



Equality (Race and Disability) Bill: mandatory ethnicity and disability pay gap reporting

Submission to the Office for Equality and Opportunity, Race Equality Unit, Disability Unit, Seema Malhotra MP and The Rt Hon Sir Stephen Timms MP



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About the CIPD

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years.

It has over 160,000 members across all sectors and sizes of organisation and provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers. It also seeks to promote and improve best practice in people management and development and to represent the interests of our members.

CIPD's response

CIPD's response was informed by discussions involving CIPD members at two in-person focus groups in Glasgow and Liverpool and an online focus group with practitioners whose workplace was based in Wales. These events were invite-only and typically attracted around one dozen senior practitioners working for large employers in the private, public, and voluntary sectors. Our response was also informed by previous CIPD research and consultations with members on the issues covered by the consultation.

Overview of ethnicity pay reporting

The CIPD believes that ethnicity pay reporting and the publication of action plans has the potential to help reduce workplace disparities. It is also an opportunity for people professionals to ensure that decisions about pay and employees are fair, and make sure that the money spent on reward supports both the needs of the business and its workforce.

However, the CIPD recognises that ethnicity pay reporting is more complex than gender pay gap reporting. For example, while gender pay reporting is binary, ethnicity reporting can involve multiple comparisons. To assist people professionals consider how best their employer could report ethnicity pay data, the CIPD published [guidance](#) in 2020. A publication that government subsequently used to inform its own guidance.

Research conducted by YouGov on behalf of the CIPD in autumn 2024 found that out of 1,150 HR decisions makers working for large employers, 43% of those surveyed said their workplace already analysed data by ethnicity. By organisation size, 37% of those that employ between 250 and 499 people analysed pay by ethnicity. This percentage increases slightly to 39% among those with between 500 and 999 workers, and jumped to 47% among workplaces with 1,000 or more people.

Of those that said their workplace reviewed pay data by ethnicity, 57% went on to say that it published the results. Among the 31% of respondents that said that their organisation did not publish its results, 54% said it would be either easy or very easy for them to report this information.

Recommendations for ethnicity pay reporting

In view of the challenges associated with meaningful ethnicity pay reporting, the CIPD recommends that the government gradually phases in the requirement for large employers in Great Britain to analyse and then publish pay data by ethnicity.



Given that nearly half of Britain's biggest employers already carry out this kind of review and that most of them then go on to publish the results, **we recommend that the duty to publish pay data by ethnicity starts with all those workplaces employing 1,000 or more people.** Over time, the duty could be applied to smaller large employers in a phased approach. For example, after review, this duty could be extended at a later date to be agreed, for those workplaces with between 500 and 999 employees, and then those with between 249 and 499 staff.

After the introduction of pay reporting for the largest employers, the government should commission an evaluation of those employers to find good practice lessons around pay reporting that could be shared with the next cohort of employers.

We believe that the earliest the largest employers should be required to start publishing their ethnicity pay data should be the reporting year 2027/28. This would give them time to review and where necessary improve their data recording, collection, and analysis systems, as well as to improve disclosure rates among employees.

We should also recognise the challenges for employers created by the Employment Rights Bill, the Equality (Race and Disabilities) Bill, the recent increase in employment costs, and the economic uncertainty caused by threatened trade disputes. With so many issues for workplaces to respond to, we fear that ethnicity pay reporting would not receive the priority it deserves if it were introduced for all large employers at the same time.

We also call for a staged approach to disclose pay data by ethnicity, so that employers have more time to prepare their HR systems for its introduction. An approach that is like the one taken when the UK introduced automatic workplace pension enrolment, and the approach adopted by the EU's pay transparency directive.

In addition, like gender pay gap reporting, we recommend that the government requires all large GB-based employers to publish their ethnicity pay reports annually. We also recommend that employers should use the same gender pay gap reporting definitions of employee, pay, dates, workplaces, etc, when it comes to ethnicity pay gap calculating and reporting purposes.

We recommend that the Equality and Human Rights Commission (EHRC) be given the responsibility and the resources to not only ensure employer compliance with this new duty, but also offer information, guidance, and advice around reporting.

In terms of publication, we recommend that an ethnicity pay reporting website is created, on which employers can publish their pay gaps. This will make it easy for the EHRC to ensure that employers are complying, and for relevant stakeholders to find the necessary information. In addition, employers should upload the ethnicity pay report on their own website.

The CIPD supports the proposals for employers to publish an equality action plan that sets out how it plans to tackle poor employment outcomes for ethnic minority employees. CIPD analysis of gender pay gap reporting finds that the [proportion of employers](#) uploading a link to a narrative explaining the situation has fallen, suggesting that a voluntary approach is failing.

While we recommend that the government requires all large employers in Great Britain to publish the actions that they have taken, or are planning to take, to reduce ethnic disparities in the workplace, we propose a phased approach. We advise that initially only those employers with 1,000 or more people should publish an equality action plan.

Over time, this requirement can be expanded to include employers with between 500 and 999 employees and then to those employing between 249 and 499 employees. This will give these employers more time to improve their ethnicity disclosure rates, update their HR information systems, and learn from the experience of larger employers. However, it is important that the government set out and clearly communicate a timetable that says what will be required, why, from whom, and by when.



Action plans and narratives should be uploaded by the organisation on the ethnicity pay reporting website, either the report itself, or a weblink to the report. To ensure that these plans are as accurate as possible, they should be verified by someone senior within the organisation and with an appropriate level of professional HR competency, such as a chartered fellow of the CIPD.

