



Cabinet Office

Changes we want to make to the law about pay



Easy read booklet

Changes we want to
make to the law about
pay. Booklet 1 of 4

A message from the minister



Seema Malhotra is the Minister for Race and Ethnicity. She is a member of the **government**.



The **government** is in charge of running the country.



Stephen Timms is the Minister for Social Security and Disability. He is also a member of the government.



They say

“We want everyone in the UK to have equal chances. We want people from all backgrounds to do well in life.”

Who we are and what this booklet is about



Cabinet Office

We are the **Cabinet Office**. We are part of the government, and we write **laws**.



A **law** is a rule the government says everyone must follow.



The government wants new laws about pay for

- people who are **ethnic minorities**.
- people who are disabled.



Ethnic minorities are groups of people of the same **ethnicity**, in a place where most other people are a different ethnicity. Your **ethnicity** means where you or your family were born or what culture you are part of. In the UK, people who are not White British are ethnic minorities.



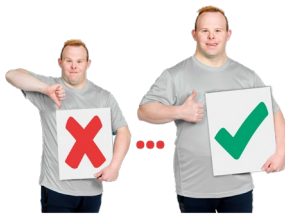
The government hope these laws will help everyone to do well in life and be treated equally.



This booklet tells you about these new laws. We want to know what you think about them.



We want you to read this booklet and then answer the questions in our survey.



We will use your answers to make the laws better.



Our survey is in our booklet called **Changes we want to make to the law about pay. Survey.**

The new law



All **large employers** must put reports online about **pay gaps** between their:

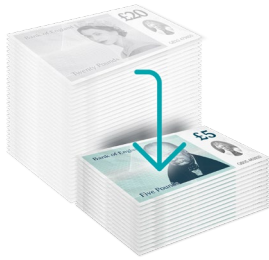
- employees who are ethnic minorities and employees who are White British.
- employees who are disabled and employees who are not disabled.



Online means on a computer or mobile phone, using the internet.



A **large employer** is an organisation with 250 or more **employees**. An **employee** is someone who is paid to work.



A **pay gap** is the difference in pay between two groups of employees.

Pay gap reports



Large employers put **gender pay gap reports** online.

Gender pay gap reports say the difference in pay between male and female employees.



They help people

- see unfair pay differences.
- make pay fair and equal.



The government wants pay gap reports for ethnic minority and disabled employees to help in the same way.



We want the reports to

- be easy for employers to write.
- give the government the information they need.

Now answer questions **1** and **2** in our survey.

Reports about disabled employees



In 2021 we asked employers and employees in a survey what they think about **disability workforce reporting**.



Disability workforce reporting is when employers collect information about their disabled employees.



Their answers helped us decide to make our new law about pay gap reports.

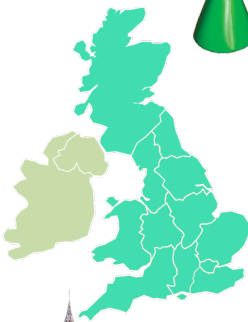
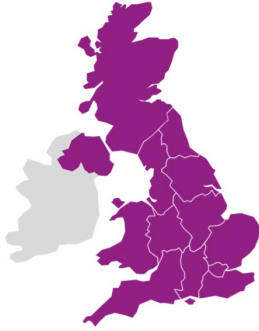


Read our booklet called **Information about our survey. Disability workforce reporting.** to find out what people told us.

Who we want reports from

We want the same organisations and places that send us gender pay gap reports to send us the new reports too. This means

- large employers from the **private** and **voluntary sectors** in **Great Britain**.
- large employers from the **public sector** in England.
- some **public authorities** in Great Britain.



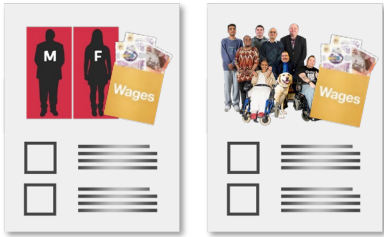
The **private sector** means organisations that aim to make money for their owners.

The **voluntary sector** means organisations that use all their money for charitable aims.

Great Britain means England, Wales and Scotland.

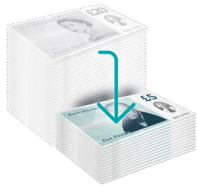
The **public sector** and **public authorities** means organisations owned or run by the government.

Now answer questions **3** and **4** in our survey.



What we want the reports to tell us

We want the new pay gap reports to tell us the same type of information as gender pay gap reports.



We want the reports to tell us

- differences in pay per hour.
- differences in **bonuses**.
- if ethnic minority and disabled employees do the same number of high paid and low paid jobs.
- if ethnic minorities and disabled employees get the same number of bonuses.



