



Review Sheet

Last Reviewed
12 Dec '22Last Amended
12 Dec '22Next Planned Review in 12 months, or
sooner as required.

Business impact



Minimal action required circulate information amongst relevant parties.

Reason for this review

Scheduled review

Were changes made?

Yes

Summary:

This policy will support employers who have 250 or more employees to understand their responsibilities in relation to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (Regulations). It has been reviewed and updated with no significant changes. The references have also been checked and updated and further reading added.

Relevant legislation:

- Equality Act 2010 (Gender Pay Gap Information) Regulations 2017
- Equality Act 2010
- Human Rights Act 1998
- Data Protection Act 2018
- UK GDPR

Underpinning knowledge - What have we used to ensure that the policy is current:

- Author: ACAS, (2022), *Gender pay gap reporting*. [Online] Available from: <https://www.acas.org.uk/gender-pay-gap-reporting> [Accessed: 12/12/2022]
- Author: Office for National Statistics, (2020), *Gender pay gap in the UK: 2022*. [Online] Available from: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/collections/20.csv%20.xls-,%20The%20gender%20pay%20gap%20has%20been%20declining%20slowly%20over%20time,%20up%20from%207.7%25%20in%202021>. [Accessed: 12/12/2022]

Suggested action:

- Encourage sharing the policy through the use of the QCS App

Equality Impact Assessment:

QCS have undertaken an equality analysis during the review of this policy. This statement is a written record that demonstrates that we have shown due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations with respect to the characteristics protected by equality law.



1. Purpose

1.1 To ensure that employers with 250 or more employees understand their responsibilities in relation to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (Regulations).

1.2 Master Care Ltd understands that the gender pay gap is an issue that attracts scrutiny and attention. Master Care Ltd is committed to taking all steps possible to reduce any gender pay gap.

1.3 To support Master Care Ltd in meeting the following Key Lines of Enquiry:

Key Question**Key Lines of Enquiry**

WELL-LED

W2: Does the governance framework ensure that responsibilities are clear and that quality performance, risks and regulatory requirements are understood and managed?

1.4 To meet the legal requirements of the regulated activities that {Master Care Ltd} is registered to provide:

- | Equality Act 2010 (Gender Pay Gap Information) Regulations 2017
- | Equality Act 2010
- | Human Rights Act 1998
- | Data Protection Act 2018
- | UK GDPR



2. Scope

2.1 The following roles may be affected by this policy:

- | All staff

2.2 The following stakeholders may be affected by this policy:

- | Commissioners
- | Local Authority
- | NHS



3. Objectives

3.1 To ensure that, should Master Care Ltd be caught by the Regulations by having 250 employees or more on the snapshot date (5 April every year), it is aware of its obligations in respect of gender pay gap reporting.

3.2 To encourage and initiate an action plan that aims to reduce the gender pay gap if a gender pay gap exists and to encourage pay transparency.



4. Policy

4.1 Master Care Ltd understands that if it employs 250 or more employees on the snapshot date each year as defined in the Regulations, it is required to calculate:

- | The difference between the mean hourly pay rate of male and female employees
- | The difference between the median hourly pay rate of male and female employees
- | The difference between the mean bonus paid to male employees and that paid to female employees
- | The difference between the median bonus paid to male employees and that paid to female employees
- | The proportion of male and female employees who received bonus payments
- | The proportion of male and female employees in each quartile band

This information must be published within 12 months of the snapshot date.

4.2 Master Care Ltd understands that it can volunteer to publish a narrative along with its report, highlighting any circumstances which may have caused a pay gap and setting out what action it plans on taking to reduce any gap.

Master Care Ltd will ensure that the gender pay gap information is accompanied by a written statement signed by a director/member/partner to confirm that the information is accurate.

4.3 Any data collected as part of this policy will be processed in accordance with current data protection legislation, the Privacy Notice issued to staff and the Data Security and Data Retention Policy and Procedure at Master Care Ltd.



5. Procedure

5.1 Master Care Ltd can refer to the Gender Pay Gap Reporting Manager's Guidance Notes, within the Forms section, for detailed information on how to:

- | Calculate hourly rates
- | Calculate the gender pay gap
- | Calculate the number of males and females employed in each quartile
- | Calculate the proportion of men and woman receiving a bonus
- | Understand what should be reported

5.2 Part-Time Work and Job-Sharing

Each part-time worker will count as one employee for gender pay reporting purposes.

