“Gender pay reporting legislation requires employers with 250 or more employees to publish calculations every year showing how large the pay gap is between the male and female employees”

Equality Act 2010 (Gender Pay Gap Information Regulations 2017)

This became effective in April 2017, with the first calculations to be published by April 2018. This year, we are continuing to publish further than the minimum disclosure requirements given the nature of our firm.

<table>
<thead>
<tr>
<th>GENDER</th>
<th>FEE EARNERS</th>
<th>NON FEE EARNERS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>Male</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>94</td>
<td>111</td>
</tr>
<tr>
<td>Total</td>
<td>119</td>
<td>132</td>
<td>251</td>
</tr>
<tr>
<td>Proportions</td>
<td>Male</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>79%</td>
<td>84%</td>
</tr>
</tbody>
</table>

We have two different groups of employees – Fee Earners and Non Fee Earners (FE and NFE). Roles, rates of pay and the proportions of males and females in the different groups have a large impact when simply looking at an overall reported figure for Switalskis.

- 82% of the total workforce are female (205 of the total 251 employees), and almost half of these females hold non fee earning roles
- 18% of the total workforce are male, and 46% hold non-fee earning roles

Given the above dynamics, we felt it would show a more representative picture if we once again broke down the calculations into the two groups of employees.
**HEADLINE GENDER PAY GAP FIGURES**

1. **MEAN PAY GAP (HOURLY RATE)**
The mean pay gap is the difference between average ordinary hourly earnings (excluding bonuses) of men and women. Hourly rates are used as this takes into account both full-time and part-time employees
   - Hourly rates of pay are totalled up for males & females as separate calculations, and then divided by the number of males & females – this gives an average per male employee, and an average per female employee
   - The reported % is the difference between the two averages
   - A gender pay gap exists where the male average rate is higher than the female average rate

2. **MEDIAN PAY GAP (HOURLY RATE)**
The median pay gap is the difference in the midpoints of the ranges of hourly earnings of men and women
   - Hourly rates of pay are ranked from lowest to highest for males and for females
   - The middle point of the list is found, and that rate is deemed to be the median rate – ie: half the staff earn more than this rate, and half earn less
   - The reported % is the difference between the two averages
   - A gender pay gap exists where the male average rate is higher than the female average rate
   - The median as a measurement will also highlight whether there is a significant range between the highest and lowest paid, rather than just an average

3. & 4. **MEAN & MEDIAN BONUS PAY GAP**
Using the same calculation methods as above, but only looking at bonuses paid
   - Annual bonuses paid are listed for any male or female that received one during the year
   - The mean and medians for males and females are calculated only for this sub set who received a bonus
   - The reported % is the difference between the two averages
   - A gender pay gap exists where the male average rate is higher than the female average rate

5. **PROPORTION OF MALES & FEMALES RECEIVING A BONUS PAYMENT**
This is the % of males and females in receipt of a bonus
   - The number of males with a bonus expressed as a % of the total number of male employees
   - The number of females with a bonus expressed as a % of the total number of female employees

6. **PROPORTION OF MALES & FEMALES IN EACH PAY QUARTILE**
This is the gender split when we order hourly rates of pay for everyone from lowest to highest and divide them into four equal quartiles
   - The Lower quartile split is the number of females/males in the lowest pay quartile, expressed as a %
   - The Lower Middle quartile is the next subset
   - The Upper Middle quartile is the next subset
   - The Upper quartile is the number of females/males in the highest pay quartile, expressed as a %
The mean pay gap is the difference between average ordinary hourly earnings of men and women:

- For fee earners (FE), males are paid on average 14.37% more than females. Although shareholders are not included, Non-Shareholding Directors are taken account of.
- For non fee earners (NFE), males are paid on average 16.02% more than females. This is due to the nature of roles, from secretarial support to IT & Marketing, with secretarial support being traditionally mainly female.
- For the total business, the gender pay gap is 28.48%. This is far below the average for the legal sector.

The median pay gap is the difference in the midpoints of the ranges of hourly earnings of men and women:

- For fee earners (FE), males midpoint hourly rate is 11.12% higher than females. Again, these figures include all Non-Shareholding Directors.
- For non fee earners (NFE), the male midpoint is 17.17% higher. This is due to the low number of males and the nature of roles occupied.
- For the total business, the gender pay gap is 29.63%, due to the far higher population of females being in support staff roles. Again, this is below the sector average.
GENDER PAY GAP – BONUS PAYMENTS & PROPORTIONS OF THOSE RECEIVING A BONUS

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>15.59%</td>
</tr>
<tr>
<td>Median</td>
<td>47.27%</td>
</tr>
</tbody>
</table>

GENDER PAY GAP – BONUS PAYMENTS

- The ratios are impacted by two things:
  1. All shareholders (partners) included where applicable
  2. The number of lower paid female support staff receiving minimal “bonuses” for recruitment referrals. These have to be included in the calculations & proportions

PROPORTIONS RECEIVING A BONUS

- 12% of the female workforce received a bonus (24 females)
- 2% of the male workforce received a bonus (4 males)
- 20 fewer male members of staff received a bonus