



# Union Secures Pay Rise

**Pay talks have now concluded between AXA and Unite and the union is recommending members in the bargaining unit accept the company offer as the best that can be achieved through negotiation. After prolonged negotiations the company have agreed to Unite's position that employees in the bargaining unit (grades 6 to 9) receive a consolidated annual pay rise plus an additional one-off lump sum payment.**

The background to the pay talks was exceptionally difficult with the recession impacting company performance and large scale cost cutting initiatives being implemented across the **AXA** Group resulting in redundancies and pay cuts in some non-unionised areas. Such was the situation that Nicolas Moreau wrote to all employees in September stating that if things did not improve then it was unlikely there would be a pay rise in 2010.



Feedback received from union members in **AXA** about this announcement led to **Unite** taking the unprecedented step of surveying **AXA** employees last November on this issue. Over 80% of respondents stated they wanted a consolidated pay rise in preference to the proposed one off bonus. Respondents also plainly stated that they felt that utilizing the bonus system alone to distribute reward was unfair to lower grade staff and was iniquitous in that it favoured higher grades who would receive a higher percentage on a higher salary.

In an extended series of meetings with the company **Unite** have argued the benefits of consolidation over bonus and the unfairness of just using the bonus scheme as a reward mechanism at a time of below target company performance.

Whilst their preference was to pay all employees a one off bonus payment in 2010, **AXA** have now accepted these points and made an offer of a 2% pay pot with an additional one-off flat £200 bonus for employees in grades 6 to 9.

## Benefits of consolidation

Whilst a one off bonus is always nice to receive it is generally better to receive a consolidated pay rise which increases your annual salary, as not only does this permanently increase your pay packet it also improves your:

- overtime rate
- pension
- sick pay
- redundancy payment

**Unite** believe that given the level of company performance and the current economic situation that this is a reasonable offer of value to employees in the bargaining unit and are recommending it to its members. Over 40% of staff will receive a pay rise of 2.5% or more and over 75% one of 2% or more.

As previously negotiated, employees in the bargaining unit over scale will receive a bonus payment instead of a pay rise. Again, as in previous years, staff rated *Partially Successful* will unfortunately not receive a pay rise in April however they will be guaranteed an award of a one-off £100 bonus payment rather than one at their manager's discretion and can have their pay increased later in the year if their performance improves.

**Unite** is balloting its members between 8<sup>th</sup> and 19<sup>th</sup> February.