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Pay transparency in Lithuania

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Abstract

Lithuania entered the implementation of Directive (EU) 2023/970 with two unusually visible transparency measures already in place: salary disclosure in job advertisements since 2019 and monthly publication of employer-level average insured earnings by sex since 2021. Its 2026 transposition adds a centralised reporting model in which employers provide pay, paid-time and job-group data and the State Social Insurance Fund Board (Sodra) calculates most of the required indicators. This reduces the calculation burden, but does not remove the harder task: employers must create defensible categories of workers performing the same work or work of equal value. Slovenia's PAY DAY project is therefore most relevant to Lithuania not as another calculator, but as an integrated method for job evaluation, implementation support and capability building.

1. Relevant country context

Lithuania adopted Law No. XV-969 on 21 May 2026, amending twenty articles and the annex of the Labour Code. The law formally entered into force on 7 June 2026, although several central employer obligations were deferred. Employers must prepare or review their pay systems by 31 December 2026; the new monthly data flow to Sodra starts with January 2027 data, submitted in February; and employees' strengthened right to request pay information applies from 1 March 2027. Parallel legislation amended the pay frameworks applying to the public sector, while Ministerial Order No. A1-433 of 17 July 2026 sets out the data, calculation, publication and joint pay assessment arrangements.

The Lithuanian model separates data provision from calculation. Employers provide Sodra with paid time, gross pay, complementary or variable pay and the job-group identifier from their pay system. Sodra will calculate monthly and annual hourly pay, averages by sex and job group, and the Article 9 indicators, including mean and median gaps, gaps in complementary or variable pay, recipient shares and pay quartiles. A limited exception applies to temporary-work agencies, which calculate and submit the prescribed indicators for temporary workers themselves. Provision and publication of the detailed indicators follow the Directive's size-based cycle: annually for employers with at least 250 insured persons; every three years for those with 150-249, first by 1 March 2028; and every three years for those with 100-149, first by 1 March 2031.

Lithuania did not start from zero. Since 27 July 2019, job advertisements have had to state the proposed basic pay or a genuine range. Since April 2021, Sodra's open-data portal has published monthly average insured earnings separately for women and men for employers with at least eight insured persons and more than three employees

of each sex. These are employer-level monthly income averages, not hourly gender pay gap indicators. From 2027, paid-time information supplied through the new Pay Transparency Notification form will allow Sodra to calculate hourly measures. The pre-existing disclosure created no additional employer filing because it reused social-insurance data already held by the state.

Employee representatives also had a pre-existing information right. At employers within the scope of the relevant Labour Code provisions, a works council or, in its absence, an employer-level trade union may request anonymised average pay information by job group and sex at least annually, subject to minimum-cell safeguards. The 2026 reform strengthens the concept behind those groups: positions involving the same work or work of equal value must be grouped using objective, gender-neutral criteria, including skills, qualification, effort, responsibility and working conditions.

The pay-gap trend is positive but should not be attributed to transparency measures without causal evidence. In Eurostat's harmonised unadjusted hourly series, Lithuania's gap fell from 15.2% in 2017 to 12.9% in 2019, 10.9% in 2021 and 10.0% in 2024, compared with an EU average of 11.1% in 2024. The national State Data Agency series reports a fall from 13.0% in 2015 to 9.4% in 2024. The two series have different coverage and should not be combined. In another measure, Sodra found that men's average monthly employment income exceeded women's by 12.9% in November 2024, down from 13.5% one year earlier. The national decline coincided with the introduction of job-advertisement and employer-level disclosure rules, but aggregate trends cannot establish their individual effect.

Large differences remain beneath the headline number. Eurostat's 2024 hourly data show gaps of 32.4% in financial and insurance activities, 25.7% in information and communication and 23.0% in manufacturing. The gap among employees under 25 was 12.8%, the highest Lithuanian age-specific result. This concentration supports the move from firm-wide averages towards comparisons within categories of equal-value work.