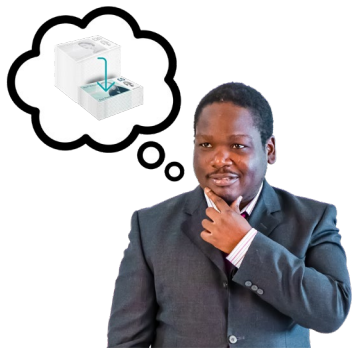
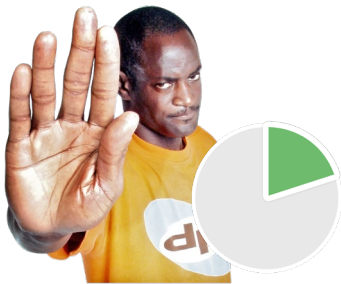
A **bonus** is extra money for good work.

Now answer questions **5** and **6** in our survey.



We also want the reports to tell us

- the share of employees from each ethnic minority and how many are disabled.
- the share of employees who do not tell their employer about their ethnicity or disabilities.



This helps us understand more about any pay gaps and tells us if an employer is trying to hire more ethnic minority or disabled employees.



For example, a larger pay gap might be because an employer has only just given jobs to lots of ethnic minority people and some might be starting on lower paid jobs.

Now answer questions **7**, **8**, **9** and **10** in our survey.

Action plans



We think it's a good idea for employers to write **action plans** so they have a plan to make their pay gaps better.

An **action plan** is a document that says what you will do about something.



Action plans will help employers

- say why there are pay gaps.
- say how they will make pay gaps better, to improve equality at work for ethnic minority and disabled employees.



Equality means being fair and making sure everyone has the same chances in life.

Action plans will help employees

- understand the changes their employer will make.
- make sure their employer does what they say in their action plan.



Now answer questions **11** and **12** in our survey.

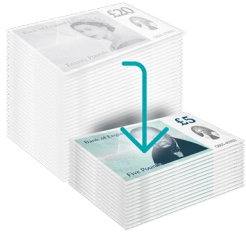


Extra information

We want large employers from the public sector to tell us extra information about ethnic minority employees.

For each **ethnic group** we want to know

- pay differences for each level of job.
- how employers get new employees.
- how long employees stay in their jobs.
- if employees move to better jobs in the organisation.



An **ethnic group** is a group of people who may share things in common such as language, culture, traditions, or coming from the same country or area of the world.

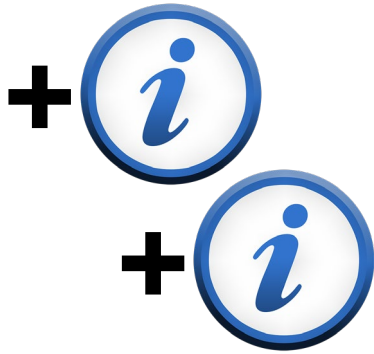
NHS



We want this information from organisations like the army, NHS, local councils and schools.

Click this link to see a full list of the **organisations we want this information from.**

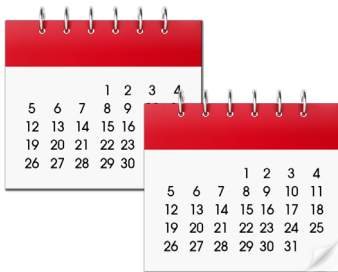
Now answer questions **13**, **14** and **15** in our survey.



We want large employers from the public sector to tell us the same extra information about employees who are disabled and employees who are not disabled.

Now answer questions **16**, **17** and **18** in our survey.

Dates



We want employers to collect and send the new information to us on the same dates as they collect and send gender pay gap information.



The private and voluntary sector

- collect information on 5th April each year.
- send their report to us by 4th April the year after.



The public sector

- collect information on 31st March each year.
- send their report to us by 30th March the year after.



We want employers to send us their ethnicity and pay gap information online in the same way as they send gender pay gap information.

Now answer questions **19**, **20**, **21** and **22** in our survey.



The law

An organisation called The Equality and Human Rights Commission makes sure employers follow the law and send gender pay gap reports.



We want this organisation to make sure employers follow the law about the new pay gap reports.

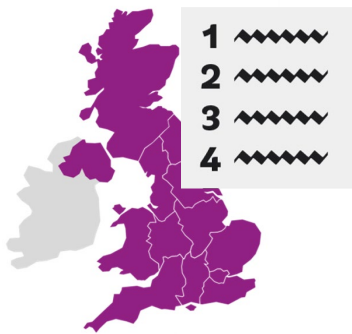
Now answer questions **23** and **24** in our survey.