If Master Care Ltd uses job-share arrangements, then every employee within a job-share counts as one employee each. So, if two people job-share, they would still count as two employees for gender pay reporting purposes.

It is particularly important for Master Care Ltd to be aware of this if it is accustomed to handling employee numbers as 'full-time equivalents' because the obligation to report and the calculations that follow are based on the number of individual employees. If Master Care Ltd is close to 250 employees on the Snapshot Date, this must be checked to ensure that it is still excluded from reporting. Further guidance can be obtained from ACAS.

5.3 Gender Reporting and Gender Identity

It is important for Master Care Ltd 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. For more information please refer to the Transgender Policy and Procedure.

5.4 On-Call and Sleep-In

It is important that the hours where an employee is required to be on-call, awake for the purposes of working and available must be included in their weekly working hours for gender pay gap reporting purposes. Please refer to the Minimum Wage Policy and Procedure for details of what is payable when an employee or worker is on-call, awake and available.

5.5 Supporting Statement

Master Care Ltd must prepare a written statement which will be published alongside the results of the calculations. As a minimum, this statement must confirm that the published information is accurate and be signed by an appropriate person. The appropriate person will depend on the type of employer involved:

- | For any corporate body other than a limited liability partnership, this will be a director (or equivalent)
- | For a limited liability partnership, this will be a designated member
- | For a limited partnership, this will be a general partner
- | For any other kind of partnership, this will be a partner
- | For an unincorporated body of persons other than a partnership, this will be a member of the governing body or a senior officer
- | For any other type of body, this will be the most senior employee

Master Care Ltd will also use the statement to provide a narrative that explains the view of Master Care Ltd as to why a gender pay gap exists, and what measures Master Care Ltd intends to take to close it.

5.6 Retention of Records and Data Protection

- | The gender pay gap information must be maintained online on the website of Master Care Ltd for a minimum of three years to show what progress has been made
- | Master Care Ltd will consider maintaining this information on the website beyond that period to show its longer-term progress
- | Only the calculation results and written statement will be published, so there will not be any employee data protection issues if the process is properly followed
- | Master Care Ltd will ensure that, as the collection of the data to prepare the report may involve the processing of personal data, it will comply with the Privacy Notice issued to staff and its policy. For more information see the Data Security and Data Retention Policy and Procedure



5.7 Visibility

Master Care Ltd will ensure that the Gender Pay Gap Report is easily accessible to both employees and members of the public.

Master Care Ltd is also obliged to publish its Gender Pay Gap report on the Government-sponsored website, which is located under the 'Further Reading' section of this policy.



6. Definitions

6.1 Employees

- | The Regulations use a broad definition of an employee from the Equality Act 2010. Employees are anyone working in Great Britain whose contract of employment is governed by UK legislation. Employees who work overseas are not included. The broader definition includes:
 - | Employees (those with a contract of employment)
 - | Workers and agency workers (those with a contract to do work or provide services)
 - | Apprentices
 - | Contractors and consultants who provide personal services (no substitution)
 - | Some overseas employees
- | Only those Employees defined as “full-pay relevant employees” should be included. Those being paid a reduced rate on the 'Snapshot' date will be excluded, e.g. those on sick leave, maternity leave or special leave

6.2 The Snapshot Date

- | This is the key date that many of the details needed to carry out the calculations will come from. It is also the date from which an employer has a year to publish their Gender Pay Report. This will always be 5 April in any year where an employer has 250 or more employees

6.3 Pay-Quartiles

- | The Regulations state that this involves splitting the workforce into four equal-sized groups that are organised according to the hourly pay rate, from the lowest to the highest paid

6.4 Gender Pay Gap

- | Gender pay gap differs from equal pay as it is concerned with the differences in the average pay between men and women over a period of time, no matter what their role is

6.5 Equal Pay

- | Equal pay is an employee's entitlement to the same wage as someone doing work of an equal value to them, the same or broadly similar work as them or work rated as 'of equivalent value' by a job evaluation study



Key Facts - Professionals

Professionals providing this service should be aware of the following:

- | Employers must be mindful of how employees choose to identify their gender
- | The report must be published on the company website in an easily accessible place and also published on the Government-sponsored site: <https://genderpaygap.campaign.gov.uk/>
- | Employers with 250 or more employees on the Snapshot Date must report on gender pay gaps every year
- | Employers must be aware of the regular new reports relating to the gender pay gap and equal pay



Key Facts - People affected by the service

People affected by this service should be aware of the following:

