



Prudence to pay the way

Following an extended series of pay negotiations with AXA, set against a background of economic uncertainty and a hard business market, the Unite AXA National Company Committee (NCC) have voted unanimously to recommend to members the company offer of 3.61% now and a potential additional 0.5% later.

As you are aware, the union and company negotiators were unable to reach an agreement within the scheduled series of meetings and the negotiating period was extended as we tried to reach a settlement that balanced employee expectations with business reality.

This led to the involvement of **AXA** Group HR Director Sonia Wolsey-Cooper who spoke directly to the NCC on the 13th February in Basingstoke, explaining the financial issues which the company is currently facing, the forecast of hard trading that has already impacted the January figures and the need to protect the company from the uncertain future.

The proposed settlement was reached after the union suggested a compromise which enables **AXA** to manage costs in the current difficult market, but will give staff more money if the business is able to achieve its earnings target and inflation remains high.

The NCC believe that this aspect of the offer is credible and the business targets that could trigger the additional payment are realistic for the company to achieve in its half-year results.

Whilst we appreciate that this pay offer will not meet everyone's expectations, the NCC are convinced that given the uncertain market conditions and impact on the business of uncontrollable economic factors, that the need for the company to be prudent in managing costs is one in the best interest of all members and that with this in mind the offer is one they recommend as being the best that can be achieved through negotiation.



Union success in many areas...

The pay offer negotiated by Unite has many positive aspects for many groups of staff across the business:

- 4135 employees (48% of staff) will effectively get an RPI increase in April with a potential additional 0.5% September calculated on their September salary.
- 267 employees over scale (regardless of grade) will get a pay rise consolidated into their salary this year and the possible 0.5% not just a bonus equivalent.
- All employees with a performance rating on 3 or higher will get a rise above CPI (the Government's inflation measure) and combined with bonus much higher than the average earnings index of 4.5% (which includes bonus). The potential 0.5% will take all but a small minority over the current RPI figure.
- Employees rated 4 will be included in 2008 bonus scheme and can receive a bonus payment.
- A higher offer (with potential for more) than has been achieved in similar sized competitor companies in the finance sector
- Agreement to review AXA Life overtime and AXA Insurance bonus by Q3 with an ambition to harmonise with group rates.
- Agreement to review universal healthcare provision.