2. Policy debate

The most visible debate before adoption concerned readiness and timing. The original implementation timetable would have required new data submission, employee information rights and compliant job groups almost immediately. Business organisations argued that employers, payroll providers and Sodra could not adapt reliably in that period. The final transition gives employers until the end of 2026 to review their pay systems and starts the operational duties in 2027.

The visible discussion is now predominantly about implementation. First, employers must decide how broadly or narrowly to define job groups while preserving a genuine equal-value comparison. If groups are too narrow, they produce small cells or no gender comparison; if too broad, they may combine jobs of materially different value. Secondly, Sodra can calculate correctly only from the job-group identifier supplied by the employer. Central calculation therefore shifts, rather than eliminates, the

compliance risk: a weak job architecture produces technically correct but substantively misleading results. Thirdly, employers must define and document objective criteria for positioning employees within pay ranges and for pay progression. Employers with fewer than 50 workers are exempt from specifying pay-increase criteria and procedures, but not from job grouping, pay-setting rules, indexation or the equal-pay obligation.

The reporting channel is now clearer. Sodra has developed a separate Pay Transparency Notification form, to be completed through the employer portal or submitted through payroll-system integrations. It has published the data-structure description and integration protocol validation schema. Attention should therefore turn from uncertainty about the form towards testing data definitions, payroll mappings, correction processes and controls over job-group codes.

3. Practical examples

Lithuanian public support currently combines legal guidance with an emerging technical infrastructure. State Labour Inspectorate maintains a detailed public question-and-answer page, has issued recommendations for reviewing pay systems, provides consultations and seminars, and can provide methodological assistance at an organisation's request. The Ministry of Social Security and Labour has published a plain-language summary of the new rights. Sodra provides implementation information and technical specifications for Pay Transparency Notification form. A private market of legal, reward and HR advisers supplies more intensive support in job evaluation, pay architecture and analytics.

Lithuania also has a 2004 jobs and positions evaluation methodology prepared with the Ministry and social partners. It predates Directive 2023/970 and does not reflect all current terminology and procedural expectations, although public authorities have previously recommended it as a way to reduce indirect discrimination risk. Its present level of use is not documented, but in general rather low.

A major new resource is the EIGE and European Commission EU-wide step-by-step toolkit released in March 2026. It provides different pathways for micro, small and medium, and large organisations, together with a factor plan, Excel tools, questionnaires, job-profile templates and interview guides. State Labour Inspectorate already directs employers to it. Lithuania's remaining gap is therefore not the complete absence of a method, but the absence of a Lithuanian-language, nationally adapted implementation package linked directly to the Labour Code, Pay Transparency Notification form fields and local examples.

4. Transferability aspects

PAY DAY and the Lithuanian model address the same implementation problem from different institutional starting points. Lithuania centralises calculation in a statutory social-insurance system; PAY DAY combines voluntary calculation, job evaluation, categorisation, diagnostics and learning in one employer-facing tool. The strongest transfer is therefore complementary rather than wholesale.

4.1 What Lithuania can take from PAY DAY

- An integrated journey from job analysis and evaluation to worker categories, pay-gap calculation and interpretation. Lithuania's state calculation begins only after the employer has supplied a job-group code; PAY DAY supports the decisions that create that code.
- Size-adjusted implementation pathways. Simplified and analytical models can lower the entry barrier, although model choice should reflect organisational complexity rather than automatically mirror statutory reporting thresholds.
- Bias controls embedded in process, decisions and language. Committee scoring, paired comparisons, attention to omitted feminised work content and documented decisions would strengthen the defensibility of Lithuanian job groups.
- Parallel capability building for employers and worker representatives. Lithuania has guidance and seminars, but PAY DAY's structured learning pathways better reflect the analytical and communication responsibilities created by the Directive.
- Piloting in difficult environments. A centralised public-sector institution and a fragmented private employer are appropriate test cases for Lithuania as well as Slovenia.

