

***View from the Chair; Business Newsletter; Tuesday 9 April 2019
by Dr Michael Wardlow, Chief Commissioner, Equality Commission NI***

Is it wrong to reward more experience with higher pay?

Paying higher salaries, or particular elements of pay or benefits such as holiday leave, to employees with greater experience or longer service is not necessarily unlawful, but it is potentially discriminatory on grounds of sex and age, in particular, and should not be done without lawful justification.

Every year around 8% of the discrimination complaints made to the Equality Commission are about age discrimination.

The Commission recently supported a young woman in taking a case under the Employment Equality Age Regulations. This 27-year-old woman had worked as part of the company's Belfast customer services team. After 18 months in the job, she found that she had been paid less than older staff members who were doing exactly the same role as her and recruited around the same time as her.

Her employer settled this case, without admission of liability, for £14,000.

These older staff members had started at a higher salary than her, with the result that, after proportional pay increases, when she was promoted to a management role as Team Leader, she was earning less than the older staff she was managing.

The woman said the company had never advertised the salary for the job as dependent on experience. She said the company told her that it operated two pay scales and that to be on the higher scale an employee needed to have 10 years' relevant experience. She was then told that this was not the case, and that the starting salary did relate to length of experience, though it was considerably less than 10 years. The exact term was never specified.

So what should employers do? Employers should start with a presumption that employees should receive equal pay for equal work (work that is the same or of equal value) under a scheme that is reasoned, structured and transparent. You could demonstrate your commitment to this principle by having an equal pay policy. And of course all staff and managers should know and be able to access your equality policies.

Periodic equal pay reviews will help to identify any pay disparities between employees who are doing equal work. Look especially for patterns that may reveal whether these disparities tend to advantage or disadvantage any particular groups.

Identify the source of any disparities by examining all aspects of your pay packages, such as starting salaries, pay progression scales, overtime rates or bonuses.

Consider whether any disparities are lawfully justified and if they are not, eliminate them.

Our Advice and Compliance team is available to answer your questions about this and any other workplace equality issues. We can help you devise policies to suit your organisation and we also offer free expert training on many of the basics. If you have a specific query that isn't answered on our website, phone 028 90 500 600 or email: edenquiries@equalityni.org