Based on feedback from senior HR leaders, we do not see the value in employers producing an equality action plan on an annual basis. Instead, we suggest that workplaces are required to do so every two or three years instead. Not only will this reduce the reporting burden on employers, but it will also give them more time to assess the impact of their measures and what might need to change as a result.

In the future, rather than having several action plans covering gender, ethnicity, disability, etc, the CIPD would like government to consult on requiring all large employers to produce a combined plan covering how their people are recruited, managed, developed, and rewarded.

Overview and Summary Recommendations for disability pay gap reporting

The CIPD believes that the Government should phase in the introduction of disability pay gap reporting, starting with the largest employers of 1000+ employees if this is to be made mandatory.

A phased approach would help ensure that employers have the capability to meaningfully collect, analyse and report disability pay data, which is a challenging area for employers to report on effectively as we highlight in our response.

We recommend a phased introduction, beginning with employers with 1,000+ employees, followed by those with 500-999, and then 250-499, in line with our recommendation for ethnicity pay gap reporting.

Disability definition. We agree that the Equality Act 2010 definition of disability provides a legally sound basis for reporting. However, practical challenges such as stigma, low disclosure rates, and the complexity of hidden disabilities (for example, neurodivergent people) require a dual approach:

- Use the legal definition for comparability and consistency.
- Complement it with voluntary self-identification practices (e.g., [NHS Workforce Disability Equality Standard](#)).

Reporting Scope and Format. We recommend that disability pay gap reporting follows the same reporting dates and geographical scope as gender pay gap reporting for consistency. Data, narratives and action plans should be phased in over 3-4 years. For example:

- Year 1:
 - Pay gaps data by grade/salary band and proportion of employees not disclosing disability status (Question 10).
- Year 2 -3:
 - Pay gaps by grade/salary band supported by narratives and action plans

Over time this approach will enable diagnosing disparities and designing effective interventions.

Data Privacy and Statistical Integrity. We agree with the proposal that reporting should only occur where there are at least 10 employees in each group being compared. This safeguards individual privacy and aligns with [ONS](#) and UK GDPR disclosure control principles.

Mandatory and Strategic Action Planning. Disability pay gap reporting should include mandatory, verified action plans supported by narratives to be phased in following reporting of pay gaps. Narratives and actions should be endorsed by senior HR professionals and should be:

- Submitted every two to three years, giving time to measure impact.
- Focused on cultural as well as procedural/process change.
- [Publicly available](#) to build accountability and trust among employees, jobseekers, and investors.



Employer Support, Education and Resources. Feedback from members and employers highlights that success of pay gap reporting depends on employer readiness and capability. CIPD urges the government to:

- Fund and promote guidance, tools and templates for reporting.
- Encourage capacity-building, particularly among smaller employers.
- Promote examples of good practice across sectors.

Our [Health and Wellbeing at Work 2021](#) and [Neuroinclusion at Work 2022](#) research underline the need for cultural change and the benefits of inclusive leadership.

Alignment with Public Sector Equalities Duty. Public sector organisations already have obligations under the Public Sector Equality Duty (PSED) to undertake impact assessments, publish equality objectives, monitor workforce diversity, and produce equality action plans. CIPD supports extending these to include mandatory pay gap reporting by disability and ethnicity, broken down by pay bands, recruitment, and progression. This would align with the existing NHS [Workforce Race and Disability Equality](#) Standards.

The CIPD urges the government to take a phased/incremental, practical and well-supported approach to the introduction of mandatory disability pay gap reporting. By embedding a culture of transparency and continuous improvement, we can create fairer workplaces where disabled people are valued and included at every level.

We will now review the consultation questions in more detail.

Our response

Extending mandatory pay gap reporting to ethnicity and disability

Question 1. Do you agree or disagree that large employers should have to report their ethnicity pay gaps?

We agree that all large employers should report, but that the requirement should be phased in beginning with those workplaces with 1,000 or more workers.

Research conducted by YouGov on behalf of the CIPD in autumn 2024 (the Labour Market Outlook) found that out of 1,150 people that have responsibility for employment matters in large employers (250 or more staff), 43% said their workplace already analysed data by ethnicity.

By organisation size, 37% of those that employ between 250 and 499 people analysed pay by ethnicity. This percentage increased slightly to 39% among those with between 500 and 999 workers, and to 47% among workplaces with 1,000 or more employees.

However there are a range of reasons why large employers don't analyse their pay data by ethnicity, according to the CIPD [Pay, Performance and Transparency survey 2024](#). Key reasons for not analysing their pay data by ethnicity are:

- no outside pressure encouraging them to do this, such as their customers, investors, or government (26%);
- a concern about data confidentiality and privacy (22%);
- a lack of interest in this issue by senior management (19%);
- no existing HR/payroll systems that would allow them to conduct an analysis easily (16%); and
- not a high enough disclosure rate among their employees (15%).

In addition, 20% did not know why their employer did not conduct this analysis.



It is interesting that relatively few large employers cited low disclosure rates as a barrier. This suggests that many large workplaces have made efforts to increase ethnicity disclosure among their workers. Instead, the two main barriers identified by this sample as to why their organisation was not reporting was either because no one internally or externally was asking them to do it, or because of the risk of losing personal and confidential data.

The research conducted by YouGov on behalf of the CIPD in autumn 2024 found that among those that said their large employer reviewed pay data by ethnicity, 57% went on to report that their organisation published the results. Among the 31% of respondents that said that their employer did not publish its results, 54% admitted that it would be either easy, or very easy, for them for them to go on to publish it.