- Gender pay gap reporting is a hot topic. There are more new reports surrounding the matter of the gender pay gap and equal pay. Service Users, their families and members of the public have an interest in knowing what the current gender pay gap is for relevant companies. Reputational issues can arise if there is a large gender pay gap



Further Reading

As well as the information in the 'underpinning knowledge' section of the review sheet we recommend that you add to your understanding in this policy area by considering the following materials:

GOV.UK - For a list of sector-specific employers who have published their Gender Pay Gap Report, please see:

<https://gender-pay-gap.service.gov.uk/Viewing/search-results?search=&s=Q>

Personnel Today - The three most common mistakes made in gender pay gap reports:

<https://www.personneltoday.com/hr/gender-pay-gap-reporting-errors/>

Press coverage on an Equal Pay claim against the BBC:

<https://www.bbc.co.uk/news/entertainment-arts-50599080>

Independent - Press coverage on the difference between Equal Pay and Gender Pay Gap:

<https://www.independent.co.uk/life-style/women/gender-pay-gap-equal-pay-women-paid-less-motherhood-a8856121.html>

Master Care Ltd to also publish its Gender Pay Gap report on the Government-sponsored website:

<https://genderpaygap.campaign.gov.uk/>

CIPD - Gender Pay Gap Reporting during the Coronavirus Pandemic:

https://www.cipd.co.uk/Images/gender-pay-gap-reporting-supplementary-guide_tcm18-91630.pdf

GOV.UK - Government launches pay transparency pilot to break down barriers for women:

<https://www.gov.uk/government/news/government-launches-pay-transparency-pilot-to-break-down-barriers-for-women>

See the Minimum Wage Policy and Procedure for details of what payments are due to employees and workers.

Please also refer to the Data Security and Data Retention Policy and Procedure and the Transgender Policy and Procedure for useful guidance on relevant areas when preparing a Gender Pay Gap Report.



Outstanding Practice

To be 'outstanding' in this policy area you could provide evidence that:

- Master Care Ltd keeps all gender pay gap reports accessible on its website to ensure transparency and track its progress
- Master Care Ltd has signed up to the voluntary initiative to address the gender pay gap
- Master Care Ltd understands the Equality Act, and this is reflected in its recruitment, pay and reward strategies
- The wide understanding of the policy is enabled by proactive use of the QCS App
- Master Care Ltd reports successes which highlights how their strategy has reduced gender pay gaps
- Master Care Ltd takes action to address the gender pay gap



Forms

The following forms are included as part of this policy:

Title of form	When would the form be used?	Created by
Managers Guidance Note - Gender Pay Gap Reporting - PE08	To be used for general guidance only - it is your responsibility to seek bespoke guidance and advice on your individual circumstances.	QCS
Memorandum - PE08	Notifying employees about the business' obligation to report on gender pay gap.	QCS
Gender Pay Gap Reporting (Step by step guidance) - PE08	For general guidance only.	QCS
Precedent Gender Pay Gap Report - PE08	When creating the gender pay gap report.	QCS

The Gender Pay Gap

Average pay for women is less than the average pay for men. The Office of National Statistics (ONS) has published statistics on the gender pay gap annually since 1997. In 1997, the first set of statistics showed that the Gender Pay Gap was 27.5% less than that of men. The ONS report for 2019 confirms that the Gender Pay Gap is now 8.9% which, on the face of it appears to be a significant reduction since 1997 but in fact is a 0.3% increase since 2018 and only a 0.6% reduction since 2012.

Employers may not be aware that they even have a gender pay gap until they analyse their pay information. The Government has been taking steps to close the gap through obliging employers to publish their gender pay gap information. Gender pay gap reporting by employers is intended to encourage employers to reflect how they are paying their employees and to take action to reduce any gaps in pay.

Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

Section 78 of the Equality Act 2010 gives the government power to make regulations which oblige employers to publish information on their gender pay gap.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ("The Regulations") has been in force since 6th April 2017 and requires employers to publish their gender pay gap information.

This Manager's Guidance note is intended to act as guidance for employers who should have regard to the Regulations.

Below is a summary of the Regulations and how they operate:

Which Employers are Affected?

Employers with 250 or more employees are affected by the Regulations.

An employer with near 250 employees will be in scope if they have 250+ employees on the 'snapshot date' - being 5 April each year. On the snapshot date, employers are required to take a 'snapshot' of their pay information, which must then be published as set out below.

Group companies are not currently required to aggregate employees across their subsidiaries.

