

# Salary Transparency in the Games Industry

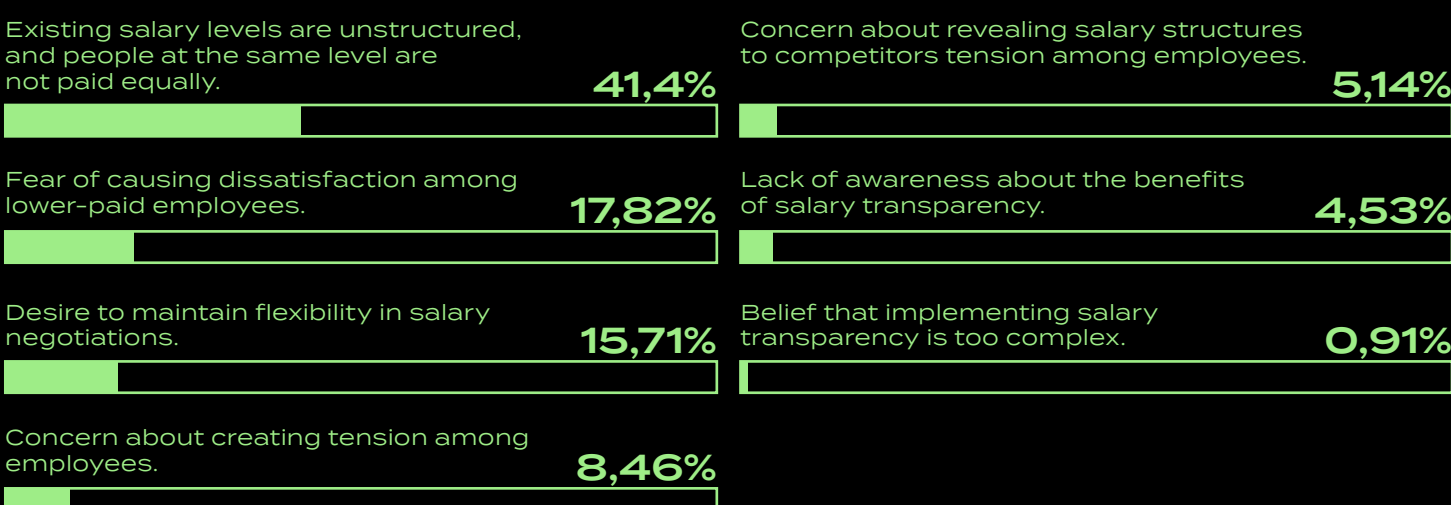
2024

## STATUS QUO AND THE UPCOMING EU REGULATIONS

The most recent EU-wide statistic provided is that **women earn 12.7% less per hour than men** on average across the 27 EU member states as of 2021, with considerable variation between countries.

Given that **women represent only 22.4% of the games industry's workforce compared to men's 71.4%**, highlighting and addressing pay discrepancies is crucial. Promoting salary transparency could serve as an effective strategy to attract more women to the industry and ensure fair compensation across all demographics.

According to feedback from our February and March 2024 survey participants, the most prevalent concerns regarding salary transparency in the gaming industry include:



While EU Directive 2023/970 wasn't specifically designed to address these issues, it is highly likely that the mechanisms it introduces will promote broader salary transparency, not merely as a means to bridge the gender pay gap.

## PAY TRANSPARENCY DIRECTIVE (EU) 2023/970

The directive serves as a comprehensive EU-wide initiative designed to enhance pay transparency and tackle the gender pay gap across all sectors. It mandates equal remuneration for equal work and work of equal value, irrespective of gender.

## FOR EMPLOYERS:

Key details on which companies will be impacted by Directive (EU) 2023/970:

### 1. REPORTING DUTY:

- Companies with **250** or more employees must report on their gender pay gap annually, starting in 2026, with the first report due by June 7, 2027.
- Companies with **150–249** employees must report on their gender pay gap every 3 years, starting in 2026, with the first report due by June 7, 2027.
- Companies with **100–149** employees are required to report every three years beginning in 2031.
- Companies with **under 100** employees must provide pay information as mandated by individual EU member states. These entities may also choose to disclose pay information voluntarily.
- The reports must be submitted to the designated monitoring bodies established by each member state.

### 2. COMPONENTS OF THE REPORT:

- overall gender pay gap;
- gender pay gap in complementary or variable components (e.g. commission, car allowance);
- median gender pay gap;
- median gender pay gap in complementary or variable components;
- proportion of female and male workers receiving complementary or variable components;
- proportion of female and male workers in each quartile pay band;
- gender pay gap between workers by

categories of workers broken down by ordinary basic wage or salary and complementary or variable components.

Should the reported data indicate a pay gap exceeding 5%, companies are required to conduct a **comprehensive pay analysis in cooperation with employee representatives**.

### 3. GEOGRAPHIC SCOPE:

- The directive applies to all companies operating in the EU, both in the private and public sectors.
- It covers based in the EU as well as those based outside the EU but with operations in the EU.
- Each EU member state has to implement this directive into their own law by June 7, 2026.

### 4. HOW DOES THE DIRECTIVE DEFINE EMPLOYEES:

This directive applies to all individuals who have an employment contract or "relationship as defined by the laws, collective agreements, and/or practices in each EU member state, with reference to the Court of Justice's case law", including part-time workers, workers on a fixed-term contract and hired via a temporary agency. It also applies to job applicants. The definition of "employment" under this directive is broad. This aspect warrants closer monitoring per specific member state regulations.

## FOR JOB APPLICANTS:

### PAY TRANSPARENCY:

- As a job applicant, you must be provided by the employer with information on the starting pay or pay range for the position, **either in the job ad or before the interview**. This gives job seekers more clarity on compensation upfront.
- Employers cannot ask applicants about their pay history from previous jobs. This prevents employers from using an applicant's prior salary to underpay them.

## FOR EMPLOYEES:

### ACCESS TO INFORMATION (ALSO KNOWN AS PROHIBITION OF WAGE SECRECY):

- Once hired, **employees can request information on the average pay levels broken down by gender for their job category or work of equal value**. This empowers workers to identify and challenge potential pay discrimination.
- Employer's reply would have to be provided **in writing** (email or any document form), **within 2 months** from the date of the request.
- Work of equal value is defined as work that is deemed equivalent to another job based on objective, gender-neutral criteria: skills, effort, level of responsibility, working conditions, and other significant factors relevant to the job or position.

### ENFORCEMENT AND PROTECTIONS:

- The burden of proof is on the employer to show they have not violated equal pay rules if a worker brings a discrimination claim. This makes it easier for workers to seek redress.
- Workers have the right to seek compensation or full redress for pay discrimination. This provides a strong incentive for employers to ensure pay equity.
- Employers are prohibited from taking action against workers for disclosing their pay**. This protects workers who want to compare their compensation.
- Companies with large pay gaps over 5% must conduct **joint pay assessments with worker representatives**. This requirement incentivizes employers to proactively address pay disparities.

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