



This webinar will start shortly

Thank you for joining us!

12 February 2026





Building transparent pay and reward frameworks

February 2026



HR & Compliance Centre

As a leader in HR solutions, Brightmine gives you access to a comprehensive set of HR insights, legal guidance, and in-depth compliance data –all designed to help you stay ahead in a complex regulatory landscape.



Compensation Planning

Keep competitive with the freshest data set in the UK, enabling you to design and implement fair reward structures to improve attraction and retention, reduce attrition rates, and motivate employees.



Pay Equity Analytics

Stand out as a leader in fair and competitive pay. Brightmine offers intuitive workflows that help you identify and address pay gaps across gender, ethnicity, and disability—helping you stay compliant and get a competitive edge.

Agenda

- 01 EU Pay Transparency Directive
- 02 Pay transparency – what does it cover?
- 03 Pay and reward frameworks
- 04 Q&A



Speakers



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EU Pay Transparency Directive – key measures

- **Reporting** Employers need to report a variety of information relating to the gender pay gap. Reporting requirement initially applies to employers with 250 or more employees but will extend to employers with over 100 employees.
- **Joint pay assessment** If pay reporting reveals a gender pay gap of at least 5% and the employer cannot justify the gap based on objective gender-neutral factors, employer needs to carry out a pay assessment together with employee representatives.
- **Pay transparency during recruitment** Employers obliged to provide information about the initial pay level or its range in job ad or before interview. Employers not permitted to ask job applicants about their pay history.
- **Pay level transparency** Employers required to make available criteria used to determine pay levels and progression.
- **Right to information** Workers have right to ask for information on individual and average pay levels, broken down by sex, for the category of workers performing the same work as them or work of equal value.
- **Pay secrecy clauses prohibited** EU member states need to put measures in place to prohibit any contractual terms that aim to restrict workers from revealing information about their pay.
- **Remedies** If an employee brings a claim alleging a breach, the employer bears burden of proof. Employees entitled to compensations, including back pay and related bonuses or payments in kind, and compensation for lost opportunities.
- **Enforcement** EU member states required to establish specific penalties for violations, including fines.

EU Pay Transparency Directive – timeline and UK impact

- EU member states have until 7 June 2026 to transpose the Directive's provisions into national law.
- Relevant employers will be required to submit gender pay gap reports by 6 June 2027, based on 2026 data. Employers with at least 250 employees will be required to report gender pay gap information every year, and employers with 150-249 employees will be required to report every three years.
- For employers with 100 employees or more, the reporting obligation will start five years after the Directive is transposed to national legislation, and then every three years after that.
- The Directive ensures a degree of consistency across the EU but allows different approaches as the measures are transposed into national law.
- The Directive sets out minimum levels only. Individual member states can set themselves more ambitious targets, and in some cases already do.
- As the UK is no longer an EU member state, there is no requirement to implement the Directive.
- BUT... a UK company that has employees based in EU member states will need to look carefully at the legislation.
- AND... multinational employers may wish to adopt the same approach for all their employees across the region or align to EU standards.
- MOREOVER...

Scope of pay transparency

It is:

- Salaries or pay ranges in job adverts
- Not asking about salary history



Additionally, it includes:

- Standardised salary scales or bands
- Established criteria for determining pay and salary increases
- Transparent career progression pathways
- Clear compensation and reward policies encompassing both salaries and other incentives



Benefits of transparency in recruitment

For candidates:

- Helps candidates understand level of the role
- Avoids awkward conversations about salary further down the line



For organisations:

- Increases the number of job applicants
- Supports transparency and fairness in pay practices
- Builds trust

Overcoming nervousness...