Employers who use a lot of casual workers according to demand such as in the health sector could risk being in scope of the Regulations if they are engaging more than 250 employees as at the Snapshot Date. The definition of employee is set out below but is wide enough to include workers as well as employees.

Who is an Employee?

Employees will be anyone working in Great Britain whose contract of employment is governed by UK legislation. Employees who work overseas are not included.

Workers will also be considered employees for the purposes of the Regulations, save for where the employee is employed under a contract personally to do work and where it is not reasonably practicable for the employer to obtain data for an employee. As such casual workers, consultants and independent contractors can be caught. LLP Partners are specifically excluded.

Employees will constitute "full-pay relevant employees" which means that those being paid a reduced rate on the snapshot date are excluded, e.g. those on sick leave, maternity leave or special leave.

Employers are not required to publish separate figures for full-time and part-time employees. This is because women are more likely to work part time hours and that on average men are paid less than women for part-time work.

What Must be Reported?

Employers are required to publish the following information:

1. Overall gender pay gap figures calculated using both the mean and the median average hourly pay.

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2. Details of number of male and female employees employed in each quartile pay band.
3. The difference between men and women's mean/median bonus pay over a 12-month period.
4. The gender bonus gap being the proportion of men and women receiving a bonus in a 12-month period.

Employers can volunteer to publish a narrative along with their report, highlighting any circumstances or anomalies which may have caused a pay gap and setting out what remedial action they plan on taking to reduce any gaps.

The gender pay gap information must be accompanied by a written statement signed for by a director/member/partner to confirm that the information is accurate.

What Counts as Pay?

Pay includes:

- Basic pay
- Pay for Piecework
- Pay for leave
- Shift premium pay; and
- Allowances paid through payroll, including car/clothing allowances etc.

Pay does not include:

- Overtime
- Termination payments
- Payments in lieu of notice
- Redundancy pay
- Expenses
- Benefits in Kind

Pay is calculated before PAYE, NI, pension contributions, student loan repayments and voluntary deductions.

Bonus pay includes:

- Bonus money
- Vouchers
- Securities; and
- Securities options

There is non-statutory guidance from ACAS on calculating the Gender Pay Gap which can be found here - <https://archive.acas.org.uk/index.aspx?articleid=5768>.

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Calculating Hourly Rate

The gender pay gap information should be calculated in relation to an hourly rate to prevent the figures being distorted by the number of hours worked by employees. The hourly rate should be calculated by dividing the weekly pay by the weekly basic hours worked, e.g. A is contracted to work 35 hours per week on a salary of £25,000. Her hourly rate is $(£25,000 \div 52) \div 35 = £13.74$.

Hourly rate should be calculated by reference to contractual hours where the employee has normal working hours that do not differ from week to week. Where an employee does not have normal working hours or hours differ from week to week, the number of working hours in a week for the purposes of calculating hourly rate should be determined either as:

- The average number of working hours calculated by dividing by twelve the total number of the employee's working hours during the period of twelve weeks ending with the last complete week of the relevant pay period, or
- Where the employee has not been at work for a sufficient period, a number which fairly represents the number of working hours in a week having regard to:
 - The average hours which the employee could expect to work under their contract; and
 - The average number of hours of other employees in comparable roles

Calculating the Gender Pay Gap

Overall gender pay gap figures are calculated using both the mean and the median average hourly pay. Employers should calculate their gender pay gap using data from the 'pay period' – which refers to how often employees are paid, e.g. the pay period for employees paid monthly, will be one month. The pay period should be the period within which the snapshot date falls.

Once you have calculated the average hourly rates for employees, you should calculate the difference between the mean and the median hourly rates of pay for males and females, to be expressed as a percentage.

The following calculation can be used:

$$\frac{(A - B)}{A} \times 100$$

A = the mean/median bonus pay of all male employees

B = the mean/median bonus pay of all female employees

Calculating the Number of Male and Female Employees Employed in Each Quartile

Employers are required to split their employees into 4 quartile bands based on their own pay range where Pay Band A will contain the lowest paid employees, and Band D will contain the highest paid employees. Employers must then report on the number of men and women contained within each pay band.