According to the CIPD *Pay, Performance and Transparency survey 2024*, the most common reasons for not publishing these figures are because there is:

- no outside pressure encouraging them to do this, such as their customers, investors, or the government (28%);
- a lack of benchmarks for comparison purposes (28%);
- a concern about data confidentiality and privacy (25%); and
- a fear of negative reactions and whether the employer could handle any difficult questions (23%).

In addition, around 20% did not know why their employer did not publish the results of their analysis.

Based on our data, we believe that workplaces with 1,000 or more people would be able to publish ethnicity pay information relatively easily. However, employers with less than this number of workers would struggle initially. Because of this, we recommend a staged approach, with those workplaces with 1,000 or more workers publishing ethnicity pay information first.

This staged approach would make it easier to ensure that these employers have published the data. It would also allow a review of practices among this group of organisations, to see which have been most effective in encouraging ethnicity disclosure and reducing pay disparities. With this experience, the requirement to publish pay gap data could then be gradually rolled out to those workplaces employing between 500 and 999 staff, and finally to those employing between 249 and 499 people. However, it would be important for the government to set out a timetable that all large employers could work towards.

However, as practitioners at our workshop stressed, there is an important role for government to stress the benefits of reporting, including the benefits for employers. They pointed out that if money is going to be spent on this activity, then less would be spent elsewhere, so there needed to be a convincing rationale for this.

Question 2. Do you agree or disagree that large employers should have to report their disability pay gaps?

In principle, we agree.

However, we are mindful of the need to make sure enough employers are ready and are provided with the appropriate guidance and support to implement such an approach effectively. Many organisations currently lack the systems and infrastructure to collect data effectively on disability and long-term health conditions, as our research shows. Data is only meaningful if it is understood and acted on to inform real and sustainable change.

Research conducted by YouGov on behalf of the CIPD in autumn 2024 found that out of 1,150 HR decision-makers working for large employers, 37% of those surveyed said their workplace already analysed data by disability. By organisation size, 30% of those that employ between 250 and 499 people reviewed pay by disability. This percentage increases to 34% among those with between 500 and 999 workers and then rises to 40% among workplaces with 1,000 or more people.



Of those that said their workplace reviewed pay data by disability, 56% went on to say that it published the results. Among the 33% of respondents that said that their organisation did not publish its results, 53% said it would be either easy or very easy for them to report this information. While there are more large employers (43%) that look at their pay data by ethnicity than do not (35%), this is not the case for reviewing wage information by disability - 37% do, while 38% do not. However, among those employing 1,000 or more workers, then more employers do look at disability pay data (40%) than do not (33%).

CIPD report [diversity management that works](#) and the CIPD's [Health and wellbeing at work 2021 survey report](#) highlighted issues around disclosure that our practitioners have identified as a particular barrier in relation to developing meaningful disability related reporting. CIPD's guide on [Disability workforce reporting](#) stresses the importance of trust, anonymity, and internal education to support disclosure and data quality. For real progress to be made, employers need to take a systemic approach to ensuring organisations are inclusive to disabled people and those with long term health conditions, which involves looking critically at how they operate, from their processes and procedures to their culture and people management practices.

The CIPD's [Health and wellbeing at work 2021 survey report](#) found that just two-fifths (40%) of respondents reported that their organisation collected some form of workforce disability data or narrative information and very few published the information they collected externally. These figures, however, mask considerable sector differences. Public sector respondents were more than twice as likely to report their organisation collected some form of disability data (69%) compared with those in the private (29%) or non-profit sectors (34%), not surprising given their responsibilities under the Public Sector Equality Duty. They were also more likely to publish at least some disability data externally (27%, compared with 8% of non-profits and 5% of private sector organisations).

A consistent view was that for organisations to implement disability workforce reporting in a meaningful way, they need to be convinced of its necessity and advantages. Our [Health and wellbeing at work 2021 survey report](#) findings showed that over three-quarters (77%) of respondents agreed or strongly agreed that there is a clear moral case for reporting disability, mental health and wellbeing data and nearly as many (71%) that there is a clear business case.

Just over two-thirds (68%) agreed that reporting disability workforce data would be an effective way to tackle organisation-wide bias regarding disabilities while more than six-in-ten (62%) agreed this would be effective in changing senior leadership behaviours.

Overall, respondents were less clear and more divided on whether there was a material risk to their business in not reporting disability data. Public sector respondents and those in organisations with more than 1,000 employees were most likely to believe there was a material risk. Data, narratives and action plans should be phased in over 3-4 years. For example:

- Year 1:
 - Pay gaps data by grade/salary band and proportion of employees not disclosing disability status (Question 10).
- Year 2-3:
 - Pay gaps by grade/salary band supported by narratives and action plans

For mandatory reporting to be effective, the government would need to introduce strong guidance and support, including high-profile awareness campaigns, to help ensure the effective take-up of mandatory requirements given the large capability and practice gap in this area. More work is needed to build the business case and engage employers in the value of reporting to ensure that reporting was done in a meaningful way to lead to positive and lasting change. CIPD consultation with members identified both benefits and challenges:

Key benefits

- **Transparency and Accountability:** Mandatory disability pay reporting would help to promote transparency and accountability.



- **Informed Policy Development:** Data on workforce composition and pay gaps status can inform targeted policies and initiatives to enhance inclusivity and address disparities.
- **Evidence from gender pay gap reporting:** The implementation of gender pay gap reporting has led to increased awareness and action to address gender disparities. A similar approach for disability could yield comparable benefits.

