

Introduction

Last week, we learned that the employers lobbying body in Ireland (IBEC) had formally called for a one-year postponement of the governments obligation to transpose the EU Pay Transparency Directive by 7th June 2026. Quick on the heels of this request, the responsible government department issued an opaque holding statement saying amongst other things, that implementation of the directive “will be on a phased basis”. I am sure the irony of an opaque statement on the topic of transparency is not lost on the reader.

Since this development, I have been fielding questions from clients on what this development means for them. In this article, I lay out my views on how to deal with the current situation and cover the following topics;

1. Important considerations for employers before making their decisions.
2. Options for employers with associated advantages and disadvantages, and
3. My conclusion/recommendation.

Important considerations for employers before making their decisions.

Before discussing options on how best to proceed, it is important for employers to consider the following factors;

- ✓ One should not be surprised that an employer’s body would make this request. This has been “par for the course” amongst employers across other EU member states. If anything, IBEC is somewhat late in making the formal request, though no doubt you can take it as read that they have been informally communicating with the department for some time on this matter.
- ✓ Just because an employer’s lobbying body makes a request, it does not necessarily follow it will get a favourable response. That said, the coordinated nature of the government department response to the formal request, leads one to conclude that we have message management going on.
- ✓ While we have heard the views of 2 of the “social partners” (Government & Employers), the Irish Congress of Trade Unions (ICTU), has for some time made it clear that they will make the "full transposition" of such directives a major issue in political campaigning to ensure the government honours its commitments. It is my understanding that ICTU, views the directive as a critical tool to address the gender pay gap and the "undervaluing of work".
- ✓ As recently as December 2025, the European Commission confirmed that it expects “all Member States to implement the Directive by June 2026”. This means that the Irish government does not have as much room to manoeuvre as they might like to have. No doubt the Commission will remind the government that they were given 3 years to transpose the directive, so the Irish government now saying they need another year seems even less credible than “the dog ate my homework” excuse. If one reads the first 12 pages of the directive, it is clear that the Commission is committed to achieving gender pay transparency across EU member states, even if it means bringing some member states kicking and screaming into compliance.
- ✓ IBEC makes an issue of the absence of “tools and methodologies for carrying out job categorisation”. This seems curious to me. An average first year HR student knows that job evaluation has existed since the late 1800’s, and this average HR student can wax lyrical about the

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pioneering work of Frederick Taylor back in the day. Bringing up lack of clarity on how job evaluation works, 200 + years after it came into existence, lacks credibility. I am sympathetic to IBEC’s position in the case of smaller employers. IBEC are also correct in calling out the governments lack of action on complying with the directives requirements to ensure “that member states ensure that training and specific tools and methodologies are made available to support and guide employers in the assessment of what constitutes work of equal value”.

- ✓ It is not clear to me what a “one year postponement” of the transposition of the directive would achieve. A government that can sit on its hands for 3 years can just as easily do so for 4 years. The lack of time to prepare is not the issue here, failure to prepare is the issue.

Options for employers including advantages and disadvantages of each option

To move forward, I see employers options boiling down to 2 as follows:

1. Adopt a MINIMALIST approach to pay transparency i.e. only do the bare minimum that is required legally or
2. Adopt a MAXIMALIST approach to pay transparency i.e. embrace pay transparency to truly drive employee engagement within their organisation by moving forward with their plans to apply the directive’s obligations, irrespective of what the Irish government decides to do.

The tables below summarises the advantages and disadvantages of both of the above approaches.

	Advantages	Dis-advantages
Option 1: Minimalist approach to pay transparency	<ul style="list-style-type: none"> • Meets legal compliance obligations • If government phases implementation, employers can use the time to address gender pay gaps via e.g. pay adjustments and pay decisions when hiring • Approach is somewhat explainable to employees or at least “blameable” on the government. 	<ul style="list-style-type: none"> • Employer loses control of their narrative on pay transparency • Minimalist transparency philosophy will be clear to employees so opportunity to drive improved employee engagement is lost • Employer HR policy and practices on pay transparency are at the mercy of what the government decides • If employer has employees in other EU member states, they create “have” and “have not’s” pay transparency practices. In some countries they are transparent, in other countries they are not • Makes employer less credible as “an employer of choice” • Over the medium to long term, the work still has to be done so employer is just postponing the inevitable • Assumes the government will not be forced to comply fully with the directive

	Advantages	Dis-advantages
<p>Option 2:</p> <p>Maximalist approach to pay transparency</p>	<ul style="list-style-type: none"> • Meets legal compliance obligations • Employer retains control of the pay transparency narrative and ability to leverage positive impact on employee engagement • Employer demonstrate that their pay practices are fair and can objectively justify any gender pay gaps they may have • Makes employer more credible as “an employer of choice” • Enables employers with employees across EU member states to be consistent as the vast majority of countries will go with June/July 2026 implementation • Employer gets the work done sooner rather than later 	<ul style="list-style-type: none"> • If an employer has gender pay gaps of 5% or greater in any given work category, they need to be able to objectively justify them • If there are gaps in an employer’s readiness, e.g. manager training this work needs to be completed in a short time horizon • Employers have to do the work sooner rather later and may just be resource constrained in the short term

Conclusion/recommendation

The current situation in which Irish employers find themselves is deeply disappointing. Notably, this predicament was entirely preventable. This recent, last-minute development has become a distraction and a source of confusion for those employers who have made significant efforts to prepare for compliance with the directive. Should the Irish government choose to phase in the transposition of the directive, Ireland’s employers will be pay transparency “laggards”.

How Irish employers should proceed depends largely on their current level of readiness. For the minority of employers who are/will not be prepared by June 2026, their decision is difficult. In the short term, opting for a minimalist approach may seem prudent as it offers immediate relief. However, over the medium to long term, this approach is likely to result in more—not less—work for employers to achieve compliance with the directive. Employers will need to invest additional resources to meet rolling compliance deadlines due to phasing. Furthermore, this piecemeal implementation will undermine employer integrity and employee trust.

For the majority of employers who are, or will be, ready by June, it is recommended to take a maximalist approach. This strategy allows Irish employers to maintain control over their pay transparency narrative, and provides assurance that they will be ahead of the curve when the Irish government does eventually transpose the directive in full.