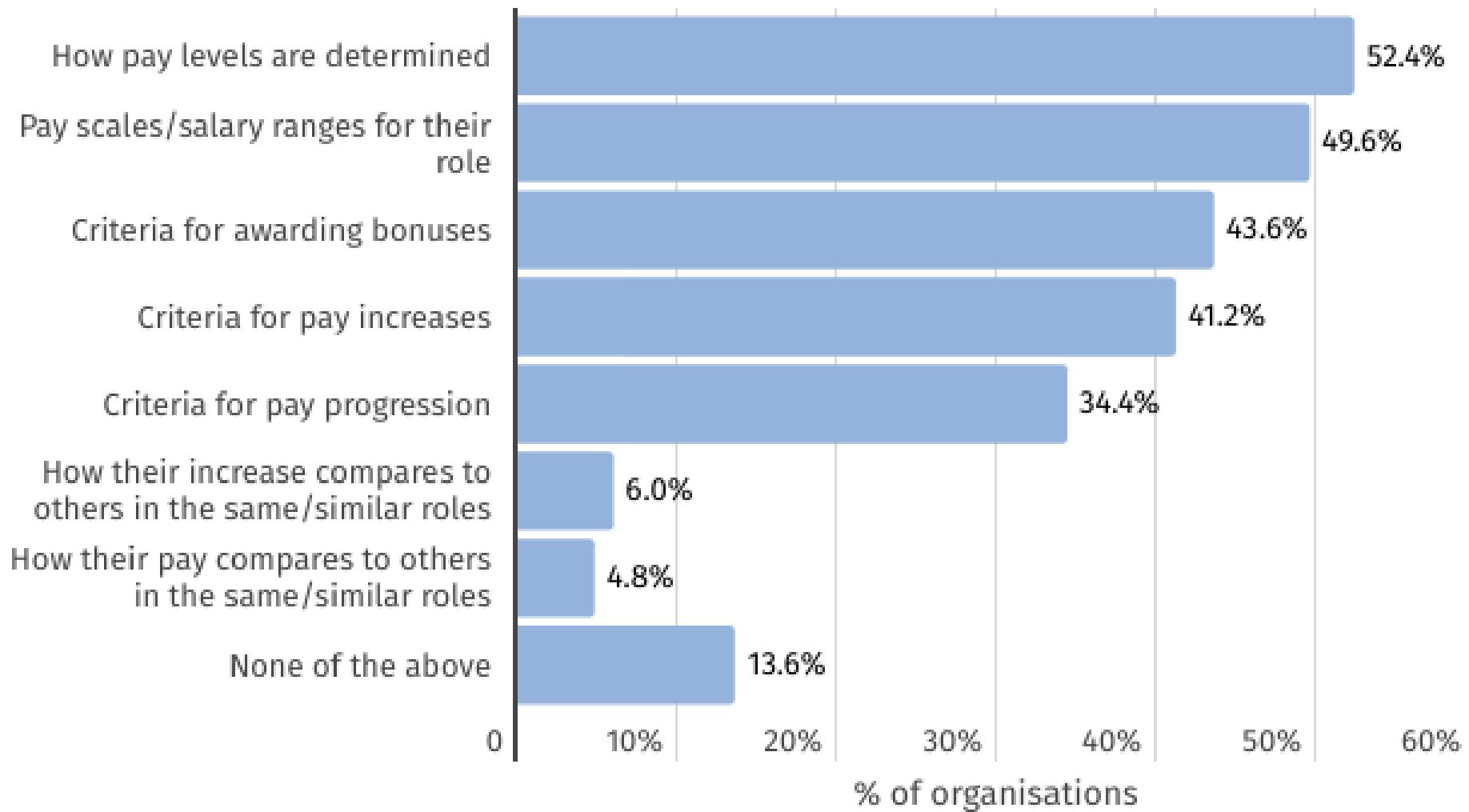
Provide applicant with pay range for the position to which they have applied, upon request and prior to discussing compensation.

Disclose pay range to an applicant upon request or before making an offer of compensation, whichever is earlier.

Provide job applicants who have completed an interview (including for a promotion or transfer) with pay range for the position.

Provide pay range to applicants who have received a conditional job offer upon reasonable request.

Wider pay transparency initiatives



Source: Brightmine.

Right to information

Remind employees annually

- Belgium
- Cyprus
- Sweden



Remind employees by 31 March each year

- Poland

Employers have two months to respond

- Finland
- Lithuania
- Slovakia



Pay range for internal posting for job or transfer opportunity

- New Jersey
- New York

Pay range for employee's current position

- California
- Massachusetts

Pay range for employee offered transfer or promotion

- Washington

Building transparency in pay award decisions

Have clear and transparent communication to show how the pay proposal has been reached.

We want to put in place a new appraisal system that will be linked to bonuses so it's more transparent also.

Applying a transparent and consistent reward approach, so colleagues understand how pay progression, performance, and contribution are recognised.

Open and transparent communication supported by financial data

Be honest and transparent and offer an increase that is both fair and affordable.

Clear communication on the position of the business and the market, to manage expectations

Being honest about affordability of organisation and pay award delay

We write to all staff individually and make sure to always explain/educate on decision making. If there is understanding of reasoning, there is understanding of decision-making.

POLL QUESTION

In light of the focus on pay transparency, is your organisation reviewing its pay frameworks to ensure fairness?

