

Pay Transparency in Portugal

What changes for businesses?

Directive (EU) 2023/970 on pay transparency imposes new obligations on employers. Although Portugal has not yet transposed the Directive, companies are well advised to begin preparing now to minimise legal, reputational and operational risks.

Where do we stand?

Portugal has not yet transposed the Directive into national law.

The absence of national legislation creates uncertainty around the applicable regime.

Why act now?

Some of the Directive's obligations may already be relevant to businesses in Portugal.

Non-transposition does not always exempt companies from their obligations, and a proactive approach is advisable.



Inês Arruda

Partner of Employment,
Compensation e Benefits

iarruda@perezllorca.com
T: +351 918 839 949



Transposition deadline
7 June 2026

Key obligations under the Directive

1 Pre-contractual information

Remuneration or a salary range must be disclosed to candidates in job advertisements or prior to interview.

2 Right to information

Employees are entitled to request data on average pay by category, broken down by gender.

3 Reporting of pay data

Companies with 100 or more employees are required to submit periodic reports on the gender pay gap.

4 Joint assessment

If the gender pay gap exceeds 5%, corrective measures must be assessed and defined in consultation with workers' representatives.

5 Reversal of the burden of proof

In pay discrimination disputes, the burden falls on the employer to demonstrate that no discrimination has taken place.

How to prepare? A 6-step action plan

1 Internal pay audit

Map your pay structure by category, gender and work of equal value.

2 Review of remuneration criteria

Ensure criteria are objective, documented and non-discriminatory.

3 Updating recruitment procedures

Adapt job advertisements and hiring processes to ensure timely disclosure of pay information.

4 Reporting systems

Implement tools to collect and report remuneration data.

5 Training for HR and managers

Equip your teams to handle employees' new rights and meet the associated response obligations.

6 Legislative monitoring

Monitor the forthcoming transposition legislation and any additional specific requirements it may introduce.