

UK firms to reveal boss-staff pay gaps under draft law

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All companies with more than 250 employees will have to disclose and explain their "pay ratios"

Companies listed in Britain will be required to reveal the gap between the salaries of their chief executives and employees under draft

legislation introduced in parliament on Monday.

All public companies with more than 250 employees will have to disclose and explain every year their "pay ratios" under legislation planned to come into effect from January 2019.

"Most of the UK's largest companies get their business practices right but we understand the anger of workers and shareholders when bosses' pay is out of step with company performance," Business Secretary Greg Clark said in a statement.

"Requiring large companies to publish their pay gaps will build on that reputation by improving transparency and boosting accountability at the highest levels, while helping build a fairer economy that works for everyone," he said.

The move comes after years of shareholder and public outrage over the pay for top executives, including at companies that have performed poorly.

There has been a series of [shareholder](#) rebellions over pay at [company](#) annual general meetings this year.

Frances O'Grady, leader of Britain's Trades Union Congress, said: "Publishing and justifying pay ratios is a first step, but more is needed.

"Fat-cat bosses are masters of self-justification and shrugging off public outcry. New rules are needed to make sure they change," she said, calling for worker representatives to be included on boardroom pay committees for added fairness.

Rebecca Long Bailey, business spokeswoman for the main opposition Labour Party, said the proposals were "half-baked" and "do nothing to

tackle the entrenched inequality".

The government earlier this year implemented legislation forcing all UK companies with 250 or more employees to publish details of the salary difference between male and female employees.

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