1. Yes, done or in progress
2. I am now thinking about it!
3. No
4. My organisation does not have a pay framework

Pay grading frameworks and pay transparency

Employers are likely to face increasing demands for transparency around pay, to match global best practice.

With no formal pay grading framework

- Spot salaries
- Ad hoc salary negotiations
- Out of cycle increases

Become increasingly difficult to justify.

How can an organisation be sure that these decisions were arrived at fairly and how can the impact on equalities be measured?

With a robust pay grading framework in place

- Rigorous grade allocation ensures those performing work of equal weight are treated equitably
- Clear governance ensures that rules around pay progression are adhered to and enforced
- Employees understand how pay is set and have visibility of routes to progression

Transparency becomes a differentiator

Grade allocation and job architecture

Growing focus on transparency will put even more emphasis on robust grade allocation and job architecture

Chief Executive (CEO)	Senior Director, Chief Officer	Director	Senior Function Head	Function Head	Senior Manager, Department Head	Manager (of section or minor department)	Principal or advanced professional or technical, SME	Senior professional or technical, Specialist	Intermediate professional or technical	Assistant professional or technical	Entry level professional or technical	Support Worker
10	11	12	13	14	15	16	20	21	22	23	24	25
Strategy, organisational leadership												
CEO	Senior Director, Chief Officer	Director										
			Senior leadership, financial and functional strategy									
			Director	Senior Function Head	Function Head	Senior Manager, Department Head						
					Innovation, functional expertise							
					Highest level niche functional expert (external recognition)	Niche functional expert (business wide recognition)	Niche functional expert (internal recognition)	Principal/advanced professional or technical, SME				
						Leadership, operational management						
						Senior Manager, Department Head	Manager of a whole section or minor department	First level manager/ manager of a sub-section or project				
							Skilled professional, specialist, supervisory					
							Principal/advanced professional, SME	Senior, Experienced professional, Specialist	Intermediate professional	Assistant or Junior professional		

Senior Manager/ Department Head

Level 15

Leads a department or programme; manages managers and senior professionals to deliver plans.

Core characteristics

SCOPE

Multi-team delivery; medium/large budgets

COMPLEXITY

Multi workstream; competing priorities

AUTONOMY

Operates independently within objectives

DECISION MAKING

Resourcing, sequencing, risk/issue resolution

IMPACT

Service delivery, cost, quality, and timelines

TYPICAL ROLES/TITLES

Senior Manager, Department Manager, Programme Manager

Common Indicators:
Line manages managers; accountable for KPIs and continuous improvement.

Manager (Section/Minor Department)

Level 16

Leads a team or section; manages supervisors and/or professionals to deliver defined outcomes

Core characteristics

SCOPE

Single team or small unit

COMPLEXITY

Operational with some ambiguity

AUTONOMY

Day to day independence

DECISION MAKING

Work allocation, scheduling, local process improvements

IMPACT

Team performance and customer outcomes

TYPICAL ROLES/TITLES

Operations Manager, Team Manager, Service Manager

Common Indicators:
Owns rota / work plan; handles escalations; coaches supervisors/senior specialists.

First line Manager/ Project Lead

Level 20

Supervises a small team or project; often a working manager

Core characteristics

SCOPE

Sub-team or project team

COMPLEXITY

Routine to moderately complex

AUTONOMY

Operates within established processes

DECISION MAKING

Task prioritisation, quality checks, safety/shift decisions

FOCUS

Daily productivity, quality, and team development

TYPICAL ROLES/TITLES

First-line Manager, Shift Lead, Project Lead, Project Supervisor

Common Indicators:
Conducts 1:1s; coordinates shifts; signs off routine outputs; limited budget authority.

Setting pay ranges

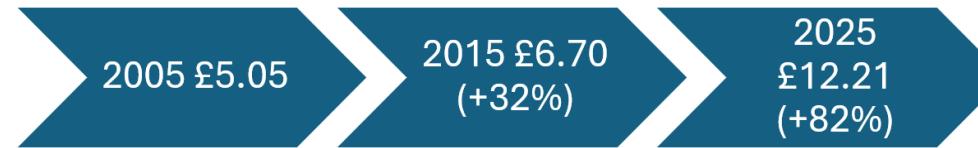
When setting pay ranges, there are three main considerations:

- the width of the range
- the market position you want to target
- how progression will work within the band.

