

Switzerland – New Gender Pay Gap Requirements

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Switzerland has joined the growing list of jurisdictions to introduce legislation to address the gender pay gap.

Effective July 1, 2020, employers with 100 or more employees (including part-time and hourly employees) will be required to conduct an internal gender pay gap analysis every four years until June 30, 2032. Affected employers will be required to complete their first internal analysis by June 30, 2021.

If the requirement to carry out the analysis is the stick, the carrot is that where an employer's analysis demonstrates that pay equity has been achieved, they are no longer required to conduct further analyses. The Swiss government provides employers with a free tool for conducting the analyses, which can be found [here](#).

Employers will also be required to submit their analyses for independent verification by June 30, 2022. Independent verification may be conducted by: (i) a firm authorized under the Audit Supervision Act; (ii) an organization that meets the requirements of Article 7 of the Gender Equality Act; or (iii) employee representation pursuant to the Swiss Workers' Participation Act.

Notably, the new legislation does not provide for sanctions or penalties in the event that an employer does not conduct an analysis or there or where pay equity is not achieved. However, it does require employers to provide employees with written notice regarding the results of each analysis within one year of their verification. Additionally, publicly listed companies in Switzerland must publish the results of their analyses in their annual financial reports. Importantly, employees who file suit against their employers alleging a breach of equal pay legislation will be permitted to use the results of their employer's analysis as evidence to support their claim.

This legislation continues a global trend that has seen numerous countries introduce measures to address the gender pay gap. Employers should closely review their policies to ensure compliance with these new requirements.

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