



AXA UNION NEWSLETTER

September 2009

# AXA's cupboard is bare?

**Nicolas Moreau's message to all staff stating that a pay freeze is the likely outcome of the 2010 pay talks is certainly unwelcome news and one that no doubt has made many of you very upset. For a company in which high performance is espoused as the mantra, it seems that hard work, individual success and dedication to the company could well be rewarded with no pay increase in 2010.**

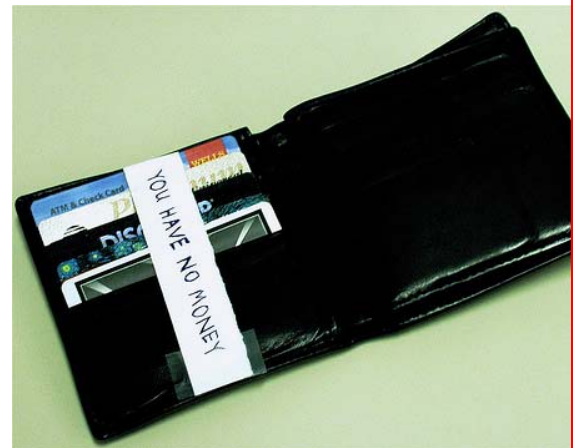
Everyone appreciates that **AXA** is faced with an extremely difficult operating environment, both here in the UK and internationally, but the main driver of a return to the expected levels of profitability will be the efforts of a hard working and well motivated workforce.

Short term cost savings, at employees' expense, are surely not worth the negative effect it would have on morale of employees and the lack of incentive to help get **AXA** back on track.

Whilst **Unite** is prepared to sit down and discuss the problems faced by **AXA** it is not prepared to accept a pay freeze unless the absolute necessity of this is clearly, and transparently, demonstrated and that any improvements in performance immediately result in the employees being rewarded.

In the recent talks on cost reduction **Unite** made it clear that its preference was that pay should come before bonus when it came to rewarding staff. Not only does this improve pension, sickness, redundancy and other benefits, it is more equitable as the bonus scheme is loaded to the higher grades as they get larger percentages than the staff.

Unfortunately the Exec were determined to provide some form of bonus, even at the expense of an annual pay rise, to help retain its senior management team, despite the inequity of this approach. **Unite** feel it is hard to justify the payment of any bonus when a company is not achieving its targets.



## Reward for failure?

You will have seen from Nicolas Moreau's message that Executive Bonus Scheme is *"unlikely to exceed 60%"*.

**Unite cannot see how the company can justify paying out bonuses in light of the overall company performance and the stated possibility of the hard working managers and staff not receiving a pay rise in 2010.**

**Failure to meet targets, mass redundancies, pay and promotion freezes surely cannot be rewarded by large bonus payouts.**

**AXA may argue that the rules of the bonus scheme allow this. If so, the rules are wrong and should be changed to only reward success.**

## Off the table...

**Unite has been involved in lengthy talks with AXA over the last few months on cost cutting measures. Suggestions that have been REJECTED by the union include:**

- across the board pay cut
- longer working week
- reduction in sick pay
- reduction in holiday entitlement
- reduction in redundancy pay

**Find out more: [www.axa-unite.org](http://www.axa-unite.org)**