4.2 What Slovenia can take from Lithuania

- Make administrative payroll data the default reporting route. Lithuania shows how a state body can calculate standard indicators from data supplied through an existing social-insurance relationship, reducing methodological variation between employers.
- Separate public and restricted information. Lithuania plans to publish headline employer indicators while keeping job-group detail in the employer account, combined with safeguards where a result could identify an individual.
- Retain clear institutional ownership. Sodra handles technical collection and calculation, State Labour Inspectorate interprets labour-law requirements, and the equality body performs its own statutory role. Slovenia's final model would benefit from similarly explicit responsibilities for operation, legal guidance, enforcement and long-term maintenance.

  Do not rely only on voluntary uptake. PAY DAY can remain an optional interface, but statutory reporting should have a default route that reaches less-motivated employers as well as early adopters.

4.3 Responses to the host paper's open questions

Centralised public-sector systems. Lithuania will use the same Sodra calculation infrastructure across sectors, supported by amendments to public-sector pay laws. This solves calculation but not institutional authority to correct centrally determined job values. A formal route for escalating findings from institutions to the central pay-system owner will still be needed.

Small cells and fragmented structures. Lithuanian law restricts disclosure where another person's pay could be identified: information may instead go to worker representatives, State Labour Inspectorate or the equality body, which can inform the worker of a gap without disclosing individual pay. This protects privacy but does not solve the methodological tension between statistically usable groups and genuine equal value.

National aggregation. Sodra will calculate and publish selected employer-level indicators, while job-group detail remains restricted. Employer-specific groups are not currently mapped to a common national job-value classification. Cross-employer comparison at job-group level will therefore remain limited and should not be implied by publication.

Administrative data. Lithuania provides a clear example of reuse, but its new model still requires data not previously held centrally, especially paid time, complementary pay and the employer-specific job-group code. Administrative reuse reduces burden; it does not eliminate new data requirements or the need for employer validation.

Interpretation and communication. The current response consists of State Labour Inspectorate guidance, public seminars, Sodra technical support, the EIGE toolkit and private training. What remains underdeveloped is sustained capability building for line managers and worker representatives, who will have to explain individual differences and participate credibly in joint pay assessments.

5. Conclusions and recommendations

Lithuania's most transferable contribution is not an individual transparency rule but the allocation of calculation to a public institution using standardised data. This can reduce employer burden and inconsistent formulas. Its principal vulnerability is input quality: central calculation cannot compensate for weak job evaluation, poor payroll mapping or an inaccurate job-group code. PAY DAY directly addresses this upstream implementation problem.

At national level, Lithuania should:

- translate and legally adapt the 2026 EIGE toolkit, linking its steps and templates to Lithuanian job-group criteria, the Pay Transparency Notification form specification and public-sector rules;
- pilot the full chain – job evaluation, payroll extraction, Pay Transparency Notification form submission, Sodra output and employee communication - before the first live reporting cycle;
- develop quality-assurance guidance for job groups and a proportionate review approach for State Labour Inspectorate, focused on whether categories represent equal value rather than merely whether a code was submitted;
- build practical learning pathways for line managers and worker representatives, including interpretation of mean and median gaps, variable pay and lawful reasons for individual pay differences; and

- create a public-sector escalation mechanism so that institutions can refer structural findings to the authority capable of changing centrally determined classifications or pay rules.

At EU level, the priority is no longer to create a toolkit from the beginning. The Commission and EIGE should maintain, translate and support national adaptation of the 2026 toolkit, collect evidence from early implementation, and facilitate exchange on centralised calculation, privacy thresholds, public-sector governance and quality assurance of worker categories. The Lithuanian and Slovenian experiences together show that calculation can be simplified through good data infrastructure, but credible equal-value categories still require judgement, participation and institutional capacity.

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