirements.

But let us return to the topic of this section: how to communicate well about the new openness around pay. We begin with how to prepare for leadership effectively.



## STEP 2

## Prepare leadership

The new reality of pay transparency in the workplace will be new for both management and employees. It is a change that all parties need to be prepared for. A good place to start is with leadership. Managers need to understand the scope of the new legal requirement and how to handle it in relation to, for example, pay reviews and recruitment.

### **Divide employees into categories**

A good starting point is to define the categories your employees fall into, such as:

- managers
- administrative employees
- consultants
- consultants

The categories can also be based on different collective agreements, if they cover your employees and if those agreements specify particular categories. The key point is that the categories should reflect that employees within them perform the same work or work of equal value.

### Gender-segregated pay statistics

Once the categories are in place, you can begin documenting pay levels across the different groups. Make sure the pay data clearly indicates gender. It will make it easier for your organization to identify any pay gaps across genders.

If you become aware of a pay gap of more than five percent within a category, you should take action. Make the relevant managers aware of the difference and investigate whether there are gender-neutral, objective reasons for it.



If that is not the case, it may make sense to adjust pay levels now so that the difference between employees' pay is reduced—or eliminated..

### Objective and gender-neutral arguments

Pay conversations and salary-related questions can be sensitive for both managers and employees. For everyone's sake, those conversations should be conducted honestly and professionally.

With the new directive, greater openness about pay differences will naturally follow. Your organization's communication should therefore be transparent. Weak or poorly substantiated arguments could ultimately work against you.

That is why you should prepare your managers to carefully consider their reasoning when explaining pay differences between two employees who perform the same work or work of equal value. Their arguments should be based on specific circumstances and should avoid generic responses given to all employees. At the same time, it is important to use objective and gender-neutral criteria, such as:

- higher education
- greater responsibility
- competencies
- performance
- experience

It is also important that managers understand the information employees are entitled to regarding pay, which we will explore in the next section. That way, you help ensure managers do not share either too little or too much information about pay levels.



## STEP 3

## Inform employees

As part of the EU Pay Transparency Directive, employees have the right to know their own pay level and the average pay level, broken down by gender, for employees in the same category.

Once a year, the employer must inform employees of this right, and employees must also know how to access the information.

### In other words, it is important that you:

- Have the information ready for employees
- Give employees access to the information
- Ensure that employees are informed annually of their right

It is also important that employees understand the reasons behind any pay differences. The benefit is that it builds greater trust when your company communicates openly and honestly.

Your open communication about clear pay framework guidelines does not have to be limited to internal use. It can also be used externally, for example, in recruitment and employer branding. In this way, your company signals that it actively works towards equal pay and takes responsibility for fair and transparent pay conditions.



## STEP 4

# Check whether you are ready for open pay communication

The directive will undoubtedly create new expectations and questions, and it may also cause uncertainty among some employees. The worst thing your company can do is respond with vague or generic answers. That risks doing more harm than good and may undermine trust. So be concrete and have well-considered answers ready. Most importantly: be open in your communication.

## From legislation to practice: checklist for open pay communication

Below, you will find a checklist of key focus points. They are not intended as requirements, and you do not necessarily need to have everything in place immediately, but they can serve as a practical guide.

- Expectations of immediate full transparency**  
Do we have clear communication for employees about what the directive actually means?
- Comparisons and potential internal unrest**  
Are we prepared for the fact that greater openness may lead to dissatisfaction or comparison?
- Demands for explanations of pay differences**  
Do we have documented, gender-neutral reasons for pay differences if requested?
- Distrust if unjustified differences are discovered**  
Have we identified and addressed pay differences that cannot be explained objectively?
- Concerns about loss of confidentiality**  
Have we considered employees who may be concerned about how visible their own pay information will become?
- More frequent individual pay negotiations**  
Are we ready to handle an increased number of pay negotiations, and are our processes consistent?
- Challenges with legacy pay structures**  
Do we have an overview of older pay agreements that may create an imbalance in a transparent system?
- Questions about roles, responsibilities, and pay**  
Can we clearly explain why people with the same title do not necessarily receive the same pay?



## STEP 5

# How to embed pay transparency into everyday practice

## Remember the annual communication to employees

As mentioned earlier, one of the employer's responsibilities is to inform employees annually of their right to access information about pay levels.

## Gender pay gap? Then, reporting is required

In addition, a report must be prepared if your company has 100 employees or more and there are pay differences between genders.

## A joint pay assessment

Alongside the report, the employer may also be required to carry out a joint pay assessment. It applies if three conditions are met:

1. There is a pay gap of more than five percent between genders among employees performing the same work or work of equal value
2. The employer is unable to explain the pay gap using objective and gender-neutral reasons
3. The difference has not been corrected within six months

## Remember to state the starting salary when recruiting

Candidates must be able to see the starting salary or salary range for the job they are applying for. This information must be available before any interview takes place. You can ensure compliance by making this a fixed part of your job ad templates.



## CLOSING

## From pay transparency to targeted action with HR-ON Staff

The results of a pay transparency report give you valuable insight into pay structures and equality within your organization – but real change only happens when you act on those insights. With HR-ON Staff, you gain access to the right HR tools to help turn data into meaningful improvements.

Through structured performance and development reviews, you can take the dialogue around development and wellbeing to the next level. Our competency module provides a clear overview of employees' skills and development needs, creating the foundation for fair and forward-looking decisions. At the same time, our wellbeing measurement tool allows you to monitor the work environment and respond early where needed continuously.

With HR-ON Staff, pay transparency becomes more than just a report. It becomes a catalyst for change and employee development.

**Create better conversations and development with performance reviews in HR-ON Staff.**

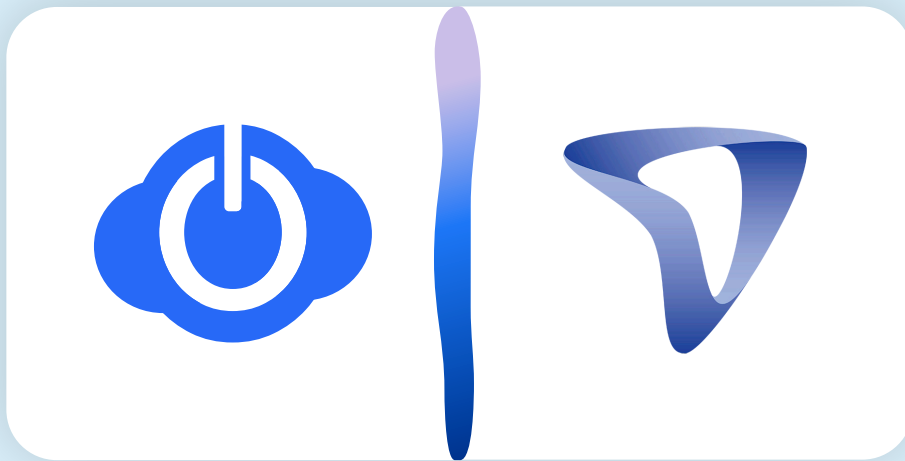
With HR-ON Staff, you get a tool that makes it easy to plan, conduct, and follow up on employee development conversations – without paperwork or complex processes.

Use the performance review module to structure meaningful dialogue around wellbeing, goals, and competencies, so you can clearly see what's working and where further development is needed.

Gain insight into your employees' ambitions and needs through data that makes it easier to strengthen engagement, growth, and alignment in everyday work.

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