Key Challenges:

- **Lack of self-disclosure / low declaration rates.** Many disabled employees choose not to disclose their disability due to stigma, fear of discrimination, or lack of trust in confidentiality—resulting in incomplete or skewed data.
- **Definition and classification ambiguity.** The legal definition of disability under the Equality Act 2010 is broad, but not always well understood by employees or HR, leading to inconsistent reporting and under-identification.
- **Inconsistent HR and payroll systems.** Not all systems are set up to collect, integrate, and analyse disability data accurately or sensitively—especially in SMEs or public bodies with legacy infrastructure.
- **Intersectionality not accounted for.** Disability pay gaps are compounded by race, gender, age and socioeconomic status—yet most systems and reporting frameworks do not capture or address these intersecting inequalities.
- **Fear of negative perception.** Some employers are reluctant to publish a gap, fearing reputational risk or misunderstanding, particularly if the data reveals a significant disparity.
- **Challenges in Benchmarking and Comparability.** Without a consistent national framework, it's difficult for organisations to benchmark against peers or sectors—limiting the value of the exercise.
- **Difficulty in Attribution.** A disability pay gap may result from multiple structural issues (lack of progression, occupational segregation, part-time work), making it harder to isolate causes and plan targeted interventions.
- **Resource Constraints:** Implementing new reporting systems may require additional resources, including staff training and IT infrastructure upgrades.

Drawing on our experience with gender and ethnicity pay gap reporting, we advocate for a phased implementation approach to ensure effectiveness and manageability:

- **Initial Phase:** Employers with 1,000 or more employees should begin reporting first. These organizations typically have more robust HR infrastructures and data collection systems, making the initial rollout more feasible.
- **Subsequent Phases:** After evaluating the initial phase, the requirement can be extended to employers with 500-999 employees, and eventually to those with 250-499 employees. This gradual implementation allows for the identification and resolution of challenges before broader application.

This approach mirrors our recommendations for ethnicity pay gap reporting, where we emphasized the benefits of a phased rollout:

- **Data Accuracy and Integrity:** Larger organizations are more likely to have the necessary systems to collect and analyze data accurately, reducing the risk of errors in reporting.
- **Resource Allocation:** Phasing allows smaller organizations more time to develop the necessary infrastructure and processes, ensuring they are not overburdened.
- **Learning and Adaptation:** Insights gained from the initial phase can inform best practices and guidance for subsequent phases, leading to more effective implementation across all organizations.

Geographical scope

Question 3. Do you agree or disagree that ethnicity pay gap reporting should have the same geographical scope as gender pay gap reporting?



We agree.

It should cover all of Great Britain (GB). The senior HR practitioners attending the CIPD roundtables in both Glasgow and Liverpool thought the geographical scope should be the same. Though there were questions about including people who had been temporarily transferred from GB to overseas and about people who had been temporarily transferred from overseas to GB, as well as including those transferred from Northern Ireland. However, the treatment of such individuals should follow the rules set by gender pay gap reporting.

Question 4. Do you agree or disagree that disability pay gap reporting should have the same geographical scope as gender pay gap reporting?

We agree.

That this aligns the geographical scope of mandatory disability pay gap reporting with that of gender pay gap reporting, encompassing large employers across Great Britain. This alignment promotes consistency, comparability, and fairness across UK nations.

Pay gap calculations

Question 5. Do you agree or disagree that employers should report the same 6 measures for ethnicity pay gap reporting as for gender pay gap reporting?

We agree.

Not only are employers used to handling these figures, so are other stakeholders such as employees, investors, payroll and HR software providers, and journalists.

The senior practitioners who attended the CIPD's roundtables also thought that it made sense because it would allow them to conduct further analysis using a combination of protected characteristics, such as gender and ethnicity.

Question 6. Do you agree or disagree that employers should report the same 6 measures for disability pay gap reporting as for gender pay gap reporting?

We agree

There is strong member support for aligning disability pay gap reporting with the six core measures currently used for gender pay gap reporting. These six metrics—mean and median pay gaps, mean and median bonus gaps, proportion of employees receiving bonuses, and proportion of employees in each pay quartile—provide a structured, comparable, and familiar framework for employers.

Standardising these measures promotes clarity, consistency, and fairness, and it enables benchmarking across different characteristics and between organisations. It also helps identify patterns of disadvantage for disabled employees across pay distribution, not just at the average level.

However, member feedback highlights the distinct challenges involved in collecting and reporting disability data, especially due to lower disclosure rates. The success of applying these measures will therefore depend on as noted earlier a phased/ incremental introduction for reporting, action planning and building inclusive workplace cultures that encourages voluntary disclosure, supported by strong data governance practices. CIPD's guide on [Disability workforce reporting](#) stresses the importance of trust, anonymity, and internal education to support disclosure and data quality

While we support the use of the six gender pay gap measures as a foundation, additional guidance and flexibility will be needed to reflect the nuanced barriers faced by disabled people in employment and ensure that the data collected drives meaningful action.



Question 7. Do you agree or disagree that large employers should have to report on the ethnic breakdown of their workforce?

We agree.

The CIPD believes that this will give people a better understanding of the ethnic composition of an employer's workforce, especially as there will be variations by region. For example, at our Scotland roundtable, it was noted that ethnic minority workers were not evenly distributed across the nation, with ethnic minorities making up a larger proportion of the workforce in the cities. We had similar comments at our Northern England roundtable, where there were differences between town and county. Similarly, participants at our roundtable in Wales also highlighted that ethnicity varied significantly around the nation. So, it is important for employers to highlight this in their narratives.

However, some roundtable practitioners working for employers with fewer than 1,000 people pointed out that in their workplace there was no flow of data between their HR information systems. For example, the personal data that was collected at the recruitment and selection stage was not then passed on to the other HR information systems when a person started work. So, the person had to be asked again during the induction process, or when they went on a training course, or when they accessed the benefits package, etc.

