



NEXI^{STEPS}



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**In the Clear Light of Day:
Pay Transparency and Equal Pay.**

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Pay transparency: new obligations for employers.

Italy is one of the first EU countries to transpose the Pay Transparency Directive, following the publication of Legislative Decree no. 96 of 2026, which entered into force on 7 June this year. The legislation aims to help close the gender pay gap by strengthening the principle of equal pay for equal work, or work of equal value, between men and women. It seeks to do so by requiring greater transparency around how pay is determined and any actual pay differences between male and female workers. The rules apply to both public- and private-sector employers. Domestic work and intermittent employment (i.e. work performed as and when required by the employer) are excluded under the Italian implementing legislation.

The main provisions introduced by the new legislation are summarised below.

Before Employment Starts

The legislation first affects recruitment. Job postings and vacancy notices must state the starting pay or pay range for the position, so that applicants have this information before the interview stage. They must also indicate the national collective bargaining agreement (CCNL) applied by the employer. Employers may not ask applicants about their previous pay. Nor may they obtain this information in any other way, including through employment agencies, recruitment firms or other third parties. Job advertisements must also use gender-neutral language, and all recruitment and hiring procedures must be conducted on a non-discriminatory basis.

Employers should note that discrimination is not limited to obvious cases of direct discrimination on the basis of a worker's sex in recruitment documents or conduct; it can also arise indirectly. Under Legislative Decree no. 198/2006, indirect discrimination occurs where an apparently neutral provision, criterion, practice, act, agreement or conduct places (or might place) candidates in the recruitment process, or workers more generally, of one sex at a particular disadvantage compared with workers of the other sex. Requirements that are genuinely necessary to perform the role remain permissible, provided they pursue a legitimate aim and the means used to achieve that aim are appropriate and necessary.

The legislation also introduces the concept of "intersectional discrimination" into the Italian legal system. This means discrimination arising from the combination of sex-based discrimination with discrimination based on other grounds, such as race, ethnic origin, religion, personal beliefs, disability, age or sexual orientation.

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Information Rights for Existing Employees

Employers must make available to employees the criteria used to determine pay and pay levels. Employers with more than 50 employees must also make available the criteria used for pay progression. In most cases, this obligation may be met simply by referring employees to the national, local or company collective agreement applied by the employer.

Employees will be entitled to ask their employer, once a year, for the average pay levels — broken down by sex — for the category of workers performing the same work or work of equal value. The employer must reply within two months. The information provided must relate to the average for the relevant category, not to the salary of an individual colleague. As such, employers will need to ensure that, when providing the requested information, they do not disclose individual pay data, even implicitly.

A key concept for understanding this obligation is that of “pay level”. This is defined as annual gross pay and the corresponding gross hourly pay, covering all regular, structural pay components. It excludes individual, variable or discretionary pay arrangements, such as pay components granted on a personal, discretionary or temporary basis, which are not generally applied within the same category of workers and are based on objective individual criteria. Employers will therefore need to assess their different business and individual situations carefully in order to determine which pay elements fall within the scope of this definition.

Another important development concerns the definitions of “same work” and “work of equal value”. For these definitions, Legislative Decree no. 96/2026 uses collective bargaining as the reference point. As such, “same work” means work involving identical duties, or duties that the applicable national collective agreement treats as equivalent within the same pay level and employment category. “Work of equal value” means different work involving comparable duties, based on the classification levels set out in the relevant collective agreement.

When providing information to an employee who requests it — or where the employer chooses to publish this information on an internal portal — employers need to apply a substantive approach rather than relying only on the employee’s formal job description. In practice, comparable duties under the classification levels set out in the collective agreement should be grouped together.

The legislation also prohibits contractual clauses that prevent employees from disclosing their own pay.

Finally, employers must inform employees each year that these rights exist and explain how they can exercise them.

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New Pay Reporting Obligations

Legislative Decree no. 96/2026 introduces a new reporting obligation for companies with 100 or more employees. The exact details will be defined at a later stage by the Ministry of Labour. The report, which will presumably be submitted through a dedicated platform set up by the Ministry, will focus on the gender pay gap, defined as the difference between the average pay levels paid by an employer to female and male workers. It will also cover complementary or variable pay components, again with a view to identifying any gender pay gap linked to those elements.

The deadlines vary depending on the number of employees:

Number of employees	First reporting date	Frequency
250 employees or more	June 2027	Every year
150 to 249 employees	June 2027	Every 3 years
100 to 149 employees	June 2031	Every 3 years
Fewer than 100 employees	No obligation	-

The legislation provides that this information must also be made available by the employer to workers' representatives and, on request, sent to the Labour Inspectorate and the competent local equality bodies.

The employer must carry out a joint pay assessment with workers' representatives if all three of the following conditions are met:

- The average pay level of female and male workers differs by at least 5% in any category of workers;
- The employer has not justified that difference on the basis of objective, gender-neutral criteria;
- The employer has not remedied the unjustified difference within six months of reporting the pay information.

The joint pay assessment is intended to identify, remedy and prevent unjustified pay differences between female and male workers. It must also identify the measures needed to remove those differences.

Such measures may include analysing the organisation's existing job evaluation and classification systems or, where such systems are not in place, introducing them. The aim is to ensure that pay structures do not

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involve direct or indirect sex-based discrimination.

If no agreement is reached within the organisation on the measures to be taken, the Labour Inspectorate and the competent local equality bodies may be invited to take part in the process.

Sanctions and Enforcement

Legislative Decree no. 96/2026 does not introduce a new judicial procedure or a specific sanctions framework. Instead, it refers entirely to the existing provisions of the Equal Opportunities Code, set out in Legislative Decree no. 198 of 11 April 2006.



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