



**Directive (EU) 2023/970  
(Pay Transparency) -**

**Update The Netherlands:  
draft legislative proposal**



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# Directive (EU) 2023/970 (Equal Pay) – Update Netherlands: draft legislative proposal

On 26 March 2025, Minister Van Hijum of Social Affairs and Employment published a draft legislative proposal aimed at addressing wage disparities between men and women.

Additionally, an online consultation has been opened, allowing stakeholders to provide substantive feedback on the draft proposal. Participation in the online consultation is possible until 7 May 2025.

## What is the purpose of this legislative proposal?

On 10 May 2023, Directive (EU) 2023/970 was established to strengthen the application of the principle of equal pay for men and women for equal or equivalent work through pay transparency and enforcement mechanisms. The goal of the Directive is to promote equal pay for men and women by introducing pay transparency measures. The Directive sets minimum requirements for equal pay for men and women for equal or equivalent work and for pay transparency. This directive applies to employers in both the public and private sectors and is relevant for all employees with an employment contract.

EU member states have been tasked with transposing this Directive into national legislation by 7 June 2026, at the latest. The draft legislative proposal published by Minister Van Hijum, known as the Implementation Act for the Pay Transparency Directive for Men and Women (Wgbmv), incorporates the directive into Dutch law. The directive will be integrated into the Equal Treatment Act for Men and Women (Wgbmv).

## What does this legislative proposal mean for employers and employees?

On one hand, the proposal aims to impose transparency obligations on all employers. This includes requirements for transparency regarding pay prior to hiring, a prohibition on inquiring about salary history during employment negotiations, gender-neutral job titles and advertisements, openness about pay progression, and the right to information. On the other hand, employers will need to map and report on pay disparities.

The transparency obligations apply to all employers, regardless of the size of the organization. For employers with at least 100 employees, there will also be a reporting obligation and a pay evaluation requirement.

## Transparency and reporting obligations

### Number of employees

Employers with:

- |                              |                             |
|------------------------------|-----------------------------|
| ▪ 100 to 250 employees       | Report every 3 years        |
| ▪ 250 or more employees      | Report annually             |
| ▪ 150 with or more employees | First report by 7 June 2027 |
| ▪ 100 to 150 employees       | First report by 7 June 2031 |

Companies must provide employees with sufficient access to objective criteria based on which remuneration is determined and provide information upon request that offers insight into pay disparities within the organization.

Companies are also encouraged to provide training and resources to management and HR professionals regarding pay inequality to ensure compliance and raise awareness.

## Who qualifies as an employee?

Employees include those with an employment contract (or public law appointment), including part-time workers, and individuals provided as labor to another under their supervision (such as temporary workers or payroll employees). The existence of an employment contract is assessed based on Article 7:610 of the Dutch Civil Code (wage, work, and authority). Some measures also apply to applicants who do not yet qualify as employees.

The obligations in the Wgbmv apply in principle to both the hirer and the lender. For temporary workers, only the hirer is required to report on the labor provided to them.

### What must employers report?

Employers will need to report on the following:

- The pay gap (the difference in average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees).
- The pay gap in additional or variable components.
- The median pay gap (the difference between the median pay level of female and male employees, expressed as a percentage of the median pay level of male employees).
- The median pay gap in additional or variable components.
- The proportion of female and male employees receiving additional or variable components.
- The proportion of female and male employees in each quartile pay scale.
- The pay gap between employees broken down by categories of employees and by base salaries and additional or variable components.

The Ministry of Social Affairs and Employment will develop methods and tools and provide resources to assist employers in establishing pay structures. This can help employers compare the value of work.

As mentioned earlier, the legislative proposal must come into effect by 7 June 2026, at the latest. Are you prepared for this new law? What can you do now?

- Conduct a readiness assessment to determine if you are prepared for this new law.
- Review your job and salary structure in light of the pay transparency rules.
- Provide training to your stakeholders to raise awareness.
- Develop an action plan to engage with your works council.
- Set up a hotline for employee inquiries.

We will closely monitor this draft legislative proposal and will inform you as soon as relevant changes or further information becomes available.

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