WHPARTNERS

MALTA'S EQUAL PAY TRANSPARENCY AND REPORTING REGULATIONS 2026

WHAT EMPLOYERS NEED TO KNOW



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Overview

Legal Notice 173 of 2026 introduces the Equal Pay (Transparency and Reporting) Regulations, 2026, enacted to transpose Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

These Regulations apply to employers in both the public and private sectors and to all workers who have an employment relationship as defined in the Employment and Industrial Relations Act (Cap. 452).

KEY OBLIGATIONS FOR EMPLOYERS

Equal Pay Structures

All employers must ensure that they have pay structures in place that guarantee equal pay for equal work or work of equal value.

Employers are not precluded from paying workers differently, or from setting pay progressions, provided this is done on the basis of objective, gender-neutral and bias-free criteria, including but not limited to performance and competence.

Pay structures must be such as to enable the assessment of whether workers are in a comparable situation with regard to the value of work, based on objective, gender-neutral criteria agreed with employees' representatives where such representatives exist. Those criteria must not be based directly or indirectly on workers' sex, and must include skills, effort, responsibility and working conditions, as well as any soft skills where relevant, and must be applied in a manner that excludes any direct or indirect discrimination based on sex.

Pre-Employment Pay Transparency

Job applicants have the right to receive from a prospective employer information about: (a) the initial pay or its range, based on objective, gender-neutral criteria, for the position concerned; and (b) the relevant provisions of any applicable collective agreement. This information must be provided in a manner that ensures an informed and transparent negotiation on pay, prior to the conclusion of the recruitment process.

Critically, employers are prohibited from asking applicants about their pay history during current or previous employment relationships.

Employers must also ensure that job vacancy notices and job titles are gender-neutral and that recruitment processes are conducted in a non-discriminatory manner.

Internal Pay Policy Transparency

Employers must adopt and maintain written policies or criteria establishing the objective and gender-neutral criteria used to determine workers' pay, pay levels and pay progression. These written policies or criteria must be accessible to workers at all times.

There is a tiered exemption system based on employer size:
Employers employing fewer than 50 workers are exempt from the written policy requirements insofar as they relate to pay progression. However, employers employing 25 or more workers remain obliged to internally document at employer level the criteria used to determine workers' pay, pay levels and pay progression.
Employers employing fewer than 25 workers remain in all cases bound by the underlying equal pay principles.

Workers' Right to Pay Information

Workers have the right to request and receive in writing information on their individual pay level and the average pay levels broken down by sex, for categories of workers performing the same work or work of equal value.

Key procedural obligations for employers include:



Upon receipt of a request, employers must provide the requested information in writing within 8 days.



If the information is not provided, or is inaccurate or incomplete, within 45 days from the date of first request, this will constitute an offence under the Act and the Director may initiate proceedings against the employer.



Employers must inform all workers on an annual basis of their right to receive pay information and the steps required to exercise that right.



Employers are required to retain relevant information and data for a period of not less than 5 years.



Workers must not be prevented from disclosing their pay to the relevant authorities or to employees' representatives for the purpose of enforcement.

Pay Gap Reporting Obligations

Employers employing at least 100 workers must prepare a Pay Gap Report containing the following information:
(a) the gender pay gap;
(b) the gender pay gap in complementary or variable components;
(c) the median gender pay gap;
(d) the median gender pay gap in complementary or variable components;
(e) the proportion of female and male workers receiving complementary or variable components;
(f) the proportion of female and male workers in each quartile pay band; and
(g) the gender pay gap between workers by categories of workers, broken down by ordinary basic wage or salary and complementary or variable components.

Reporting deadlines are staggered by employer size:

Employer Size	First Report Date	Frequency
250+ workers	7 June 2027 (covering 1 Jan–31 Dec 2026)	Annual
150–249 workers	7 June 2027 (covering 1 Jan–31 Dec 2026)	Every 3 years
100–149 workers	7 June 2031 (covering 1 Jan–31 Dec 2030)	Every 3 years

Employers employing fewer than 100 workers may provide this information on a voluntary basis.

The accuracy of the information contained in the Pay Gap Report must be confirmed by the employer's management following consultation with employees' representatives, who must also have access to the methodologies applied in compiling the report.

The Pay Gap Report must be communicated to the Monitoring Body (the Department for Industrial and Employment Relations) in a format prescribed by that Body. Employers may also publish items (a) to (f) on their website or otherwise make that information publicly available.

Employers must provide the category-by-category breakdown (item (g)) directly to all workers and employees' representatives, and to the Monitoring Body and Equality Body upon request, including data from the previous four years where available.