This highlights that some employers would need time to sort out their HR systems before they could start reporting on their pay gaps and producing action plans. Others would need to make a business case to persuade their employer to invest in the HR software needed to collect and review the data. Hence our recommendation of a phased approach that will give such employers enough time to adapt their approach.

That said, some participants working for those with between 249 and 999 staff reported they were having to review their HR and reward systems so as to comply with the EU pay transparency directive, which should also make it easier for them to comply with ethnicity pay reporting.

Question 8. Do you agree or disagree that large employers should have to report on the breakdown of their workforce by disability status?

We agree.

This will enable establishing an evidence base for disability EDI strategies. Reporting will enable employers to assess the representation of disabled individuals within their workforce, highlighting areas where equality and inclusion interventions may be needed. Data on disability representation can guide the development of targeted policies and practices to support disabled employees effectively. Regular reporting allows organisations to benchmark their progress over time and hold themselves accountable for improvements in EDI.

However, our [Health and wellbeing at work 2021 survey report](#) shows that nearly two-thirds of respondents said the main barrier to disability reporting is lack of disclosure from employees. One in four (25%) report they lack the resources, systems/infrastructure or guidance/support for good practice in disability reporting. A minority indicated that senior management wasn't convinced of the business case for it, or they didn't know how to ask employees whether or not they had a disability. A few respondents commented that didn't feel a need to collect this information because they were too small and/or had no disabilities within their workforce.

Question 9. Do you agree or disagree that large employers should have to submit data on the percentage of employees who did not state their ethnicity?

We agree.

This will indicate the levels of confidence that can be given to the pay findings. People can rely more on the findings of an ethnicity pay analysis in an organisation where 4% of workers have not disclosed compared with a workplace where 40% have not disclosed their ethnicity.



Also, if there are large numbers of employees who have not disclosed their ethnicity, then this could indicate low levels of trust in the employer.

At our roundtables, most attendees mentioned that they already had disclosure rates of 80% or higher. However, they recognised that smaller-sized large employers would need more time to increase their disclosure rate to a statistically significant level. So, it made sense to phase in the pay gap requirement starting with the largest employers.

However, even among the largest workplaces there could be variations. For instance, one roundtable participant said that one division of her organisation had far higher rates of disclosure than its other division. They believed that this reflected the age profile of the two divisions. In the division with the younger workforce, the rate of disclosure was far higher. Another participant reported that the disclosure rate at its unionised worksite was far lower than for the rest of the organisation, possibly reflecting a lack of trust in management intent.

Question 10. Do you agree or disagree that large employers should have to submit data on the percentage of employees who did not state their disability status?

We agree

Including non-disclosure rates in disability workforce reporting is a crucial step toward understanding and addressing the barriers to disclosure. It enables organisations to develop targeted strategies to create a more inclusive and supportive workplace for all employees. The percentage of employees who choose not to disclose their disability status provides valuable insights around:

- **Data Completeness:** Understanding the extent of non-disclosure helps assess the reliability of disability data, ensuring that reported figures accurately reflect the workforce composition.
- **Cultural Indicators:** High non-disclosure rates may indicate a lack of trust or fear of stigma within the organization, highlighting the need for cultural change and improved support systems.
- **Targeted Interventions:** Identifying departments or areas with higher non-disclosure can guide targeted initiatives to encourage openness and provide necessary accommodations.

Action plans

Question 11. Do you agree or disagree that employers should have to produce an action plan about what they are doing to improve workplace equality for ethnic minority employees?

We agree that all large employers should have to produce an action plan, but only those workplaces with 1,000 or more workers should produce these first. We also believe while such plans are produced on a regular basis, they do not necessarily have to be produced every year.

Alongside a narrative that explains why the figures are what they are, an action plan will highlight the steps that employers are taking, or have plans to take, to tackle disparities in earnings. Not only will this be of interest to employees and potential employees, but also to investors and customers.

CIPD analysis of gender pay gap reporting finds that the [proportion of employers](#) uploading a link to a narrative explaining the situation has fallen, suggesting that a voluntary approach is failing. To ensure enforcement and compliance, we believe that the proposed ethnicity action plan should be verified by a senior employee with a suitable level of HR ability, such as a chartered fellow of the CIPD.

If the requirement to publish pay data by ethnicity was phased in, starting with workplaces with 1,000 or more people, then the government would be able to review the various actions that



employers have taken so far to see which ones have had the most impact. If the government is concerned about reducing the reporting burdens on employers, it could require employers to produce an action plan once every two or three years. This would also give workplaces more time to assess the impact of their actions. The senior HR practitioners at our roundtable events endorsed this recommendation, with some commenting this reflected the phased approach adopted by the EU Pay Transparency Directive.

The CIPD is willing to work with the government to help create action plans that improve workplace equality for ethnic minority employees, as well as providing information, guidance, and advice for HR professionals that have responsibility for reporting pay figures and producing an action plan.

Question 12. Do you agree or disagree that employers should have to produce an action plan about what they are doing to improve workplace equality for disabled employees?

We agree.

Large employers should be required to produce a narrative and action plan detailing their strategies and interventions to enhance workplace equality and inclusion for disabled employees. However, we recommend a phased implementation, beginning with employers with 1,000 or more employees. This approach allows for the evaluation of effective practices before broader application.

The narrative and action plans will be vital to addressing disparities faced by disabled employees enabling:

- **Identifying barriers** - highlighting systemic issues affecting disabled employees' recruitment, retention, and progression.
- **Set targets** - establishing measurable goals for improving disability inclusion.
- **Allocate resources** - ensuring appropriate support and accessibility are provided.
- **Monitor progress** - track the effectiveness of implemented strategies over time.

