

No. 482/17

5th September 2017

Dear Colleague,

Four Pillars Campaign – Industrial Action Ballot

Yesterday the CWU's Postal Executive formally authorised a ballot for Industrial Action in support of the Union's Four Pillars of Security campaign. Branches will be aware that the PE's decision, taken in line with long standing Union policy, is the latest step in a long running campaign designed to deliver employment, standard of living and retirement security for all CWU members in Royal Mail Group and to protect this great public service.

Despite months of talks with the business, the Union have been unable to reach a substantive agreement on the critical issues of a 2017 Pay Award, a decent pension scheme for all, a shorter working week, extending our current agreements and redesigning Royal Mail's pipeline to deliver the long term growth and success the company signed up to in 2013.

Since privatisation, the CWU has become increasingly concerned with the company's direction of travel, its incessant short term focus on cutting costs to maximise profits and deliver year on year increases in dividend payments to shareholders. This has led to repeated breaches of our agreements, a more toxic working environment, increased pressure on staff and a series of damaging proposals from the company to cut pension provision, attack pay and conditions of service and push the pipeline operation later into the day which not only threatens members' future ways of working but the long term future of the UK's vital universal service obligation (USO).

In authorising the ballot timetable, it is important to set out the key issues in this dispute. On pay, the CWU is seeking to secure a decent pay rise from April 2017 that reflects growing cost of living pressures, increased productivity of CWU members and continued profitability in Royal Mail. To date, however, Royal Mail have only offered a derisory £250 lump sum payment and are insisting that any future pay award must be tied to management's own un-agreed, unrealistic and unachievable productivity targets.

On pensions, the company is refusing to accept either one pension scheme for all or the CWU's credible and costed proposal for a new pension scheme for Royal Mail employees that secures a decent wage in retirement for all members currently in the company's two failing DB and DC Schemes. Despite overwhelming opposition, the company plan to close the DB Scheme for future accrual from March 2018 and place all DB members into a vastly inferior "cash out" alternative which will see members lose around 30% of their previous pension promise.

For those already in the inferior DC Scheme, damning evidence from Royal Mail's own trustees show that only a tiny minority are paying the maximum level of contributions needed to secure even the barest minimum income in retirement. Almost 90% of DC members are not paying enough in contributions and will not get enough out in pension benefits. The failure of Royal Mail's DC plan reflects much wider concerns across the UK economy about the inadequacy of DC Schemes – these are not proper pension schemes but individual savings plans characterised by inadequate levels of contributions and inadequate, uncertain outcomes. At the same time, DC Schemes dump all future financial liability for pensions onto individual employees, along with responsibility for planning all their future pension provision in retirement. In response, the Union's proposed Wage in Retirement Scheme (WINRS) will fix the contributions of both employer and employees, provide an annual mechanism for managing risk and deliver better pension outcomes for **all** our members that far exceeds the inferior benefits provided from both Royal Mail's own Cash Balance or DC alternatives.

In relation to the Union's outstanding claim for a shorter working week, while the company have made some positive moves towards agreeing the principle of a shorter working week, we still have not agreed the basis for its introduction or how this will affect different grades in different functions and business units.

On Pipeline Re-design, the company continues to display a lack of ambition and real innovation, preferring managed decline of the network to delivering future growth in the business. The company's proposals for later acceptance times (LAT's), route ownership and team working and pushing back deliveries later in the day, not only threatens members' future duty patterns and ways of working but will seriously worsen service provision across large parts of the UK.

It is important to note that the CWU has picked no fight with Royal Mail. This dispute is about holding the company to account. We want Royal Mail to stick by the terms of our current agreements and honour the commitments to improve pay and pensions that they signed up to in 2013. But Royal Mail's failure to abide by our agreements, it's unilateral decision to close the DB pension plan, its refusal to award a proper pay rise for 2017, agree a plan for introducing a shorter working week and to redesign the pipeline to deliver future growth have given the Postal Executive little option but to trigger a ballot for action.

All members (young and old, male and female, full and part-time in every function and region) have a stake in supporting the Union in this crucial dispute. As well as protecting the interests of longer serving employees, the Union's campaign aims to protect newer, younger entrants, stop the repeated misuse of part time and agency staff, resolve the long

standing issue of holiday pay for part-timers and stop the company's move to introduce a two-tier workforce.

Our Four Pillars campaign has not only exposed Royal Mail's true agenda post privatisation but has already been successful in forcing the company to withdraw some of its initial proposals to cut pay rates for new entrants, reduce sick pay, attack our Area Representative structure and force people from weekly to monthly pay. We therefore urge all members and branches to do all they can to support the union in the forthcoming ballot, secure the biggest YES vote possible and so put maximum pressure on the employer to enter serious, meaningful talks on resolving all the outstanding issues in this dispute.

We want to negotiate a new deal with Royal Mail that provides members with the employment, standard of living and retirement security they deserve, that honours and extends our current agreements and legal protections and ultimately secures genuine growth and success that will protect the long term future of one of Britain's biggest and best loved companies.

It is absolutely essential that we maximize the returns in the ballot and send a clear message to the business, politicians and the public we serve that this Union and its membership is absolutely determined to defend themselves and this great public service.

To see the latest Four Pillars video from the DGS(P) please click on the link below;

<https://www.facebook.com/ThecommunicationsUnion/videos/1513382895407851/>

Yours sincerely



Terry Pullinger
Deputy General Secretary (Postal)



Dave Ward
General Secretary