Employers should calculate their pay bands by ranking their employees in order of pay from lowest to highest, then dividing the employees into four equal groups. For example, an employer has 400 employees and will be allocated into quartiles as follows:

Pay Band (per 100 staff)	Pay Range (per hour)	Women	Men	Total
A	£7.20 - £14.99	60	40	100
B	£15 - £29.99	40	60	100

C	£30 - £44.99	30	70	100
D	£45 - £60	15	85	100

Employers are then required to report on the proportion of male and female employees within each quartile, represented as a percentage and calculated as follows:

$$\frac{A}{B} \times 100$$

A = the number of male/female employees in a quartile pay band; and

B = the number of full-pay relevant employees in that quartile pay band.

e.g. using the table above, women comprise 60% of Band A and men comprise 40% of Band A.

Calculating the Difference Between Bonus Pay

An employer is required to publish the difference in the mean bonus pay received, during the 12 months preceding the relevant date. The difference should be expressed as a percentage of the mean and median bonus pay received by male employees in the same period.

The following calculation can be used:

$$\frac{(E - F)}{E} \times 100$$

E = the mean/median bonus pay of all male employees

F = the mean/median bonus pay of all female employees

e.g. If the mean bonus pay of male employees was £2000 and the mean bonus pay of female employees was £1500, the difference between bonus pay would be 25%.

Calculating the Proportion of Men and Women Receiving a Bonus

Employers are also required to publish, as a percentage, the proportion of male and female employees who received bonus pay during the same 12-month period, to be expressed as a percentage using the following calculation:

$$\frac{A}{B} \times 100$$

A = the number of male/female relevant employees who were paid bonus pay during the relevant period; and

B = the number of male/female relevant employees

e.g. 50% of all female employees received a bonus and 60% of all male employees received a bonus.

Where Should it be Reported?

Employers are obliged to publish their GPG Information on a government-sponsored website; which will then be used to create a database of reported gender pay gaps, by sector.

Employers are also required to publish a report containing the GPG Information on their own website, keeping the results online for at least 3 years to show what progress has been made.

Gender pay gap reporting is entirely separate from other corporate reporting requirements, e.g. the annual report.

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When Should it be Reported?

Employers are required to take the snapshot of employees on 5th April of each year. However, employers then have 12 months in which to analyse the information and report on their findings.

Failure to Comply with the Regulations

Failure to comply with these Regulations would be an “unlawful act” for the purposes of Part 1 of the Equality Act 2006 and would fall within the existing enforcement powers of the Equality and Human Rights Commission under that Act. There are currently no additional civil or criminal penalties for non-compliance with the Regulations, albeit a number of discussions have taken place suggesting that this may be implemented in the future.

Employers who do not comply with the reporting obligation or who publish adverse information could experience reputational damage/negative publicity, in addition to employee attraction/retention issues and possibly even claims for equal pay.

Further Guidance

See the GOV.UK website:

- http://www.legislation.gov.uk/ukdsi/2017/9780111152010/pdfs/ukdsiem_9780111152010_en.pdf
- <http://www.legislation.gov.uk/ukdsi/2017/9780111152010?platform=hootsuite>

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[Print on Master Care Ltd headed notepaper/memorandum]**Gender Pay Gap Reporting Memorandum To All Staff**

You may be aware that the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (the "Regulations") require private and voluntary sector companies employing 250 or more employees to report on specified gender pay gap information. The purpose of the Regulations is to reduce/eliminate the overall gender pay gap across Great Britain.

Master Care Ltd has determined that it will fall within the scope of the Regulations and as such, it is therefore required to report on its gender pay gap data in accordance with the Regulations.

Master Care Ltd therefore wanted to take this opportunity to advise all staff of its obligations in accordance with the Regulations at the earliest opportunity. It also wants to reassure all staff that as an organisation, it is entirely committed to reducing the gender pay gap across its workforce and that, in addition to publishing the required information, it is keen to take any necessary steps over the coming year/s to reduce/eliminate any existing gender pay gap within the organisation.

The Regulations oblige qualifying companies to publish the following gender pay information every year:

1. *The difference between the mean hourly rates of male full-pay relevant employees and that of female full-pay relevant employees.*
2. *The difference between the median hourly rates of male full-pay relevant employees and that of female full-pay relevant employees.*
3. *The difference between the mean annual bonus pay paid to relevant male employees and that paid to female relevant employees.*
4. *The difference between the median annual bonus pay paid to relevant male employees and that paid to female relevant employees.*
5. *The proportion of male and female relevant employees who received a bonus in the same 12-month period.*
6. *The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.*

Whilst Master Care Ltd will report in coming months on its gender pay gap and gender bonus gap as required by the Regulations, please rest assured that it will not publish any individual employees' data.

