

Equal Pay Management System ÍST 85:2012

The standard ÍST 85: 2012 - Equal Pay Management System – Requirements and guidance was published by Icelandic Standards in December 2012, normally called „The Equal Pay Standard“. The idea was to create a system that could confirm that women and men, working for the same employer, were paid equal wages and enjoyed equal terms of employment for the same jobs or jobs of equal value.

Collective agreements between the main parties on the private labour market contained a clause on the development of a certification scheme for gender pay equality and was followed by a provisional clause, on the same subject, in the Act on Gender Equality no. 10/2008.

In the fall of 2008 the Ministry of Welfare, along with the Icelandic Confederation of Labour and the Confederation of Icelandic Employers, began the work of developing the Equal Pay Standard. Icelandic Standards (IST) agreed to supervise the project and a Technical Committee (TC) was established. It included the sponsors of the project, as well as representatives of the Centre for Gender Equality, the Ministry of Finance, the Federation of State and Municipal Employees, the Association of Academics, The Icelandic Association of Women Entrepreneurs, the Association of Local Authorities in Iceland, as well as a couple of private companies.

The TC set up a Working Group which was responsible for drafting the text of the standard with the aid of experts in selected fields. The group decided to use the International Management System Standards, e.g. ISO 9001 on quality management systems and ISO 14001 on environmental management systems, as models.

The standard is voluntary: Companies and public institutions are free to choose to implement it. The purpose of the standard is

to use it for certification of equal pay management systems.

The standard describes the process that companies and public institutions can follow in order to ensure equal pay within their organization. The standard aims at implementing effective and professional methods for pay decisions, effective review and improvement. It is applicable to all companies regardless of their size, field of activity and gender composition among staff.

Companies and institutions that implement the standard, and obtain certification, can thus improve their human resources management and pay policies. The standard can be used to prevent and eradicate all sorts of discrimination and improve an organization's image as a fair employer.



Above is an image as set forth in the standard of the process of implementation and maintenance of an equal pay system.

A company adopting the standard would start with an assessment of its current pay policies, classify jobs according to equal value and conduct a wage research on the basis of that classification, as well as formalizing policies and processes related to pay decisions. Those changes would need to be reviewed regularly, checked and validated by management. Once the company has implemented those changes it can apply for a certification of its pay system.