Information about ethnicity

How to collect ethnicity information

We want employees to choose their ethnicity from these **lists**.



There is a list for each area of the UK. The areas are England, Northern Ireland, Scotland and Wales.



If everyone uses these lists the information we get will be more useful and we can use it in lots of ways.

Now answer question **25** in our survey.



How to tell us about pay gaps because of ethnicity

We want information about as many ethnic groups as possible to see if some ethnic groups are paid more than others.



We only want information about ethnic groups with 10 or more employees so that we

- can keep each person's information secret.
- get useful information.



To make groups of 10, employers might need to add smaller ethnic groups together. An organisation called the Office for National Statistics tells you how to do this in their **Guidance document**.



If an employer has very small numbers of employees from different ethnic groups they should use a **binary classification**.



A **binary classification** means you sort people into 2 groups based on 1 thing that is different about them.



We want employers to use 1 of 3 binary classifications.

Binary classification 1

- White British employees.
- all other ethnic groups together.

Employers should use this if they can.



Binary classification 2

- White employees.
- all other ethnic groups together.

Employers should only use this if they do not have information about White British employees or they have less than 10 White British employees.



Binary classification 3

- the largest ethnic group in the organisation.
- all other ethnic groups together.

Employers should only use this if they have less than 10 White British or White employees.

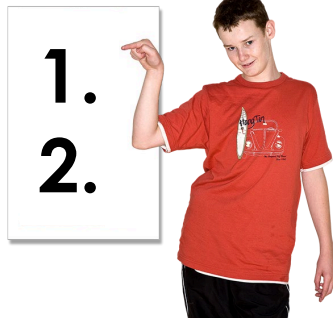
Now answer questions **26**, **27**, **28** and **29** in our survey.



Information about disabilities

How to tell us about pay gaps because of disabilities

There are 2 different ways to measure these.



1. The **binary approach**.
2. The **impairment type approach**.



The **binary approach** is the difference in pay between employees who are disabled and employees who are not.

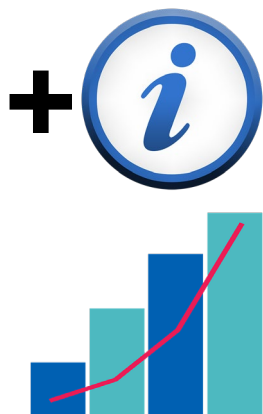


The **impairment type approach** is the difference in pay between employees with different types of disability and employees who are not disabled.



Bad things about the impairment type approach include

- it's hard to use if employees have more than 1 disability.
- it's harder to keep each person's information secret.



Good things about the impairment type approach include

- it gives more information.
- it would help us understand if people with some disabilities are paid less than people with other disabilities.



Good things about the binary approach include

- it's easier to keep each person's information secret.
- it's easier for employers to do.



Because of this we want everyone to use the binary approach for the new reports.

Now answer question **30** in our survey.

disability

We want all employers to use **The Equality Act 2010** for the meaning of the word disability.



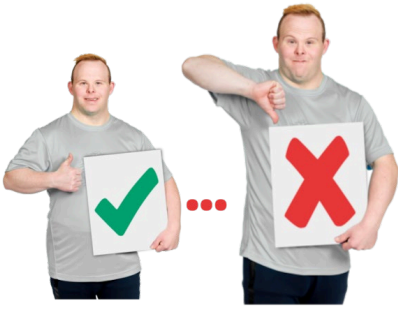
The Equality Act 2010 is a law that makes sure everyone is treated fairly.



The Equality Act 2010 says you are disabled if you have a **physical** or **mental condition** that has a big effect on your daily life for a long time.



A **physical condition** affects your body.
A **mental condition** affects your mood, thinking and behaviour.



Your condition might not have a big effect on your life now, but it might in the future.



We want employers to collect information about disabled employees. We also want employees to know they do not have to tell their employer about their disability if they do not want to.

Now answer question **31** in our survey.



We only want information for groups of disabled employees with 10 or more people so that we

- can keep each person's information secret.
- get useful information.

Now answer questions **32** and **33** in our survey.

Our information in other formats



Tell us if you want our information

- as a paper copy.
- in Welsh.
- in another format like BSL, Large Print or audio.



Send an email to this address

equalitybill@cabinetoffice.gov.uk



Call us on this telephone number

0808 175 6420



Write to us at this address

**Race Equality Unit
Cabinet Office
1 Horse Guards Road
London SW1A 2HQ**

The full version of this document is called
“Equality (Race and Disability) Bill:
mandatory ethnicity and disability pay
gap reporting. Government Consultation”