

Redundancy terms lottery

Although few people ever hope to be made redundant, the package that they get, should it happen, is an issue of great importance to many staff (after all no one wants to be living hand-to-mouth when they are trying to find a replacement job because their old employer was overly stingy). Consequently Amicus are calling on AXA to review the terms it applies, as they show significant operating company and even regional variation.

AXA's current batch of terms are a wide ranging mix of the good, the bad and the ugly, with some extremely generous terms standing alongside some very poor ones. What you get in the event of redundancy can depend on what company you work for in the AXA Group, and even more bizarrely where you are based if you work for **AXA Shared Services!**

There are a number of motivators for this topic to be seriously looked at:

- i) The current terms operating in **AXA Life** and **AXA Shared Services** (Bristol) are past renewal and in our opinion compare unfavourably with other parts of the business and the insurance market.
- ii) The age discrimination legislation that comes into effect next year means that the terms applying to **AXA Shared Services** staff in Tunbridge Wells are likely to be illegal and need changing. Also elements of the terms for **AXA Insurance** and **AXA Shared Services** staff in Bolton, Glasgow, Ipswich and Lytham could also be discriminatory and consequently illegal.
- iii) It is illogical that staff in the same department in **AXA Shared Services** can have differing terms purely because of where they started their employment.



Amicus have held preliminary talks with **AXA** management to see what can be done to address this situation, and they have agreed there is merit in considering some form of harmonisation in light of the desire to move towards a 'One **AXA**' model, as well as acknowledging the issue arising out of the age discrimination legislation.

Clearly though there are a number of issues from a member's perspective around any possible harmonisation and this is where **Amicus** is stepping in to ensure that they do not lose out if this happened.

The main issues we see as being:

- protection of existing earned benefit if better than new terms
- retroactive uplifting of earned benefit if worse than new terms
- any new terms reflect the better end of the current finance sector market
- there are no big losers with the new terms for our members in earning future benefit.

There are some areas that are going to cause headaches in this respect, such as the **AXA PPP** terms that currently apply to **AXA Shared Service** staff in Tunbridge Wells.

The current system offers widely variable payouts per year of service based purely on age (3 weeks for those up to 30, 7 weeks for those between 56 and 65). Clearly the company are not going to harmonise everyone up to 7 weeks for each year of service much as though we would all like that, but we would need to address this problem.

Also the uplifting of benefit if worse than any new terms might also be unpalatable for the company, but given the whole point of “banking” old terms is to protect past benefit, it is ludicrous that terms such as those for ex-**Propsero** staff (which are worse than the current **AXA Insurance** ones) should ever have been “protected” in this way.

Clearly there is a lot of work to do if harmonisation is to occur, which is why we have put the issue on the table now, rather than leaving it until next year.

We want to hear from our members on their feelings on redundancy harmonisation, so please talk to your local union rep before the union National Company Committee meets to discuss this further in December.

Current Industry Terms

Company	Age	Payment per year of service	Statutory inc?
Aegon	n/a	1 month	Yes
Allianz	16-21	1.5 weeks	Yes
	22-30	3 weeks	Yes
	31-40	3.5 weeks	Yes
	41-49	4.5 weeks	Yes
	n/a	2 weeks up to 10 years service 3 weeks for service over 10 years	No
AXA Insurance	n/a	2 weeks up to 10 years service 3 weeks for service over 10 years	No
AXA Life	n/a	As statutory but inc to £480 max and 2.5 x stat qualifying weeks	Yes
AXA PPP	16-30	3 weeks	Yes
	31-35	3.5 weeks	Yes
	36-40	4 weeks	Yes
	41-45	4.5 weeks	Yes
	46-50	5 weeks	Yes
	n/a	2 weeks up to 10 years service 3 weeks for service over 10 years	Yes
AXA UK	n/a	2 weeks up to 10 years service 3 weeks for service over 10 years	Yes
CIS	n/a	3 weeks	Yes
Prudential	16-29	1.5 weeks plus 4 week lump	Yes
	30	1.5 weeks plus 12 week lump	Yes
	35	1.5 weeks plus 16 week lump	Yes
	40	1.5 weeks plus 20 week lump	Yes
	45	1.5 weeks plus 25 week lump	Yes
	50	1.5 weeks plus 40 week lump	Yes
	n/a	1 month	Yes
Scottish Widows	n/a	1 month	Yes
UKLS	n/a	3 weeks	Yes
Zurich	16-21	2 weeks	Yes
	22-40	3 weeks	Yes
	41-50	4.5 weeks	Yes
	51-59	5 weeks	Yes
	n/a	1 month	Yes

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