



# Adjustment of the tolerance threshold in 2024

## Initial situation

The tolerance threshold in Logib equal pay analysis tool was set in 2004 in a pilot phase with five companies as part of the implementation of the Public Procurement Act (PPA; SR 172.056.1).

The main benefit of a threshold value is that it minimises the likelihood of companies being wrongly classified as discriminatory. The Logib tool has evolved over the past 20 years, but without adjusting the level of the tolerance threshold. The definition of a threshold value in Logib is the result of political considerations and is the responsibility of the Federal Department of Home Affairs FDHA (Federal Office for Gender Equality FOG).

In its [report](#) (available in German) of 9 December 2022 in fulfilment of the [postulate of the SECC-N 20.4263](#) (postulate available in German, French and Italian), the Federal Council adopted 18 measures to strengthen the Charter for equal pay in the public sector. Measure 1 stipulates that the FDHA (FOG), together with internal and external experts, will examine an adjustment of the tolerance threshold in the standard analysis tool Logib and report back to the Federal Council.

## Procedure

As a basis for examining an adjustment of the tolerance threshold, the FOG had the current scientific and legal status of the tolerance threshold summarised in a broad-based study and additional econometric simulation studies prepared. Some of these studies are already available or will be published in the course of 2024 (see [Publications equal pay](#)).

As part of the review, a hearing was held with external representatives from academia, consulting, the social partnership, the cantons and communes, and civil society. Within the Confederation, the FDHA (FOG) was supported by an interdepartmental working group.

## Results of the review

Based on the results of the studies and the hearing, the FDHA (FOG) has decided to make the following adjustments:

a) Companies participating in federal procurement processes must still be checked for compliance with the requirement of equal pay between men and women. The participation condition is considered not to be fulfilled if the threshold value of 5% is exceeded.

The threshold value for procurement (previously 'tolerance threshold') is renamed 'limit value' for procurement.

b) For equal pay analyses with Logib outside the context of public procurement, a new value of 2.5% is issued.

This is an optional target value, to be distinguished from the binding limit value that is used in the context of public procurement.

c) The threshold value (limit value and target value) is no longer combined with a second significance test.

During FOGE compliance checks of federal procurement with Logib, the double significance test meant that even significant gender-specific wage differences of up to 10% were often not clearly recognised as such. The requirement to check compliance could therefore only be implemented insufficiently, which resulted in the risk of a lack of protection against wage discrimination. This in turn adversely affected employees on the one hand and fairness in competition on the other.

d) The recommendations for using Logib are being refined. Logib Module 2 enables the respective characteristics of each individual company to be taken into account even better in equal pay analyses. In particular, small companies and companies with a very unbalanced gender ratio are advised to use Logib Module 2. In conjunction with measure c) described above, this further increases the informative value of the analysis. At the same time, the risk of falsely reported gender-specific wage differences remains in the per mille range.

Switzerland is committed to the goal of equal pay by 2030 and is working to achieve this goal at national and international level with the 2030 Gender Equality Strategy and the 2030 Agenda for Sustainable Development. In order to implement the constitutional principle of 'equal pay for work of equal value', the unwavering commitment of all private and public employers is required. The target of 2.5% by 2027 is a further step towards encouraging employers to further reduce or completely eliminate gender pay gaps.

### **Planning of the implementation in Logib in 2024**

The details of the adjustments were published on the FOGE website from the third quarter of 2023 and the implementation in Logib will be planned in 2024.

### **Further information**

- [National Conference on Gender Equality 2030](#)
- [Compilation of the basics of the tolerance threshold for equal pay analyses with the standard Logib analysis tool](#) (text available in German)
- [Brief report on the role and necessity of two significance tests in the context of equal pay analyses with Logib Module](#) (text available in German)
- [Einfluss der Kontrollvariablen in Logib Modul 1](#) (text available in German)
- [Monte-Carlo-Simulation der Lohnvergleichsanalyse in Logib Modul 1](#) (text available in German)