

## Preparing for gender pay reporting – guide three

The Gender Pay Gap Information Regulations come into force on 6 April 2017. In our [first guide](#) we explained how to work out whether the regulations apply to your organisation, who counts as a relevant employee and what is meant by the snapshot date. [Last week's guide](#) explained what pay information you will need to gather, who your 'relevant full-pay employees' are, and what is meant by the 'relevant pay period'.

In this final guide, we look at bonus pay and explain how to calculate weekly working hours and hourly rates of pay. Many of the terms we refer to in this guide are explained in the [first](#) and [second](#) guides.

### Bonus pay

As well as having to compare male and female employees' ordinary pay, the regulations require relevant employers to compare employees' earnings from bonus pay.

The regulations provide an exhaustive definition of bonus pay, which includes any remuneration in the form of money, vouchers, securities, options or interests in securities relating to:

- profit sharing
- productivity
- performance
- incentive
- commission

Bonus pay **does not** include overtime pay, sums referable to redundancy or termination of employment, payment in lieu of annual leave or loan schemes provided by employers. Gross bonus amounts should be used for the calculations.

### Bonus pay calculations

You will need to record all bonuses received by relevant employees in the 12 month period ending on the [snapshot date](#). The regulations refer to this as the **relevant bonus period**. So, for a year with a snapshot date of 5 April 2017 the relevant bonus period will be 6 April 2016 - 5 April 2017.

For the bonus pay gap calculations, all **bonus payments actually received** during the relevant bonus period must be included; it does not matter when the bonus was awarded or attributed. So, following our earlier example, if an employee was awarded a bonus in August 2014 as an incentive to complete a project and the bonus was paid out to her when the project ended in July 2016, it must be included in the bonus pay calculations based on the 5 April 2017 snapshot date.

Separate to this, you will also need to record all bonuses received by [full-pay relevant employees](#) only during the relevant pay period as this figure will be used to calculate hourly rates of pay. For these purposes, if a bonus relates a period of time that is different to, or exceeds, the [relevant pay period](#) it must be pro-rated.

[Contact us](#) if you are unsure about how to calculate your bonus pay figures.

## Weekly working hours and hourly rates of pay

If you have followed the steps in our guides so far, you will now be in a position to calculate the hourly rates of pay for your full-pay relevant employees.

The first step is to record each employee's normal weekly working hours. This will be straightforward for employees who usually work the same number of hours each week. Where employees' hours differ from week to week, you will need to work out the average number of hours they have worked by looking back over the 12-week period ending with the last complete week of the relevant pay period. This is the same method used for other weekly pay calculations such as holiday pay.

Contact us if you have any questions about how to work out an employee's normal weekly working hours.

To calculate hourly pay for your full-pay relevant employees you then need to:

1. take the figure for any bonuses received by during the relevant pay period
2. add this to the employee's [ordinary pay](#) received in the relevant pay period
3. multiply this amount by the number of days in the [relevant pay period](#) divided by 7 – for example, if an employee has a pay period of 14 days the relevant multiplier will be 0.5 (i.e. 7 divided by 14)
4. divide this amount by the employee's number of weekly working hours

## Next steps

You should now be familiar with the key concepts in the Gender Pay Gap Information Regulations. Getting to grips with the terminology and extracting the essential information for your own workforce is time-consuming and can throw up tricky issues.

We pride ourselves on giving clients advice that is tailored to their individual needs and we will be happy to help you work through any difficulties you may encounter as you analyse pay data for your employees.

Once you have this information, you will be ready to do the calculations, to analyse the results, and to prepare your written statement. The first statement must be published on your website and on a designated government website by 4 April 2018.

Look out for further updates and guides from Russell-Cooke on gender pay calculations and reporting over the coming months.

For further information or enquiries on the Gender Pay Gap Information Regulations, contact Carla Whalen or visit [russell-cooke.co.uk/charities](http://russell-cooke.co.uk/charities).

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