Member feedback highlighted the need for action plans to be aligned with business priorities - which not only benefit employees but also help support the delivery of business outcomes and enhance organisational reputation among investors and customers who value EDI.

The CIPD [Disability workforce reporting](#) recommends the different activities and initiatives that need to be considered in developing the narrative and action plan including:

- Increase the rate at which employees are comfortable to share disability and health information - including how to build trust to support this.
- Develop networks or support groups for disabled employees.
- Provide training and/or guidance on disability-related issues to people managers - for example, how to make effective reasonable adjustments and navigate conversations about disability and health conditions with employees.
- Increase the voice of disabled employees within the organisation.
- Increase the representation of disabled employees in the organisation.
- Review key stages of the employment lifecycle, such as recruitment and induction, to identify areas for action and improvement.

Additional reporting requirements for public bodies

Question 13. Do you agree or disagree that public bodies should also have to report on pay differences between ethnic groups by grade and/or salary bands?

Question 14. Do you agree or disagree that public bodies should also have to report on recruitment, retention and progression by ethnicity?



Question 15. If public bodies have to report on recruitment, retention and progression by ethnicity, what data do you think they should have to report?

Question 16. Do you agree or disagree that public bodies should have to report on pay differences between disabled and non disabled employees, by grade and/or salary bands?

Question 17. Do you agree or disagree that public bodies should have to report on recruitment, retention and progression by disability?

Question 18. If public bodies have to report on recruitment, retention and progression by disability, what data do you think they should have to report?

The CIPD is making a consolidated response to questions 13-18.

We agree that public bodies should be required to report on ethnicity and disability pay disparities by grade and/or salary bands, as well as on recruitment, retention, and progression. This aligns with the Public Sector Equality Duty (PSED) under the Equality Act 2010, which mandates public authorities to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people who share a protected characteristic and those who do not.

The NHS England's [NHS Workforce Race Equality Standard](#) (WRES) and [NHS England Workforce Disability Equality Standard](#) (WDES) provides a robust framework that can serve as a model for other public sector organisations.

The WRES, introduced in 2015, mandates NHS organisations to report annually on nine indicators related to the experiences of Black and Minority Ethnic (BME) staff compared to their white counterparts. Key metrics include:

- Percentage of BME staff in senior management positions compared to the overall workforce.
- Relative likelihood of BME staff being appointed from shortlisting compared to white staff.
- Perceptions of equal opportunities for career progression or promotion.
- Incidents of bullying, harassment, or abuse experienced by BME staff.

For example, in 2020, only 40.7% of BME staff believed their organization provided equal opportunities for career progression, compared to 88.3% of white staff.

The WDES Launched in 2019, requires NHS trusts to report on ten metrics comparing the experiences of disabled and non-disabled staff. Key areas include:

- Likelihood of disabled applicants being appointed from shortlisting.
- Perceptions of equal opportunities for promotion.
- Incidents of bullying, harassment, or abuse, and feelings of being valued.

In 2022, 52.1% of disabled staff believed they had equal opportunities for career progression, compared to 57.7% of non-disabled staff.

Dates and deadlines

Question 19. Do you agree or disagree that ethnicity pay gap reporting should have the same reporting dates as gender pay gap reporting?

We agree.

When we speak to employers that already report their pay data by ethnicity, they tell us that they use the same snapshot date and that they publish this information at the same time as they disclose their gender pay data. This is because their pay information software is already set up to extract gender pay data on this date.



The challenge with having different pay reporting dates for gender and ethnicity is that employers will have two sets of dates to keep in mind, potentially three if disability pay reporting also becomes a requirement. This would also make it harder to explore the impact of more than one employee characteristic, such as gender and ethnicity, on pay outcomes, if information is collected on different dates.

Question 20. Do you agree or disagree that disability pay gap reporting should have the same reporting dates as gender pay gap reporting?

We agree

Our research and consultation with members highlights strong support for disability pay gap reporting to have the same reporting dates as gender pay gap reporting. Aligning the timelines offers practical, legal, and strategic benefits.

Using a single annual reference date for both gender and disability pay gap reporting—typically 31 March for public sector and 5 April for private and voluntary sectors—would reduce the administrative burden on employers. HR and payroll systems already extract and process data for gender pay reporting. Adding disability pay gap analysis at the same time would require minimal additional resources if processes are aligned.

Having a single date enables organisations, regulators, and the public to compare intersectional pay gaps (e.g. gender and disability) across time and sectors. Integrated data collection supports intersectional analysis, which is increasingly a focus of inclusive employment policy. It allows employers to better evaluate progress and understand disparities affecting multiple groups. For example, the CIPD highlights in its [Disability workforce reporting](#) guidance that intersectional factors such as ethnicity and gender must be considered when addressing disability inequalities.

Coordinated reporting increases clarity and visibility around an organisation's workforce equality landscape. Stakeholders—employees, unions, regulators, investors—can review an organisation's progress more holistically.

While alignment is beneficial, employers may face some initial difficulties, particularly around: Lower disability disclosure rates at present, which may affect data quality on the chosen snapshot date. According to the [CIPD Health and Wellbeing at Work 2021 report](#), only 41% of employers have a formal disability disclosure process. Risk of misinterpreting low disclosure as low representation, which may misinform action planning. This reinforces the need for inclusive cultures and safe spaces to disclose. To address these risks while maximising the benefits:

- The Government should provide support and templates for integrated reporting.
- Employers should be given clear guidance on how to encourage disclosure and interpret data responsibly.

Question 21. Do you agree or disagree that ethnicity pay gap data should be reported online in a similar way to the gender pay gap service?