The Regulations require Master Care Ltd to report on its gender pay information relating to its April 2021 pay period on or before **4 April 2022**. The captured gender pay gap data must then be published on the website of Master Care Ltd and also on a designated government website: <https://gender-pay-gap.service.gov.uk/>.

If you have any queries relating to the gender pay gap and/or the obligations of Master Care Ltd to report on gender pay, then please do not hesitate to contact me. Master Care Ltd will be holding drop-in sessions to deal with any questions relating to this matter on **[insert date]**.

[Insert name]

On Behalf of Master Care Ltd

[insert date]

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1. Set up a full list of employees who count as a relevant employee, separate out those who are full pay relevant employees and those that are not.
 2. Record whether relevant employees and full pay relevant employees are male or female.
 3. Record all bonuses received in the relevant bonus period for all relevant employees and full pay relevant employees.
 4. Record all bonuses received in the relevant pay period for full pay employees only.
 5. Make a list of all ordinary pay received during the relevant pay period for full pay relevant employees only.
 6. Record the weekly working hours for full-pay relevant employees only.
 7. Record the hourly pay for full pay relevant employees only.
 8. To calculate hourly pay – add the employees bonuses identified in 4 above and add to ordinary pay in 5 above.
 9. Multiply this amount by the appropriate multiplier = 7 divided by the number of days in the pay period.
 10. Divide this amount by employees number of weekly hours as identified in 6 above.
- NB – a month is deemed to have 30.44 days and a year 365.25 days.

Calculating the Hourly Rate of Pay: Examples

- **Employee A.** A's contract of employment provides for a 35-hour working week. A routinely works more than 35 hours a week, but does not get paid any overtime. A's current annual salary is £25,000 and he is paid monthly
 - Assuming A can be said to have "normal working hours", A's hourly rate of pay would be $(£25,000 \div 12) \times (7 \div 30.44) \div 35 = £13.69$. If A cannot be said to have "normal working hours" then it would be necessary to work out the hourly rate using his average working hours over a 12-week period
- **Employee B.** B is paid by the hour, with varying contractual rates of pay. B receives £6.70 an hour for daytime shifts, and £10 an hour for shifts carried out after 7.00 pm. B is paid weekly, according to her timesheet of hours worked. In the pay week including 5 April, B worked 25 hours at the daytime rate, and 10 hours at the additional rate
 - B's hourly rate of pay is $((25 \times £6.70) + (10 \times £10)) \div 35 = £7.64$
- **Employee C.** C is on maternity leave, and is receiving statutory maternity pay of £139.58 a week. On 5 April, she receives a pro-rated discretionary annual bonus of £2,000, relating to the employer's last financial year. Her contractual hours are 35 a week, and she is paid monthly
 - C is not a full-pay relevant employee, because she is on maternity leave, and so there is no need to calculate her hourly rate of pay for the purposes of gender pay gap reporting. However, her discretionary annual bonus would need to be reported as part of the gender bonus gap figures
- **Employee D.** D's contract provides for a basic working week of 35 hours, but D is obliged to work overtime as required by the employer, and is paid £10 an hour for each hour of overtime worked. However, if the overtime is at a weekend, he receives £15 an hour. His annual salary (which covers his basic contractual hours) is £25,000. In the pay period including 5 April, he works 10 hours of overtime, all over a weekend. He is paid fortnightly
 - D's hourly rate of pay is $(£25,000 \div 365.25) \times 14 \times (7 \div 14) \div 35 = £13.69$. Although he effectively receives a shift premium of £5 an hour for working at weekends, in this example the premium is paid on overtime pay and so is disregarded for the purposes of the hourly rate of pay
- **Employee E.** E's basic salary is £25,000 and she is paid monthly. She works 35 hours a week. E received a quarterly bonus payment of £3,000 with her April salary payment
 - The three-month bonus pay period is treated as 91.32 days. The bonus payment must be pro-rated as follows: $(£3,000 \div 91.32) \times 30.44 = £1,000$
 - E's hourly rate of pay is therefore $((£25,000 \div 12) + £1,000) \times (7 \div 30.44)) \div 35 = £20.26$

Calculating the Mean and Median

Mean = Average involves adding up all of the numbers and dividing the result by how many numbers were in the list.

Median = Average involves listing all the numbers in numerical order. If off number of results, the median is the middle number. If even number of results, the median will be the average of the two central numbers.

Calculating the Mean Gender Pay Gap

A = Mean hourly rate of pay for all male full pay relevant employees

B = Mean hourly rate of pay for all female full pay relevant employees

(A – B) divided by A x 100 = X %

E.g. £15.25 = A, £13.42 = B, (A-B) = £1.83, divided by £15.25 x 100 = 12% mean average pay gap.

