Employment Law Newsletter

Employer’s Obligations under the EU Pay Transparency Directive (Directive 2023/970)

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1. Introduction

On 6 July 2026, Law 5316/2026 (Government Gazette No. 105/2026, Issue A') was published (hereinafter "the Law"), transposing EU Directive 2023/970 (EU Pay Transparency Directive) into Greek law and strengthening the implementation of the principle of equal pay for men and women for equal work or work of equal value.

The new framework introduces a comprehensive set of obligations concerning pay transparency, recruitment, pay structures, employees' access to remuneration information and gender pay gap reporting, with effective date as of November 1st, 2026. It is expected to have a significant impact on employers' remuneration structures and practices, job evaluation processes, recruitment and promotion practices, HR data management, and monitoring of gender pay disparities.

The Law further expressly introduces the concept of intersectional discrimination, thereby expanding the existing legal framework on protection against discrimination. Intersectional discrimination refers to discrimination based on sex in combination with other ground or grounds of discrimination, such as based on race, ethnic origin, religion, disability, age or sexual orientation.

2. Key pay transparency obligations

The pay transparency framework applies to employees as well as individuals seeking employment in both the public and private sector.

2.1. Pre-contractual Transparency

The new framework introduces specific pay transparency requirements prior to employment. Job titles and job vacancy announcements must be formulated in a gender-neutral manner. Recruitment documentation and procedures should also be reviewed accordingly, while job titles and job vacancy announcements should be reviewed to ensure that they do not contain gender-biased terminology.

Employers must provide job applicants with information about the initial level of remuneration or the applicable range for each position, based on objective and gender-neutral criteria. Such information must be provided in a manner to ensure an informed and transparent negotiation on pay, at a sufficiently early stage, before the interview stage or at another appropriate stage of the recruitment process, including job vacancy announcements. In addition, employers are prohibited from requesting information from candidates concerning their current or previous remuneration.

2.2. Employees' Right to Information

Employees are entitled to request information regarding their individual pay, as well as the average pay levels, presented by gender, for categories of employees performing equal work or work of equal value. Employers must provide the information requested within two months from the date the request was received. In case the information is not provided, or in case the information provided is inaccurate or incomplete, employees are entitled to request from the Greek Ombudsman additional and reasonable clarifications and details in relation with any of the information provided. Employers are required to inform annually all employees of their right to information and the procedure followed for its exercise. In addition, employees may not be prevented from disclosing their own remuneration, where this is necessary to ensure the application of the principle of equal pay. However, pay information obtained under the pay transparency framework must remain confidential and may be used only for the exercise or enforcement of equal pay rights.

2.3 Pay structures

Employers are required to establish and have pay structures in place ensuring the application of the principal of equal pay. Such structures must be justified by objective and gender-neutral criteria, including skills, effort, responsibility and working conditions, allowing the comparison of different job positions and employee categories. Additional criteria may also be considered, where relevant and justified. Where employee representatives exist, the relevant criteria must be developed in cooperation with them. The criteria used to determine remuneration, pay levels and pay progression must also be easily accessible to employees. Employers with less than 50 employees are exempt only from the obligation to make information relating to pay progression available.

3. Gender pay gap reporting

Employers with at least 100 employees must report detailed gender pay gap data relating to the previous calendar year, including the overall and median gender pay gap, the overall and median gender pay gap in complementary or variable pay components, the proportion of male and female employees receiving complementary or variable components, the proportion of female and male employees in each quartile pay band, and the gender pay gap between employees per employee category, presented by ordinary basic salary and complementary or variable components.

The reporting obligations are introduced according to the size of the employer:

- Employers with at least 250 employees must report by 7 June 2027 and <u>annually</u> thereafter;
- Employers with 150–249 employees must report by 7 June 2027 <u>and every three years</u> thereafter;
- Employers with 100–149 employees must report by 7 June 2031 <u>and every three years</u> thereafter;
- Employers with less than 100 employees may report <u>voluntarily</u> every three years.

Reported data are communicated to the Greek Ombudsman and may also be made publicly available by the employer through its website or other appropriate means.

4. Joint pay assessment

Employers subject to gender pay gap reporting obligations are required to carry out a joint pay assessment in cooperation with employee representatives, in order to identify, remedy and prevent differences in pay between female and male employees which are not justified on the basis of objective, gender-neutral criteria, in cases where all the following conditions are met: (a) the pay reporting demonstrates a difference in the average pay level between female and male employees of at least 5 % in any category of employees; (b) the employer has not justified this difference on objective and gender-neutral grounds; and (c) the employer has not remedied such an unjustified difference in the average pay level within six months following date of submission of the pay reporting.

The joint pay assessment shall include, among others, measures to address differences in pay if they are not justified on the basis of objective, gender-neutral criteria, an evaluation of the effectiveness of measures from previous joint pay assessments. Any corrective measures identified through the joint pay assessment must be implemented by the employer within one year.

5. Remedies and Defense of rights

In case of infringement of rights or obligations related to the principle of equal pay, the Labor Inspectorate, in cooperation with the Greek Ombudsman, may issue an order to the employer to remedy the violation and/or adopt appropriate corrective measures. Non-compliance may result in administrative fines, considering the size of the enterprise, the severity of the infringement, the culpability and any repeated infringement.

Employees affected by violations are entitled to seek full and uncapped compensation from the employer, including positive and consequential damages and moral damages.

The Law further strengthens employees' procedural position by providing for a reversal of the burden of proof in cases of alleged pay discrimination, including circumstances in which the employer has failed to comply with applicable pay transparency obligations.

6. Protection against retaliation

Employers are prohibited from terminating or otherwise adversely treating employees or employees' representatives in retaliation for complaints or administrative or judicial proceedings concerning the exercise of rights on the enforcement of the principle of equal pay.

7. Competent Authorities and Regulatory Oversight

The Greek Ombudsman is designated as the primary equality body and monitoring authority for overseeing and promoting the implementation of equal pay and pay transparency. The investigation of relevant complaints is assigned to the Labor Inspectorate in cooperation with the Greek Ombudsman, while the National Transparency Authority is responsible for inspections and investigations in the public sector.

The present newsletter contains general information only and is not intended to provide specific professional advice or services.

If you need further assistance or information with regard to the above please contact:
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