Joint Pay Assessments

Employers who are subject to Pay Gap Reporting obligations must conduct a joint pay assessment in consultation with employees' representatives where all of the following conditions are met:

- **The Pay Gap Report shows a difference in average pay levels between female and male workers of at least 5% in any category of workers;**
- **The employer has not satisfactorily justified that difference on the basis of objective and gender-neutral criteria; and**
- **The employer has not remedied the unjustified difference within 6 months from the date of submission of the pay report.**

The joint pay assessment must include: an analysis of the proportion of female and male workers per category; average pay levels and variable components per category; any differences in pay and reasons for those differences; the proportion of workers who benefitted from pay improvements following return from maternity, paternity, parental or carers' leave; measures to address unjustified differences; and an evaluation of the effectiveness of measures from any previous joint pay assessment.

Employers must make the joint pay assessment available to workers and employees' representatives and must communicate it to the Monitoring Body within 10 working days of completing it.

Shift in Burden of Proof

This is a particularly important change for employers to understand:
In all proceedings (other than criminal proceedings) where a claimant establishes facts from which discrimination may be presumed, the employer bears the burden of proving that there has been no direct or indirect pay discrimination.

Furthermore, where an employer has not implemented the pay transparency obligations under Regulations 4, 5, 6, 9 and 10, the employer shall be obliged to prove the absence of discrimination - unless the employer can demonstrate that the breach of those obligations was manifestly unintentional and of a minor character.

This means that compliance with the transparency obligations is not merely a procedural matter - failure to comply will directly and adversely affect an employer's litigation position in any subsequent equal pay claim.

Remedies, Compensation and Penalties

Civil Claims

Any person who has sustained a loss in pay as a result of a breach of the equal pay principle may refer the matter to the Industrial Tribunal for redress and shall be entitled to claim full payment of any lost pay together with compensation.

Payment of lost pay includes full recovery of back pay and related bonuses or payments in kind. Compensation must constitute real and effective compensation for damages sustained in a dissuasive and proportionate manner and must include compensation for lost opportunities, non-material damage, and damage caused by intersectional discrimination - over and above any reparation for loss of pay.

Criminal Penalties

Any person contravening the Regulations is guilty of an offence and liable on conviction to a fine of not less than €2,500 and not more than €5,000.

Where the offence consists of, or is connected with, a breach of the equal pay principle on the basis of gender and intersectional discrimination, the fine is €5,000 to €7,000.

The Court must take into account whether the offence constitutes a repeated infringement and, where it does, must impose a more severe punishment within those limits.

Prescription Period

Any action for loss of pay and compensation must be brought within 3 years, commencing on the date on which the claimant knew or could reasonably be expected to have known of the breach. Claims may also be brought even after the termination of the employment relationship.

The prescription period is suspended or interrupted when the claimant has submitted a complaint to the employer or has initiated proceedings before the Tribunal.

Protection Against Victimisation

It is unlawful to victimise any worker or employees' representative for having exercised their rights under these Regulations or for having participated in proceedings for redress on grounds of an alleged breach.

Accessibility and Dissemination Obligations

Employers must ensure that any information provided to workers or applicants in accordance with Regulations 4, 5 and 6 is made available in a format that is accessible to persons with disabilities, having due regard to their particular needs.

Employers must use appropriate means to bring the provisions of these Regulations and any measures taken pursuant to them to the attention of their workers.

Data Protection

Any information provided in accordance with Regulations 6, 9 and 10 that involves the processing of personal data must be handled in accordance with the GDPR (Regulation (EU) 2016/679).

Where the disclosure of pay information would lead directly or indirectly to the identification of an individual worker's pay, only workers' representatives, the Equality Body and the Monitoring Body shall have access to that information.

Summary Action Checklist for Employers

The following is a practical overview of the immediate steps employers should take:

All Employers	Review and update pay structures to ensure equal pay compliance and establish written, gender-neutral pay criteria. Cease the practice of asking job applicants about their pay history. Ensure job advertisements and titles are gender-neutral. Implement an annual communication to workers informing them of their right to request pay information. Ensure a mechanism is in place to respond to individual pay information requests within 8 days. Review data retention policies to ensure pay-related data is retained for at least 5 years. Take legal advice on the implications of the reversed burden of proof and ensure transparency obligations are met to protect the employer's litigation position.
Employers with 25+ workers	Internally document criteria used to determine pay, pay levels and pay progression.
Employers with 50+ workers	Adopt and maintain accessible written pay policies, including on pay progression.
Employers with 100+ workers	Prepare to collect the data required for Pay Gap Reports, noting that reporting for the year 2026 begins now.
Employers with 250+ workers	First Pay Gap Report due by 7 June 2027.

This summary is based on L.N. 173 of 2026, the Equal Pay (Transparency and Reporting) Regulations, 2026, and is intended as a general overview for advisory purposes. Employers should seek specific legal advice on their individual circumstances.

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