

Important upcoming changes: EU Pay Transparency Directive



EU Member States are required to implement the EU Pay Transparency Directive by June 7, 2026. The Netherlands aims to implement and enforce the new rules as of January 1, 2027, a delay not endorsed by the European Commission and one that increases legal uncertainty for employers.

The Directive aims to address the EU's gender pay gap (approximately 11% based on 2024 data) by introducing enhanced pay transparency and strengthening enforcement.

Pay transparency in recruitment

Employers must disclose the starting salary or salary range for a position before the interview stage. Applicants may no longer be asked about their salary history, and job postings and titles must be gender neutral.



Employee right to pay information

Employees may request information on their own pay and average pay levels of colleagues performing comparable work, broken down by gender. Employers must also provide the objective, gender-neutral criteria used to determine pay and career progression.

Pay gap reporting obligations

Companies with 250+ employees must report annually; those with 100–249 employees must report at least every three years.

Where an unjustified gender pay gap exceeding 5% is identified, a joint pay assessment with employee representatives is required to analyze and address the differences.

This also emphasizes the importance of timely compliance with obligations under the Works Councils Act.



Enforcement and remedies

The burden of proof shifts to the employer in pay discrimination cases. Employees may claim full compensation, including back pay. Employers risk sanctions and fines for non-compliance, and employees are protected against retaliation when exercising their rights.

Employers are advised not to delay preparations. Early review of salary structures, identification of pay gaps, and involvement of the works council are essential to reduce risk and prepare for compliance.

If you would like to understand what this means for your organization or discuss how to prepare, our Employment Law team would be happy to provide tailored advice.

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