

Getting Started with Gapsquare™

Glossary of Key Terms



Read this list of useful terms for help with Gender Pay Gap Analysis.

Make sure you are familiar with all the terms on this list (as per the UK Gender Pay Gap reporting regulations) before you start collecting and compiling data to upload into Gapsquare™.

Key Term	Definition
Employee	<p>Employees - Those with a contract of employment</p> <p>Some self-employed people - where they have to personally perform the work</p> <p>Part-time workers - An employee who works fewer hours than a full-time worker</p> <p>Job-share - Each employee within a job-share counts as one employee. So if two people job-share, they count as two employees</p> <p>Overseas workers - Employees working wholly or partly in Great Britain will need to be counted for the gender pay reporting regulations, as will employees working for organisations based in Great Britain who sends employees abroad to work</p> <p>Contractors - A worker who is self-employed that does work for your organisation. They are not a relevant employee.</p> <p>Agency workers - A worker who is employed by a separate agency that does work for your organisation, but their payroll is under the agency, and therefore they are not a relevant employee.</p> <p>Partners - Traditional partnerships and limited liability partnerships do not count as 'relevant employees' because they are not paid but take a share of profits. Some organisations voluntarily include partners in their calculations, or conduct partner pay analysis, and publish these figures within their narrative</p>
Base Pay	The initial salary paid to an employee, not including benefits, bonuses etc.

Ordinary
pay

Ordinary pay includes basic pay, allowances, pay for piecework, pay for leave and shift premium pay. It only includes money payment, so any benefits in kind or securities are excluded from this figure. Gross amounts should be after salary sacrifice.

Ordinary pay does not include pay related to overtime, redundancy, termination of employment, pay in lieu of annual leave. As well as actual 'overtime pay', payments such as allowances earned during paid overtime hours should be excluded from ordinary pay.

Allowances

All allowances (e.g. car allowances, extra amount for being on call, London living allowances etc) should be included in the definition of ordinary pay.

Employers should make a decision on which pay elements are considered allowances and therefore included within the gender pay gap regulations.

Salary
sacrifice

This is an agreement between employer and employee to reduce the employee's entitlement to cash remuneration - usually in the form of a non-cash benefit in kind - which is not reflected in their salary or wage.

These schemes are deducted from the calculations. You should use the employee's gross pay after any reduction for a salary sacrifice scheme. This can be handled in the Gapsquare™ app and is useful to understand impact of salary sacrifice on gender pay gap reporting.

Benefits in Kind	<p>These are non-cash benefits not included in wages, like a company car or private medical insurance. These are excluded from the calculations. Note that the value of a company car does not count as a benefit in kind (and is therefore excluded from gender pay gap calculations), whilst a car allowance is included.</p> <p>Understanding the implications of this in your narrative can be helpful.</p>
Pay Period	<p>The pay period is the period in which the relevant employer pays the relevant employee basic pay.</p> <p>The relevant pay period is the pay period within which the snapshot date falls. In practice, this means the pay period in which either March 31st or April 5th (see above for distinction) falls. Any bonuses received during the pay period do count as included pay under gender pay gap legislation</p>
Snapshot date	<p>The key date that many of the details needed to comply with UK Gender Pay Gap reporting legislation will come from, and is also the deadline each year for a company to publish their gender pay report.</p> <p>We pro-rata each employees salary down to an hourly rate for anyone that was employed on the snapshot date, and then use this hourly rate to compare between genders.</p> <p>For example, if an employee works at the company from August to December, they will not be included in gender pay gap analysis as per the UK legislation. Bonuses, on the other hand, are calculated across the reporting year, rather than just on the snapshot date. The snapshot date is March 31 for public authorities and April 5th for all other employers.</p>