

LP ADVISORY

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1. Legislative Decree No. 96 of 07/05/2026 – Implementation of EU Directive 2023/970 on Pay Transparency

1

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TO ALL CUSTOMERS

Introduction

By Legislative Decree No. 96 of 07/05/2026 (hereinafter the “Decree”), Italy has transposed Directive (EU) 2023/970 of the European Parliament and of the Council of 10/05/2023, aimed at strengthening the application of the principle of equal pay between men and women (see Newsletter no. 3/2025).

The Decree applies to employers in both the public and private sectors and covers all forms of employment relationships, including fixed-term and permanent contracts, part-time arrangements and managerial positions, with the exception of domestic work relationships and casual employment contracts. Notably, the Decree also extends to job applicants in the context of recruitment procedures.

Compared with the preliminary draft that had been circulating for several months, the final text introduces four significant operational changes, which are expected to have a direct impact on employers and practitioners alike. The main aspects of the new framework, together with the corresponding measures to be adopted by companies, are outlined below.

1. The four operational changes in the final text

1.1 Mandatory remuneration in job advertisements (Art. 5, para. 1)

The Italian Decree adopts a more stringent approach than that envisaged by the EU Directive. Pursuant to Article 5, par. 1, the starting salary or salary range must be expressly indicated in the job advertisement (including notices and calls for applications). Accordingly, it is no longer sufficient to provide such information prior to the first interview, as permitted under the EU Directive. This obligation applies to all employers, irrespective of their size, including micro-enterprises.

Furthermore, employers are prohibited from asking candidates to disclose information concerning the remuneration received under current or previous employment relationships, including through recruitment agents.

1.2 Simplification for SMEs with a National Collective Labour Agreement (Art. 6, para. 2)

For the majority of Italian SMEs, the Decree does not impose any additional documentation requirements. Companies that apply a National Collective Bargaining Agreement (CCNL) concluded by the most representative trade union organisations and employers' associations are deemed to satisfy their pay transparency obligations through the ordinary information provided at the time of recruitment pursuant to Legislative Decree No. 152/1997, including the employee's job classification level, the starting remuneration and the applicable CCNL.

The application of the CCNL also constitutes a presumption of compliance with the principles of equal pay (Art. 4, par. 1), without prejudice to the burden of proving the absence of discriminatory treatment on an individual basis.

1.3 Intersectional discrimination (Art. 3, para. 1, letter m)

The Decree introduces the concept of intersectional discrimination, namely discrimination resulting from the interplay between gender and other protected characteristics, such as disability, age, ethnic origin, sexual orientation and religion.

Remuneration criteria must be assessed across multiple dimensions, thereby expanding the scope of potential claims.

1.4 Data collection via INPS/INAIL – ministerial decree by September 2026 (Art. 9, par. 4)

Within 90 days of entry into force (by 05/09/2026), the Ministry of Labour shall adopt one or more ministerial decrees setting out the procedures for collecting and processing data for the purposes of pay gap reporting, with the aim of automatically extracting data from INPS/INAIL data streams.

2. Obligations for employers

2.1 Immediate obligations for all employers (from 07/06/2026)

- Include the starting salary or salary range for the position in job advertisements, indicating the relevant provisions of the applicable national collective labour agreement. (Art. 5, par. 1).
- Prohibition on asking candidates for information regarding remuneration received in current or previous employment relationships. (Art. 5, par. 2).
- Draft notices and job advertisements using gender-neutral criteria, including in relation to the professional qualifications required. (Art. 5, par. 3).
- Make the criteria for determining pay and career progression accessible to employees. For those applying a National Collective Labour Agreement (CCNL), the information provided at the time of recruitment is sufficient. (Art. 6).
- Guarantee employees the right to request information on average pay levels by gender in equivalent categories; a written response must be provided within two months, with a maximum of one request per year. (Art. 7).
- Inform all workers annually of their right to access pay information. (Art. 7, para. 4).
- Contractual clauses preventing workers from disclosing their pay are prohibited. (Art. 7, para. 6)