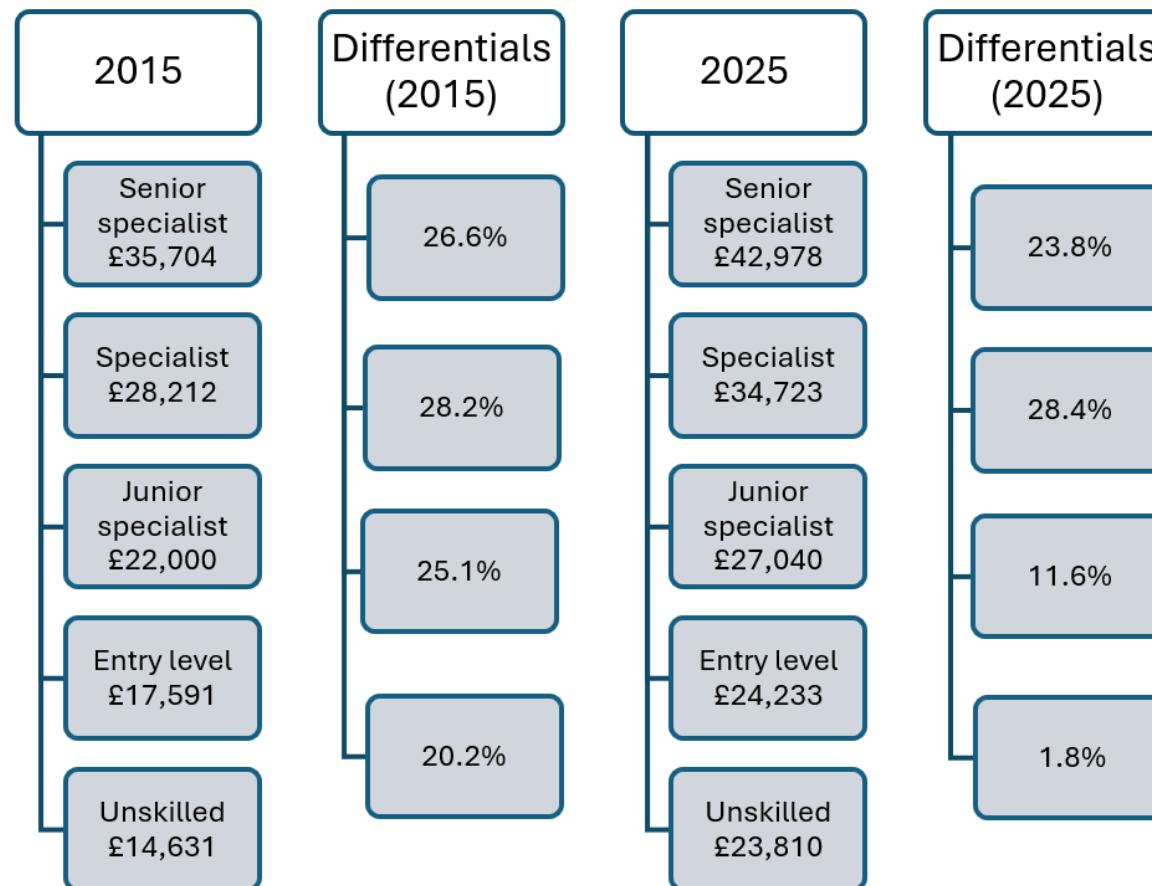
	Salary range				
	Point 1	Point 2	Point 3	Point 4	Point 5 X
Preferred market position	Median ▼	Median ▼	Median ▼	Median ▼	Median ▼
All bands	0 ▼ %	5 ▼ %	10 ▼ %	15 ▼ %	20 ▼ %