We agree.

We also believe that people should be able to view this data in the same way that they can access gender pay gap data online at the Gov.uk website.

We also recommend that employers should submit either their actual action plans and narratives on this website, or a link to where they appear on the employer website. If the government agrees with the CIPD recommendations that a senior HR should sign off on these plans, then they can be asked to also provide their CIPD membership number when submitting their figures, allowing us to check that they are a member.



Question 22. Do you agree or disagree that disability pay gap data should be reported online in a similar way to the gender pay gap service?

We agree as with response to question 21

Enforcement

Question 23. Do you agree or disagree that ethnicity pay gap reporting should have the same enforcement policy as gender pay gap reporting?

We agree.

However, for enforcement to work, the EHRC will need sufficient resources. One way of helping ensure limited resources are maximised is the EHRC working with others to encourage compliance and spread good practice, such as professional bodies, employer groups, and trade unions. Initially, if only employers with 1,000 or more employees are required to disclose their pay information by ethnicity, then it would mean there would be fewer employers for the EHRC to check.

At our senior HR roundtables, attendees stressed it was important that enforcement was seen to happen, otherwise some employers would not see the point in complying with the new rules. Participants at our roundtable in Wales were concerned that without someone checking progress in closing gaps then there was a danger that some employers would treat this requirement as a box ticking exercise.

Question 23 focuses on pay gap reporting. However, it should be clarified if the same enforcement policy will extend to action plans as well. Again, there is an opportunity for the CIPD to help the EHRC if its members were given responsibility for action plans.

Question 24. Do you agree or disagree that disability pay gap reporting should have the same enforcement policy as gender pay gap reporting?

We agree.

That disability pay gap reporting should have the same enforcement policy as gender pay gap reporting, but with important considerations to ensure effectiveness and fairness in practice. Having consistent enforcement across pay gap reporting types can strengthen the legitimacy of disability pay gap reporting. The Equality Act 2010 protects disabled people from discrimination and ensuring equal treatment in enforcement of pay transparency regulations sends a clear message that disability equality is as important as gender equality in the workplace.

Gender pay gap reporting, introduced under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, mandates employers with 250+ employees to publish gender pay data or face possible naming and shaming or enforcement action by the EHRC. Extending similar accountability measures to disability pay gap reporting would ensure that employers take the duty seriously, and avoid tokenistic or purely symbolic action.

However, additional support and guidance are critical. Disability status is under-reported in many workplaces, and even large employers often lack robust disability data or inclusive cultures that promote disclosure. Enforcement alone cannot address structural or cultural challenges that inhibit progress. The [CIPD Health and Wellbeing at Work Report 2021](#) highlights that only 41% of organisations had a formal process for disability disclosure.

Enforcement mechanisms must therefore be accompanied by:

- Clear statutory guidance on what constitutes “reasonable” efforts.
- Practical support for employers to improve disability data collection.
- Encouragement of inclusive practice, including anonymous self-reporting tools, senior sponsorship, and effective communications strategies.



The aim of enforcement should be to encourage continuous improvement, not just to penalise non-compliance. CIPD's consultation with members stresses the importance of a proportionate approach— with a tiered system that allows time for remedial action, especially for first-time or low-resourced employers. Allowing grace periods or staged implementation, especially for smaller large employers (250-499 employees), in line with CIPD recommendations on phased reporting. Additionally, the EHRC should provide structured guidance and tools, not just notices/penalties.

Ethnicity: data collection and calculations

Question 25. Do you agree or disagree that large employers should collect ethnicity data using the GSS harmonised standards for ethnicity?

We agree. Largely for the reasons given in your consultation document.

Calculating and reporting ethnicity pay gaps

Question 26. Do you agree or disagree that all large employers should report ethnicity pay gap measures using one of the binary classifications as a minimum?

We agree.

A binary figure is a starting point for employers to explore their data further. This can lead to employers reviewing and publishing other comparisons to explain how disparities occur and what actions might therefore need to be taken. For example, the criteria used in job promotions, or the availability of flexible working opportunities.

At our Scottish roundtable, practitioners were unsure if they should include white Scottish with other white British, So, the regulations should specify that employers should include white Scottish with the white British category.

Question 27. Do you agree or disagree that there should be at least 10 employees in each ethnic group being reported on? This would avoid disclosing information about individual employees.

We agree.

For the reasons given in the consultation and because we also advise our members that they need at least 10 people in each ethnic group they report.

Question 28. Do you agree or disagree that employers should use the ONS guidance on ethnicity data to aggregate ethnic groups? This would help protect their employees' confidentiality.

We agree.

As the ONS says: “Disaggregating ethnic categories with small sample size, or with a low number of events within the groups, may cause statistical uncertainty when applying statistical modelling or disclosure control issues. Therefore, a pragmatic approach is required. It is at the discretion of the analyst and team to decide on the appropriate level of disaggregation.”

However, for employers to use it, they need to be made aware of this [ONS guidance](#).

Question 29. Is there anything else you want to tell us about ethnicity pay gap reporting?

When the government talks about ethnicity pay reporting, it is important that it stresses that it is an opportunity for employers to reflect on how they recruit, select, develop, manage, and reward their people and how these can be improved for the benefit of the organisation and its workers.



This will ultimately have positive effects for our economy and society. Otherwise, if employers are not persuaded of the benefits of reporting they might not comply fully with the legislation.

As employers collect more information on their employees' characteristics in order to comply with ethnicity and disability pay reporting it is important that this information is stored carefully. For example, the risk protocols applying to storing employee information should be as rigorous as those applying to customer data. Few participants at our roundtables were that confident in the security of their HR systems.