Calculating the Median Gender Pay Gap

A = Median hourly rate of pay for all male full pay relevant employees

B = Median hourly rate of pay for all female full pay relevant employees

(A – B) divided by A x 100 = X %

E.g. £16 = A, £13.50 = B, (A-B) = £2.50, divided by £16 x 100 = 15.6 % median average pay gap.

Gender Bonus Gap

- The difference between the mean annual bonus pay paid to relevant male employees and that paid to female relevant employees
- The difference between the median annual bonus pay paid to relevant male employees and that paid to female relevant employees; and
- The proportion of male and female relevant employees who received a bonus in the same 12-month period

Calculating the Gender Bonus Gap

The gender bonus gap itself is calculated in a similar way to the headline gender pay gap figure, using the formula: where A is mean bonus pay of all male relevant employees, and B is the mean bonus pay of all female relevant employees. When calculating the mean bonus pay, an employer must add together the different types of “bonus pay” that have been received during the 12-month period. This may include, for example, sales commission, productivity bonuses and profit shares as well discretionary annual bonuses.

$\frac{(A - B)}{A}$	x 100				
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Calculating the Gender Bonus Gap: Example

Between 1 May and 30 April, Company A had 1,000 employees (evenly split between men and women), of which 500 are eligible to receive a bonus. Of these, 400 employees were actually paid a bonus, of whom 280 were men and 120 were women. The mean bonus pay of male employees was £1,250. The mean bonus pay of female employees was £1,000. The gender bonus gap would be:

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$\frac{(\pounds 1,250 - \pounds 1,000)}{\pounds 1,250} \times 100$	= 20%			
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In addition to reporting its gender bonus gap, Company A would have to report the proportion of male employees that received a bonus, and the proportion of female employees that received a bonus:

- 56% of male employees received a bonus (280 out of 500)
- 24% of female employees received a bonus (120 out of 500)

6.) The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Salary Quartiles

Employers will be required to report on the proportion of men and women in each of four pay bands. Employers will generate their own “quartiles”, each containing an equal number of employees. The proportion of male and female employees in each quartile must then be reported in percentage terms. The Regulations set out the following method:

Identifying Quartile Pay Bands

Step 1. Determine the hourly rate for each male and female full-pay relevant employee and then rank those employees in order from lowest paid to highest paid.

Step 2. Divide the employees into four sections, each comprising (so far as possible) an equal number of employees, to determine the lower, lower middle, upper middle and upper quartile pay bands.

If there are multiple employees on exactly the same hourly pay rate, some employees on the boundary would be split into the quartile below and some into the quartile above, so that the four quartiles have an equal proportion of employees. Employers should ensure that the proportions of male and female employees on that hourly rate in each of those quartiles are the same. For example, it would not be appropriate for all the women on that hourly rate to be put into the higher quartile, as this would skew the figures.

Step 3. The proportion of male full-pay relevant employees within each quartile pay band must be expressed as a percentage of the full-pay relevant employees within that band.

Step 4. The proportion of female full-pay relevant employees within each quartile pay band must be expressed as a percentage of the full-pay relevant employees within that band

Master Care Ltd

Gender Pay Gap Report

Master Care Ltd

[Author]

[Date]

Contents

1. Summary of Gender Pay Data
2. Gender Pay Data
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4. Action Plan
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1. Summary of Gender Pay Data

The mean gender pay gap	[insert] %
The median gender pay gap	[insert] %
The mean gender bonus gap	[insert] %
The median gender bonus gap	[insert] %
The proportion of male employees receiving a bonus	[insert] %
The proportion of female employees receiving a bonus	[insert] %

The Pay Quartiles:

Band	Male	Female
A	%	%
B	%	%
C	%	%
D	%	%

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2. Gender Pay Data

1.) The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

In order to calculate this, Master Care Ltd has calculated the hourly rate for all full-pay relevant employees and has then calculated the mean hourly rate of pay for males and females.

The mean is the sum of all of the values in a list divided by the number of values.

Formula:

$$\frac{\text{Male median hourly rate for full-pay relevant employees} - \text{Female median hourly rate for full-pay relevant employees}}{\text{Male median hourly rate for full-pay relevant employees}} \times 100$$

Male median hourly rate for full-pay relevant employees

[Insert figure] %

2.) The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

As with one above, Master Care Ltd has calculated the hourly rate for all full-pay relevant employees but it has then calculated the median hourly rate of pay for males and females.

