



AXA UNION NEWSLETTER

February 2010

Pay Ballot Important Facts

This is a ballot of Unite members in the bargaining unit (levels 6 to 9) to find out whether they accept or reject the pay offer. Members should carefully consider this pay offer and make sure they use their vote. AXA employees that are not in the Unite collective bargaining unit do not get the opportunity to accept or reject their company pay deal.

Why is this year different?

AXA senior management had publicly stated there would be limited money available for reward this year and that they were considering paying only a reduced bonus with no pay rise. This was an exceptional situation and Unite ran an open survey of AXA employees from 2 November until 20 November 2009. Just 18.5% of the respondents thought at that time that a "Bonus with no pay rise" was preferable to a "Pay rise with no bonus".

The survey was advertised using our Yahoo email list, our website and with posters on Unite notice boards. However, wider promotion in some business areas was curtailed at the request of management who felt the planned desk drops and promotional events were inappropriate. A number of employees have subsequently advised that they were not aware of the survey and so did not take part.

Why ask for pay rather than bonus?

Many comments received in the survey said out how much people value a permanent increase in their pay, as this is then received every year and also increases other pay related benefits. People low in their pay scales pointed out that they need their pay rise to progress towards the market rate for their job, whereas once a bonus has been spent it is gone forever. AXA later confirmed that SCOPE feedback reinforced this view.

What was the company offer?

Management's consistently restated position was to use only the bonus structure to distribute reward this time, so they were not prepared to put on the table any amount bigger than the estimate of the likely cost of the reduced bonuses for this year. For employees in levels 6 to 9 this was 4.39% of salary, which could either fund a one off bonus totalling 4.39% of salary for all these employees or a pay rise equivalent to a pay pot of 2%. This pay pot would be distributed using a matrix as is the usual AXA practise. Due to the structure of the bonus scheme employees in levels 5 and above will receive a larger percentage of their salaries than those in lower grades.

Why did the pay talks take so long?

Pay talks were extended as Unite did not consider that the company pay offer could be recommended to members. At a final meeting the company came back with an improved offer of the 2% pay rise plus a £200 lump sum payment for employees that had a successful rating, equivalent to a total spend of 5.13% of salary for levels 6 to 9. Management said that they were able to add the flat rate bonus payment as their view now was that the likely bonus calculation would come in slightly higher than originally forecast. The Unite National Company Committee decided to ballot members on this offer.

Unite are fully aware that when there was a prospect of only a reduced bonus with no pay rise people expressed their unhappiness, and now there is the possibility of a pay rise and lump sum instead some people have made it clear that they do not want this either. A number of people have also advised us that they have changed their mind since the survey.

Due to the limited funds available from the company for reward this year it does not appear possible to please everyone. Unite are continuing discussions with AXA and will carefully consider all feedback received from members as well as looking in detail at the results of the pay ballot, which closes at 2:00pm on Friday 19 February.

Use your vote! Access the pay ballot at: <http://www.axa-unite.org/payvote2010.shtml>