Internal relativity and wage compression

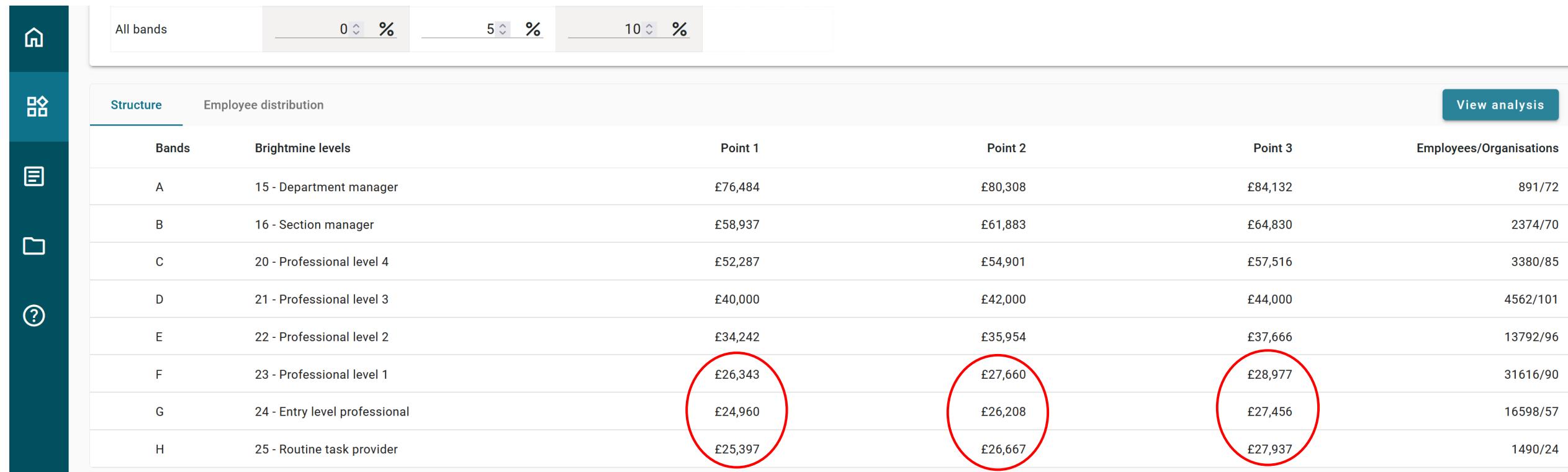
Change in NMW 2005 - 2025



Impact on pay differentials
2015-2025



Internal relativity and wage compression



Structure		Employee distribution			View analysis	
Bands	Brightmine levels	Point 1	Point 2	Point 3	Employees/Organisations	
A	15 - Department manager	£76,484	£80,308	£84,132	891/72	
B	16 - Section manager	£58,937	£61,883	£64,830	2374/70	
C	20 - Professional level 4	£52,287	£54,901	£57,516	3380/85	
D	21 - Professional level 3	£40,000	£42,000	£44,000	4562/101	
E	22 - Professional level 2	£34,242	£35,954	£37,666	13792/96	
F	23 - Professional level 1	£26,343	£27,660	£28,977	31616/90	
G	24 - Entry level professional	£24,960	£26,208	£27,456	16598/57	
H	25 - Routine task provider	£25,397	£26,667	£27,937	1490/24	

The ranges might be well constructed on paper, but market forces don't always cooperate

Internal relativity and wage compression

Structure	Employee distribution					View analysis	
Bands	Brightmine levels	Point 1	Point 2	Point 3	Point 4	Point 5	Employees/Organisations
▼ A	15, 16	£62,395	£65,515	£68,635	£71,754	£74,874	3265/86
▼ B	20, 21	£44,280	£46,494	£48,708	£50,922	£53,136	7942/105
▼ C	22, 23	£27,559	£28,937	£30,315	£31,693	£33,071	45408/103
▼ D	24, 25	£24,960	£26,208	£27,456	£28,704	£29,952	18088/61