The median is the middle value in a list where the values are listed in numerical order from lowest value to highest value.

Formula:

$$\frac{\text{Male median hourly rate for full-pay relevant employees} - \text{Female median hourly rate for full-pay relevant employees}}{\text{Male median hourly rate for full-pay relevant employees}} \times 100$$

Male median hourly rate for full-pay relevant employees

[Insert figure] %

3.) The difference between the mean bonus pay paid to relevant male employees and that of female relevant employees.

To calculate the mean bonus pay for relevant employees, Master Care Ltd has taken the sum of all bonus payments paid to its relevant employees over the course of the 12-month period ending on 5th April ("relevant bonus period"). Master Care Ltd has then calculated the mean bonus payments made to its relevant male employees and that of its female employees.

Formula:

$$\frac{\text{Male mean bonus pay for relevant employees} - \text{Female mean bonus pay for relevant employees}}{\text{Male mean bonus pay for relevant employees}} \times 100$$

Male mean bonus pay for relevant employees

[Insert figure] %

Master Care Ltd

4.) The difference between the median bonus pay paid to relevant male employees and that of female relevant employees.

As with 3 above, only calculating the median bonus payments made to its relevant male employees and that of its female employees.

Formula:

$$\frac{\text{Male median bonus pay for relevant employees} - \text{Female median bonus pay for relevant employees}}{\text{Male median bonus pay for relevant employees}} \times 100$$

[Insert figure] %

5.) The proportions of male and female relevant employees who were paid a bonus during the relevant bonus period.

In order to calculate the proportion of male and female relevant employees who have received a bonus in the relevant bonus period, Master Care Ltd has taken a list of all of the male relevant employees and the female relevant employees who have been paid a bonus in the relevant bonus period and expressed those figures as a percentage.

$$\frac{\text{Number of relevant male employees who were paid a bonus in the relevant bonus year}}{\text{Number of relevant male employees}} \times 100$$

[Insert figure] %

$$\frac{\text{Number of relevant female employees who were paid a bonus in the relevant bonus year}}{\text{Number of relevant female employees}} \times 100$$

[Insert figure] %

6.) The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Master Care Ltd has calculated the quartiles using the 4-step method outlined at Regulation 13 of the Regulations and has then expressed the percentage of male and female full-pay relevant employees in each of the quartiles.

Band	Male	Female
A	%	%
B	%	%
C	%	%
D	%	%

3. Narrative

[Whilst the inclusion of a narrative is not compulsory from a legal standpoint, the government and ACAS strongly advise companies to include a narrative within their report. Master Care Ltd may therefore want to insert a short explanatory narrative to put the gender pay figures into context and to explain its gender pay gap and gender bonus pay gap figures. Within the narrative Master Care Ltd may want to outline the causes of any gaps shown by the raw data and also any anomalies. It is advised that this narrative is drafted with your employees and any other stakeholders in mind and that it is kept fairly brief to avoid disclosing information which Master Care Ltd is not legally obliged to share.]

4. Action Plan

As outlined within our **[Equality and Diversity Policy]**, as an organisation, we are absolutely committed to equality across our workforce and believe that monitoring our gender pay information is central to ensuring that everyone is fairly remunerated and enjoy the same opportunities. Increasing transparency around the Company's gender pay data will enable Master Care Ltd to monitor and scrutinise its policies and ensure that it puts in place effective strategies to confront gender pay with a view to ultimately eliminating any gender pay gap from our organisation

[Summary of gender pay data and any impact of that on the action plan]

As an organisation, we have devised an action plan outlining the steps we intend to take over the next 12 months with a view to reducing our gender pay gap.

1. [insert]
- 2.
- 3.

Master Care Ltd

5. Compliance Statement

This Gender Pay Gap Report has been produced in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (the "Regulations"), calculated using raw data captured from the pay period **[dates]** 2021 (relevant period). The data in this report relates to Master Care Ltd (the "Company").

A copy of this report will be published on the website of Master Care Ltd and on the specified government website where it will remain accessible to the public at large and all of the workforce of Master Care Ltd for a minimum of 3 years.

[Insert name], [job title] of **[professional address]** confirm that the information contained within this report has been collected from the **[date]** payroll data in accordance with the Regulations and the data contained at section 3 of this report is accurate.

Signed

Date

[Insert Director name]

[job title]

For and on behalf of Master Care Ltd