



NEWS, LATEST, CURRENT TOPICS

MAIN RULES ARISING FROM THE PAY TRANSPARENCY DIRECTIVE

“(...) Directive must be transposed into national law by 7 June 2026 and, in general, will impose new obligations on employers in the context of recruitment processes and also in terms of providing information deemed appropriate to ensure pay transparency.”

In May 2023, Directive (EU) 2023/970 of the European Parliament and of the Council was published in the Official Journal of the European Union, which has been referred to as the Pay Transparency Directive (the "Directive"). This Directive, as its name suggests, aims to combat unequal pay between men and women by creating and implementing mechanisms that guarantee pay transparency.

The rules contained in the Directive must be transposed into national law by 7 June 2026 and, in general, will impose new obligations on employers in the context of recruitment processes and also in terms of providing information deemed appropriate to ensure pay transparency. On the other hand, and with regard to employees, the Directive recognises the right to access information needed to assess compliance with the right to equal pay.

The Directive applies to all employers in the public and private sectors, although, as will be detailed below, whether they are subject to certain obligations depends on the number of employees. The Directive also covers all employees bound by an employment contract, including those bound by part-time employment contracts, fixed-term employment contracts and temporary employment contracts.

As far as recruitment procedures are concerned, the Directive introduces two new and notable changes concerning the content of job adverts and the candidate assessment process. Firstly, employers must ensure that all job adverts include the starting salary applicable to the position to which the advert relates. Secondly, the Directive prohibits employers from asking candidates about their previous employment's salary history.

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