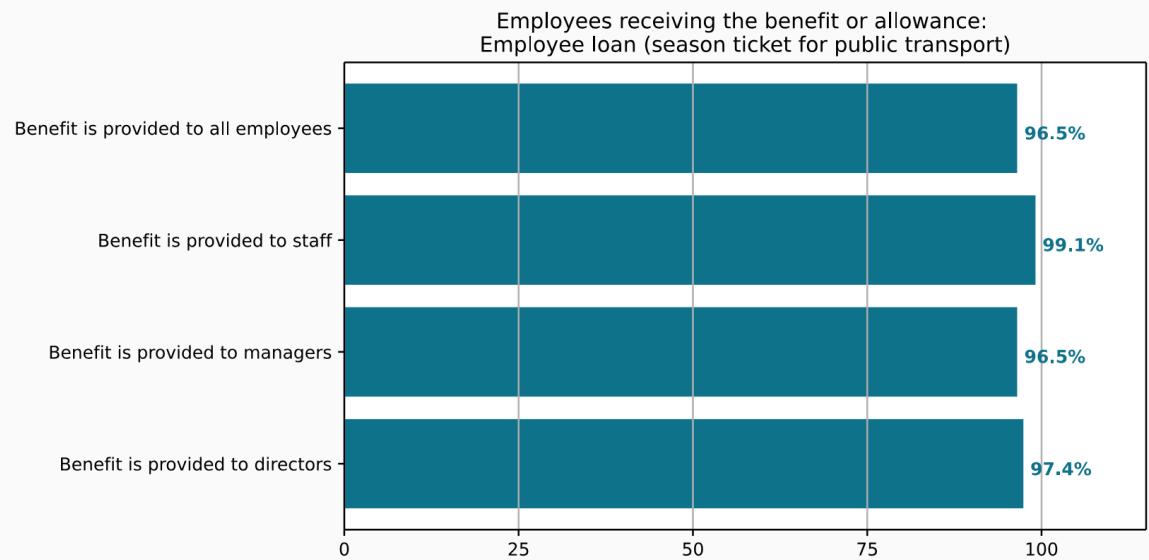
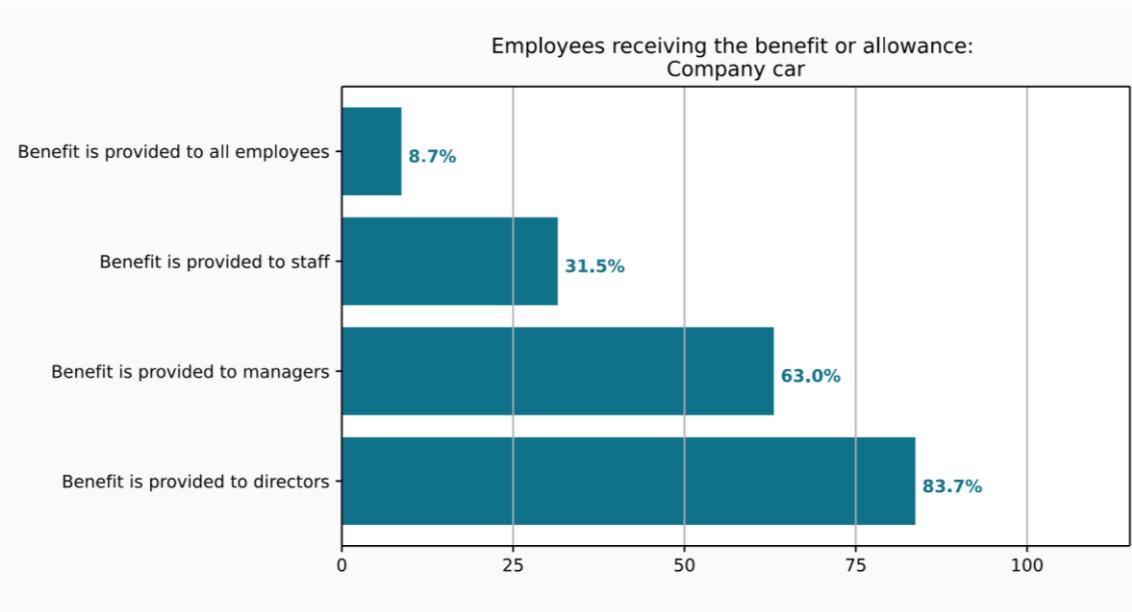
- Fewer grades and wider ranges can help.
- This must be backed up with clear criteria for movement within bands to maintain fairness and equality.

Enhanced governance and moves towards skills-based frameworks



Structure	Employee distribution						View analysis
Bands	Brightmine levels	Point 1	Point 2	Point 3	Point 4	Employees/Organisations	
A	15 - Department manager	£80,000	£88,000	£96,000	£104,000	13170/271	
B	16 - Section manager	£65,125	£71,637	£78,149	£84,662	22394/269	
▼ C	20, 21	£46,149	£50,763	£55,378	£59,993	73570/304	
▼ D	22, 23	£28,874	£31,761	£34,649	£37,536	258392/305	
▼ E	24, 25	£23,810	£26,191	£28,572	£30,953	175648/199	

Non-cash rewards and total package



Grade attracts company car

Grades attract season ticket loan

Structure Employee distribution

Bands	Brightmine levels	Point 1	Point 2	Point 3
		£145,432	£159,975	£174,518
A	12 - Director	£94,325	£103,758	£113,190
B	14 - Function head	£46,149	£50,763	£55,378
C	20, 21	£28,874	£31,761	£34,649
D	22, 23	£23,810	£26,191	£28,572
E	24, 25			

Communication



Transparency is not just publishing pay ranges, it means making the governing principles clear, so staff understand:

- How their pay is determined ie the logic behind the pay ranges
- What skills or contribution will move them forward ie how progression works

Ultimately, when communication is clear

- Perceptions around fairness improve
- Speculation decreases

Train managers to hold conversations around pay- they are often the first line of communication as well as the first line of risk.

Questions

