



平等機會委員會  
EQUAL OPPORTUNITIES COMMISSION

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## Good Management Practice Series:

### The Sex Discrimination Ordinance

## Recruitment Planning

# Equal Pay

Remuneration makes up a key part of most employment terms and conditions. Apart from basic pay, it can encompass a wide range of payment and benefits, including bonuses, overtime rates and allowances, performance-related pay, retirement schemes and other fringe benefits. Offering varied pay and remuneration packages to employees is not in itself unlawful, but such differences become discriminatory when the level of remuneration is determined by sex.

When offering terms and conditions, employers should abide by the principle of equal pay for equal work (EPEW) to ensure that male and female employees performing equal work should receive the same level of pay. Employers are also encouraged to consider implementing equal pay for work of equal value (EPEV), which seeks to prevent pay discrimination due to segregation of men and women into different roles but performing like work, and advance gender parity in pay.



## What the law says

Under the Sex Discrimination Ordinance (SDO), offering less favourable terms of employment to an employee on the ground of sex would constitute direct discrimination. An example would be paying male and female staff different rates for doing the same type of work.

Indirect discrimination occurs when employees of one sex is paid less than another as a result of a policy that applies to all. For example, a company may have a policy of giving employees extra payment for working on weekends. In practice, most employees who take up weekend shifts are male, as most female workers have to take care of children and are unable to work on weekends. Such arrangement may constitute indirect discrimination under the SDO.



# When is individual differences in pay justifiable?

The law allows for individual differences in pay when relevant considerations are present. Relevant considerations may include:

**Performance**

**Length of services**

**Qualifications**

**Supply and demand in the labour market**

The relevant considerations should actually exist, be applicable to all employees and account for the whole of the pay gap.

## Achieving Equal Pay

### Equal Pay for Equal Work (EPEW)

EPEW means paying male and female employees equally for doing “same work” or “like work”. Even if employees have different job titles, job descriptions or contractual obligations, it does not mean that the work they perform is different. When the work, skills and knowledge required in two different positions are broadly similar, they are likely to be considered as “like work”.

**Example:** Two employees work in the same production line. One wraps products with gift paper, while the other packs the wrapped products into boxes. The two employees are performing “like work”.

### Equal Pay for Work of Equal Value (EPEV)

EPEV aims to rectify gender pay disparities that arise from men and women being segregated into different jobs due to gender stereotypes. Work of equal value can be identified by comparing and evaluating the job content and demands on employees. If different jobs are deemed to have equal value, the employees should receive same pay and benefits.

**Example:** Two employees work in a restaurant. One works as a bar attendant, while another works as a waiter. Although their key responsibilities are different, their work can be considered as having equal value in the restaurant.



## Good practices



Establish structured and transparent pay systems that are based on consistent, objective criteria.



Employ fair practices in hiring, promotion and performance appraisal in line with the principles of equal opportunities.



Periodically conduct a self-audit to evaluate the value of jobs and eliminate any gender pay gap.



Effectively communicate pay policies with employees and enhance their understanding on equal pay.