2.2 Reporting obligations on the gender pay gap (Art. 9)

Workforce	First deadline	Frequency	Notes
≥ 250 employees	By 7 June 2027	Annual	First collection; then annually
150 to 249 employees	By 7 June 2027	Every three years	First collection; then every 3 years
100 to 149 employees	By 7 June 2031	Every three years	Initial collection and reporting to the EU Commission
< 100 employees	No obligation	Voluntary	Voluntary reporting

The 7 indicators to be reported (Art. 9, par. 1) are as follows: the average and median gender pay gap, differences in supplementary and variable remuneration components, the distribution of male and female employees across pay quartiles, and the gender pay gap broken down by category of workers.

2.3 Joint assessment of pay (Art. 10)

This is a requirement for companies subject to reporting obligations when the following situations occur simultaneously:

- a difference in the average pay level between women and men of at least 5% in any category of workers;
- this difference is not justified by objective and neutral criteria;

- the difference has not been corrected within 6 months of notification.

3. Data protection and worker safeguards

Data processed under the Decree must be handled in accordance with the GDPR (Regulation (EU) 2016/679).

Access to information capable of identifying individual employees is restricted to workers' representatives, the Labour Inspectorate and equality bodies. Such information may not be processed or used for purposes other than those related to the enforcement of the principle of equal pay.

Violations are subject to Article 41 of the Equal Opportunities Code (Legislative Decree 198/2006).

The Decree also provides for a reversal of the burden of proof: in cases involving alleged discrimination, the employer bears the burden of demonstrating that no discriminatory conduct has occurred.

Employees who are victims of discrimination are entitled to full compensation for the harm suffered, including payment of salary differentials, bonuses and compensation for non-pecuniary damages.

Any dismissal or other adverse or retaliatory measure adopted against employees or their representatives for exercising the rights conferred by the Decree is prohibited.

4. Summary table of key dates

Date	Requirement	Reference	Recipients
7 June 2026	Entry into force. Mandatory disclosure of salary in job advertisements. Prohibition on asking for information about previous salaries. Pre-employment information pursuant to Legislative Decree 152/1997 as the standard procedure for those applying the National Collective Labour Agreement.	Art. 5, 6, 17	All employers
Annually from 7 June 2026	Inform all workers of their right to access pay information by category/gender and the relevant procedures.	Art. 7, para. 4	All
By 5 September 2026	Ministerial decree on data collection and processing procedures (INPS, INAIL, INL).	Art. 9, para. 4	Ministry of Labour
By 4 December 2026	Decrees on the composition and functioning of the monitoring body.	Art. 14, para. 5	Ministry of Labour
By 31 December 2026	Any ministerial guidelines on 'same work' and 'work of equal value'.	Art. 4, para. 6	Ministry of Labour

By 7 June 2027	First reporting of data on the gender pay gap for companies with ≥ 250 employees (then annually) and 150–249 employees (then every 3 years).	Art. 9, para. 7	≥ 150 employees
From 31 January 2028	Annual transmission to Eurostat of national data on the gender pay gap (reference year 2026).	Art. 15	Ministry of Labour
By 7 June 2028 (then every 2 years)	First report by the monitoring body to the European Commission.	Art. 14, para. 2	Monitoring body
By 7 June 2031	First data collection for companies with 100–149 employees (then every 3 years) and report to the European Commission on the implementation of the Directive.	Art. 9 / Art. 14(3)	100–149 employees

5. Operational checklist for employers

Urgent actions – by 07/06/2026 (all employers)

	Compliance	Operational notes
<input type="checkbox"/>	Update all active job advertisements to include the starting salary or salary range.	Indicate the applicable national collective agreement and the pay grade. This applies to job postings, internal vacancies and communications to recruitment agencies.
<input type="checkbox"/>	Remove any requests for information on previous salaries from the selection process.	Check forms, HR software, and instructions to recruiters and external agencies.
<input type="checkbox"/>	Ensure job advertisements are gender-neutral (job titles, requirements).	Avoid using titles that are exclusively male or female; use gender-neutral terms or dual forms.
<input type="checkbox"/>	For those applying the National Collective Labour Agreement (CCNL): check that the letter of appointment/information notice pursuant to Legislative Decree 152/1997 includes the grade, starting salary and CCNL.	Sufficient compliance for SMEs with a National Collective Labour Agreement. Update templates if necessary.

