

Index of equality between women and men: how does it work?

The fight against gender inequalities in business is acquiring a new tool. Muriel Pénicaud and Marlène Schiappa unveiled on November 22 the index of equality between women and men. It will apply to companies from next March.

AN OBLIGATION OF RESULTS FOR COMPANIES

Three years to eliminate gender inequalities in business: this is the goal of the gender equality index. Unveiled November 22, 2018 by the Minister of Labor, Muriel Penicaud, the tool will assess the differences in remuneration in each company. In case of discrepancy, the employer will have three years to remedy the situation.

"I am proud that France is at the forefront of professional equality," said Minister Muriel Pénicaud, in a press conference. "Women and men will be the big winners, and our companies will come out more united and stronger," she continued.

Although equal pay for women and men has been in the law since 1972, the reality is very different. In France, women are paid on average 9% less than men at equal positions and age. All items combined, the gap is 25%.

"Wage inequalities between women and men are economic violence against women," said State Secretary Marlene Schiappa, "which is why we intend to end it".

HOW DOES THE INDEX WORK?

In the form of a score out of 100, the gender equality index is made up of five major criteria that assess inequalities between women and men in business.

Accounting for 40 points of the note, the remuneration is the most important of these criteria. The indicator identifies the average earnings of women and men in a company. Performance bonuses and benefits in kind are taken into account, but exclude bonuses related to working conditions, severance and precariousness. To get all 40 points, a society will have to reduce the gap between women's and men's pay to zero.

The second criterion of the index totals 20 points of the final score. It evaluates the percentage of men and women who have seen an increase in the year. To obtain all the points, a company will have to grant the same increases to women as to men, to the nearest 2% or to two people.

Third criterion: evaluation of promotions in companies. 15 points will be awarded to companies that, during the year, promote as many women as men to 2% or two people. For companies with 50 to 249 employees, this criterion is merged with that of the increase.

The fourth criterion concerns maternity leave, and can represent a gain of 15 points. The entire score will be awarded to a company that grants an increase to women returning from maternity leave. Be careful, if an employee in this situation does not receive an increase, no points will be awarded to the company for this criterion.

To obtain the last 10 points, a company must have at least four women among its ten highest salaries.

HOW IS THE INDEX SET UP? 3 YEARS TO GET THERE

Every year, French companies with more than 50 employees will have to publish on the Internet the score obtained on the gender equality index. If it is less than 75 out of 100, they will have three years to comply. If not, they will be financially sanctioned up to 1% of their payroll.

The obligation will apply first to companies with more than 1,000 employees from 1 March 2019. Then companies with between 250 and 1,000 employees from 1 September 2019. Finally, companies with 50 to 249 employees will be subject to the index from 1 March 2020.

How to make sure they comply with the obligations? In order to achieve significant results, the Government plans to strengthen labor inspection controls on equal pay. They would rise to 7,000 a year for companies with more than 250 employees, and 30,000 for those with 50 to 249 employees, a fourfold increase in these controls.

2019

1st of March

The date is imperative for 1400 companies with more than 1000 employees. For companies between 250 and 1000 employees, it is proposed a period of educational support by a network of equality representatives, until September 1st 2019. Small businesses will be accompanied for the implementation of the index.

July

From the second half of 2019, indicators can be calculated automatically via payroll software

1st of September

All companies with more than 250 employees will have to publish their overall score 2018 on their website.

2020

1st of March

The overall score for 2019 will be published no later than 1 March 2020 for all companies with more than 50 employees.

2022

1st of March

Companies with more than 250 employees who have not achieved the target will be subject to financial penalties, up to 1% of payroll.

2023

1st of March

All companies that have not achieved the goal will be subject to financial penalties, up to 1% of payroll.

