Dear,

**ROYAL MAIL PAY / PENSIONS / SHORTER WORKING WEEK NEGOTIATIONS UPDATE.**
The Branch apologise upfront for the length of this communication however, whilst it may be lengthy, we believe that it is important you have as thorough a report on the current negotiating positions as possible & all the elements being discussed.

Terry Pullinger (DGSP – Deputy General Secretary Postal) at the recent CWU national briefing indicated “that the 4 Pillars of Security (CWU Proposals) is the Union taking the issues to the employer” and that with the onset of the digital world & competition “waiting until 2019 will be too late”. Also that by submitting our proposals has ‘drawn the employers position out’ on all matters relating to our future employment in Royal Mail.

Terry also stated that the “current thinking of management is shocking” in relation to the discussions and that “Royal Mail are intent on maintaining profit levels to pay the shareholders by reducing employee headcount & attacking our terms & conditions which also includes our pensions” rather than grow the business.

**BACKGROUND**

Royal Mail want to cut costs, the only part of Royal Mail that is making money is GLS.

In 2007 Royal Mail delivered 23 billion letters costing 5 pence

In 2016 Royal Mail delivered 13 billion letters at 12 pence per item

They expect in 10 years• letters will be 7 billion and the cost per item will be 22 pence.

Parcels traffic below shoe boxed size has flat lined, parcel traffic above shoe box size has grown as has tracked.

**ROYAL MAIL WISHLIST**

* Removal of Area Reps from IR Framework
* Removal of TPM, PHG, LGV, Election payments, Driving allowance,
* Dawn payments, PBS/ICS bonus, Time Bonus,
* Network Payments
* Reserved Rights Nightshift {higher PHG rate & protected pensionability)
* Monthly pay
* Royal Mail automatically want to issue stage 1 & 2s warnings automatically.

Introduce a two-tier workforce - for new starters the proposal is no sick pay leave for first 3 days they will only pay full sick pay for a maximum 8 weeks and half pay for a maximum of 8 weeks.

This is only for employees who have been employed for more than 4 years, for those employees who have less than 4 years their sick leave is less. For all new starters, Royal Mail want to reduce from 90 % of the pay rate to 80%. They will not pay these shift allowances and only them single rate of overtime. They will no longer go to the full rate after 18 months up to 3 years.

Whilst in the short term this may appear not to affect those already employed, this will start to change as more employees are on the new style condition and then the changes will be applied to the rest of us as Royal Mail come back for a second bite of the cherry.

**JOB RE-DESIGN**

In that the ‘re-design of the pipeline’ in Royal Mail’s terms means that everything moved back time wise by a number of hours.
What Royal Mail want is a later LAT (latest acceptance time) for collected mail. Royal Mail see this as an integral part of dealing with competition, by getting into the emerging market of rapid / next day delivery of items ordered online.

However, should the LAT be pushed back this will have a negative impact on all functions; Processing – duty attendance patterns, start & finish times would potentially change by several hours. Logistics / Distribution - duty attendance patterns, start & finish times would potentially change by several hours. Additionally, there would be the need for less vehicles and therefore drivers. Delivery - duty attendance patterns, start & finish times would potentially change by several hours, with probable last letter delivery times in towns & city’s being around 5pm.

Part of the Job re-design will be a multiple bundle delivery model where the first 90% of sequencing will not be sorted into the frame and will mean later starts in delivery.

They also want Team working so you cover sick leave, rest days, annual leave within your team with no overtime. They want to have you work more hours at Christmas and less hours in the summer.

Plus, they want to introduce a concept called heavy and light days. So, say on a Monday, Wednesday and Friday you will deliver all the traffic and on a Tuesday, Thursday and Saturday you will only deliver 1st Class and parcels which will cut jobs, as the only way a full timer can keep a job if they do two deliveries on the lighter day. There are various other things such as data capture, MTSF cuts etc which are all further attacks on our conditions.

 **PENSIONS**
It is important to recognise that the CWUs pension proposals are for ALL Royal Mail employees represented by the CWU, no matter how long you have been employed. It is the CWUs belief that we should all be treated the same and that we should all have the opportunity to secure a decent income when we retire.
Royal Mail’s current pension contribution is approximately 17.1% of pensionable pay, we pay 6%. Royal Mail actually currently pay approximately 30% (£400m per year), however, this will rise to over £1b per year – clearly this is not going to be affordable.

The CWUs proposals (legally based on a Defined Benefits scheme) removes some of the risk from Royal Mail and places it on to the pension scheme members. However, how this works is that the fund will be valued annually (not 3 years as at present) and if the fund performs well then pension benefits are increased by the current RPI figure (it’s currently 3.1% and is generally 1% above CPI annual figures) or if the scheme is in surplus the benefits could be above RPI. Should the scheme not perform so well, then any increase could be RPI minus a percentage or even no increase at all – and this is the risk element placed onto the scheme members. The scheme assets remain relatively constant and Royal Mails contributions will remain around the current 17.1% figure of pensionable pay – Royal Mail can afford to pay this amount.

Royal Mail are currently considering these proposals. It is interesting to note though, that other trade unions are watching how these proposals progress as this type of pension scheme may assist other companies facing similar pension issues. Financial institutions such as; The Financial Times, etc are also watching how this develops, indeed many have looked at and spoken favourably about the CWUs proposed changes, with a small number giving a negative view – namely Union bashing entities.

A booklet is enclosed with this letter that outlines the CWU proposed pension scheme called WinRS (Wage in Retirement Scheme) you can also view more detailed information by visiting our website at **cwukentinvicta.org.**

It is vitally important that the ‘4 Pillars of Security petitions’ sent to each workplace nationally is supported & signed by as many of us as possible to show you support your Union in there fight to safeguard your jobs and pay.

**SUPPORT & SIGN THE 4 PILLARS OF SECURITY PETITION and get your Reps to then send it to CWUHQ.**

David Banbury

Branch Secretary

On behalf of the Kent Invicta Branch