Short-term actions – by 31 December 2026

	Compliance	Operational notes
<input type="checkbox"/>	Define the annual procedure for informing employees of their right to access pay information by category/gender.	This may be done via internal communication, the intranet or a restricted area of the company website (Art. 7, paras. 2 and 4).
<input type="checkbox"/>	Establish the procedure for responding to employees' requests for pay information.	Written response within 2 months; maximum one request per employee per year.
<input type="checkbox"/>	Check that there are no contractual clauses prohibiting employees from disclosing their pay.	Prohibited under Article 7(6). Review individual agreements, company regulations and supplementary contracts.
<input type="checkbox"/>	Conduct an internal analysis of pay levels by category and gender to identify any gaps exceeding 5%.	Preliminary to any joint assessment; useful as a preventive measure against litigation.
<input type="checkbox"/>	Monitor ministerial guidelines on 'same work' and 'work of equal value' (expected by 31 December 2026).	Update internal job evaluation procedures following their publication.

Medium-term actions – 2027–2031 (companies with ≥ 100 employees)

	Compliance	Operational notes
<input type="checkbox"/>	Await the ministerial decree (by Sept. 2026) before implementing own data collection systems for reporting.	Data collection will be partly automated via INPS/INAIL (Art. 9, para. 4).
<input type="checkbox"/>	[≥ 150 employees] Prepare the first report on the gender pay gap by 7 June 2027.	7 mandatory indicators (Art. 9, para. 1). Subject to consultation with employee representatives.
<input type="checkbox"/>	[≥ 150 employees] If the average pay gap in a category is $\geq 5\%$ and unjustified: initiate a joint assessment within 6 months of notification.	Involve the RSU/RSA and, if necessary, the Labour Inspectorate or the Equality Body (Art. 10).
<input type="checkbox"/>	[100–149 employees] Plan the first data collection for reporting by 7 June 2031.	Every three years. Monitor the Ministry's operational guidelines.
<input type="checkbox"/>	Consider voluntarily adopting gender equality certification (UNI/PdR 125:2022).	This constitutes an advantage in the event of litigation and in public tenders; it may provide access to tax and social security incentives.

6. Practical implications and recommendations

Legislative Decree No. 96/2026 introduces a comprehensive framework of obligations which, although varying according to company size, require all employers to promptly review and adapt their recruitment and hiring processes. In particular, employers are advised to consider the following actions:

- Reviewing job advertisements should be regarded as the primary compliance priority for all employers, irrespective of their size. Any failure to comply with the new requirements from 07/06/2026 onwards will constitute an immediate breach of the Decree.
- For SMEs applying a National Collective Labour Agreement (CCNL), the simplification introduced by Article 6(2) is particularly significant, as the ordinary information provided at the recruitment stage is deemed sufficient to satisfy internal pay transparency requirements.
- The introduction of the concept of intersectional discrimination considerably broadens the scope of potential claims, requiring remuneration criteria to be assessed also in light of disability, age, ethnic origin and sexual orientation.
- Companies should establish appropriate procedures for handling employees' requests for information. In particular, a written response indicating average remuneration levels by category and gender must be provided within two months of the relevant request.
- Employers are also encouraged to engage proactively with trade union representatives with a view to concluding company-level agreements on remuneration criteria, thereby mitigating the risk of future disputes.

Our Firm remains at your disposal for any further clarification or requirements, as well as to assist with compliance with the provisions of the legislation.



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