Disability: data collection and calculations

Question 30. Do you agree or disagree with using the 'binary' approach (comparing the pay of disabled and non-disabled employees) to report disability pay gap data?

CIPD member consultation has shown the binary approach to disability pay gap reporting—comparing average pay between disabled and non-disabled employees—has advantages and weaknesses. The binary approach to disability pay gap reporting offers a practical starting point for transparency but must be supplemented with disaggregated data by specific disability types, demographic factors intersectional and qualitative insights to drive meaningful change. Employers should use binary reporting as an initial framework, not an endpoint, and integrate it with broader equality, diversity and inclusion (EDI) strategies.

A binary comparison provides a straightforward metric similar to gender pay gap, that is easy to calculate and communicate. This method ensures consistency across organisations, enabling benchmarking and sector-wide comparisons. The CIPD [gender pay gap reporting guide](#) highlights that simple metrics are an effective starting point for raising awareness, even if more nuanced analysis is needed later.

For some employers, this approach requires minimal adjustments to payroll systems, making it a practical first step toward transparency. However, its simplicity also means it may not capture the full picture of workplace disability inequalities.

As noted earlier, mandatory reporting creates accountability by compelling organisations to disclose pay disparities. However, the CIPD the [Disability workforce reporting guide](#) only 52% of employers track disability pay gaps, suggesting that voluntary measures are insufficient. A standardised binary approach would ensure all organisations confront potential disparities, aligning with the equality Act 2010 and the national disability strategy.

Pay transparency helps mitigate legal risks under the **Equality Act 2010**, which prohibits pay discrimination but lacks enforcement mechanisms without data. The [Disability at work viewpoint](#) emphasises that proactive pay audits reduce litigation risks. Additionally, investors and ESG (Environmental, Social, and Governance) frameworks increasingly demand disability inclusion metrics. Employers that adopt transparent reporting can enhance their reputation and meet stakeholder expectations.

Limitations of the Binary Approach

Disability is not a monolithic category—differences in impairment type, severity, and workplace adjustments significantly impact earnings. The social model disability emphasizes that societal barriers, rather than individual limitations, drive inequality. A binary pay gap potentially fails to distinguish between, for example, a wheelchair user and a neurodivergent employee denied flexible working. The CIPD [Neuroinclusion at work report 2024](#) found that neurodivergent employees often face larger pay gaps, yet this disparity remains invisible in a binary comparison. Without deeper analysis, employers may overlook critical inequities.

Intersectional Factors/Barriers. A disabled woman from an ethnic minority background may experience compounded pay disparities, yet binary reporting obscures these intersections. The [pay, performance and transparency 2024](#) found that only 19% of employers analyse pay gaps across multiple demographics, leaving many disparities unaddressed. If implemented poorly, binary



reporting could incentivise employers to artificially reduce pay gaps by hiring fewer disabled workers in lower-paid roles or exclusively recruiting high-earning disabled employees.

Employers should conduct detailed pay audits that examine disability alongside gender, ethnicity, and other demographics. The [Pay Fairness & Pay Reporting Factsheets](#) provides a framework for this analysis. Additionally, effective/well designed employee surveys can also help to identify structural barriers.

Transparency alone is insufficient, and employers must act on findings. Key elements include disability equality and inclusion training, tracking career progression, not just pay and publishing narratives with action plans alongside pay gap data.

Question 31. Do you have any feedback on our proposal to use the Equality Act 2010 definition of 'disability' for pay gap reporting?

We agree that the Equality Act 2010 definition of disability provides a clear legal basis for pay gap reporting. However, while this definition helps consistency and legal alignment, there are practical limitations when using it as the sole basis for pay gap analysis. The Equality Act defines a disability as a “physical or mental impairment that has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities.” While legally robust, this definition can:

- Discourage disclosure due to stigma or misunderstanding.
- Exclude those with intermittent, hidden, or neurodivergent conditions not formally diagnosed or recognised.
- Be inconsistently applied by employers with limited disability awareness.

The Equality Act definition should be used alongside voluntary self-identification questions, for example the [NHS Workforce Disability Equality Standard](#).

Question 32. Do you agree or disagree that there should be at least 10 employees in each group being compared (for example, disabled and non-disabled employees)? This would avoid disclosing information about individual employees.

We agree.

A minimum threshold of 10 employees per group is a necessary and responsible measure to protect anonymity and ensure data reliability. This practice aligns with statistical disclosure control principles and the UK Data Protection Act 2018: ONS Data Protection Guidance. It helps:

- Prevent identification of individuals in small teams or departments.
- Avoid misleading data due to small sample variability.

However, it also underscores the need to:

- Improve voluntary disclosure of disability status.
- Provide training to managers and HR professionals to foster safe and inclusive disclosure practices.
- Use aggregation methods where necessary to maintain insight while preserving privacy.

Question 33. Is there anything else you want to tell us about disability pay gap reporting?

To be effective, disability pay gap reporting must go beyond compliance and address real culture change. Disability pay gap reports should include mandatory narratives and action plans, verified by qualified HR professionals and/or EDI experts. These should be:

- Issued every 2-3 years to allow time for change.
- Supported by templates, government, EHRC guidance, and case studies.

Based on members feedback, rollout should be phased beginning with employers with 1,000+ employees, then evaluate and expand to 500+ and 250+ employees, with a clear timetable.

CIPD

Disability pay gap reporting is vital, but its success depends on cultural as well as regulatory action. Low disclosure remains a barrier. Employers need:

- Awareness and inclusion training.
- Standardised, confidential self-ID processes.
- Examples of good practice to share across sectors.