

PAY GRADING

Way Forward Royal Mail Service Delivery

Introduction

This agreement introduces a new single grade and a new pay package for operational employees. This will provide a new higher national basic pay of **£242.76** per week. The single grade replaces the existing PMN/woman, PHG and Streamline 1-6 grades in all Post Office businesses that inherited employees in these grades from Royal Mail (excluding Cashco) and POSG. The single operational grade is being introduced in order to:

- increase the skills, pay and range of opportunities for existing postal employees;
- improve operational performance and flexibility;
- provide a significant increase in pensionable basic pay, recognising that the Working Time Regulations will necessitate a move away from excessive levels of overtime.

The work description for the new operational grade is at Annex A and the pay package is set out below. The general approach is to provide a basic pay significantly higher than existing PHG, reflecting the broader range of skills that will be covered by the new grade. Because of this, many skills that have previously been paid at a lower basic plus allowance will in future be integral to the new grade and be covered by the higher level of basic pay.

Recognising the particular contribution that has been made by existing employees in the PHG and SL3-6 grades, the package retains certain special payments that are enhanced for employees of these former grades on a personal reserved rights basis (see below).

This agreement also introduces a new operational support grade, to replace the existing Doorkeeper and Liftman grades, to which the few Cleaners remaining within former Royal Mail (performing bag cleaning work) will also assimilate. The new work description for this grade is at Annex B.

The new grades and pay package will be introduced in 2000, to the timetable set out below. After the implementation date of the new grades, all revisions will assess workload and determine jobs and job descriptions on the basis of the new grades and work descriptions.

Pay for the Single Operational Grade

The new pay package for the single operational grade will provide higher and more stable levels of guaranteed pay and pensionability. This will include a higher level of national pensionable basic pay that will be £242.76 per week (£12667 per year), at 1999 rates.

In addition there will be London pay ranges, RRIS and SDIA, assigned shift allowances that will be paid all-year-round including during holidays, new overtime and scheduled attendance rates, and a limited range of additional allowances. There will be reserved rights to pay supplements and other enhanced rates for current PHGs and SL3-6.

The new package will replace all elements of current pay, except for the new bonus payments (and PBS Supplements) established by the Performance Bonus Scheme Agreement.

BASIC PAY - this higher level of basic pay will be fully pensionable:

Basic pay at max = **£242.76** per week (Outer London £269.49, Inner London £291.58)
Adult Recruit = £218.48 per week (Outer London £242.54, Inner London £262.42)
Age 17 = £169.93 per week (Outer London £188.64, Inner London £204.11)
Age 16 = £145.66 per week (Outer London £161.69, Inner London £174.95)

subject to successful completion of their trial period and acquisition of the relevant skills and competencies, and in all cases after no more than two years' service (but not before age 18).

PART-TIME EMPLOYEES

For part-time employees, Shorter Working Week will, instead of reducing contractual weekly hours, result in an additional 3.75% increase in the basic hourly rate. The new hourly rate will be implemented on the same date nationally for all part-time employees, which will be Monday 3 July 2000 subject to the review of progress as set out in the joint statement on deployment. From the implementation date all weekly and daily elements of pay, including shift, assigned and other allowances, for part-time employees will be paid pro-rata to their conditioned hours against a 40-hour gross week.

Hours worked by part-time employees up to a 40-hour week will be paid at single rate and become pensionable from the implementation date for part-time SWW onwards. Single rate overtime up to 40 hours gross will include any due elements of London pay ranges, RRIS and assigned allowances (including shift allowances) pro-rata. These single rate hours will also count as conditioned for the purposes of assessing entitlement to ad hoc shift payments and allowances.

REGIONAL PAYMENTS

This agreement does not change the existing location-based payments (RRIS & SDIA), with SDIA at a new rate of £12.47 per week.

SHIFT ALLOWANCES

There will be assigned shift allowances, paid all-year-round including during holidays and short-term sickness (periods up to two months), for jobholders with attendances as follows:

Dawn shift (starts between 0201-0400) = £20.40 per week fully pensionable
Early shift (starts between 0401-0500) = £10.71 per week fully pensionable
Early shift (starts between 0501-0530) = £ 5.36 per week fully pensionable
Evening shift (finishes between 2000-2139) £15.30 per week fully pensionable
Late shift (finishes between 2140-0159) £31.62 per week fully pensionable
Night shift (three hours worked across 2300-0500) £61.20 per week (of which £31.62 is pension-able and the remainder non-pensionable, balancing against the higher basic pay)
Split Duties (conditioned hours of a single contract £ 8.67 pw if total span over 10 hours, involving two daily non-continuous attendances, £17.34 pw if total span over 12.5 hrs, covering at least four days or nights of the week) £25.50 pw if total span over 15 hours.

(All of the above times are inclusive. Only one allowance may be claimed for any given conditioned attendance, except that Split Duties will be paid Split Duty Allowance plus the highest of any appropriate shift allowances)

Employees on rotations will receive an average payment reflecting the average of their various conditioned attendances, with additional considerations affecting their leave selection as set out elsewhere in this agreement in the section on annual leave.

Employees not receiving an assigned allowance who are required to attend ad hoc within conditioned hours on a relevant shift (e.g. as a reserve) will receive a one-off pensionable (or part-pensionable at night) and contributory payment for each attendance. This will be equal to the weekly amount divided by the number of attendances to which they are conditioned for that week (e.g. for a single night shift of a five day week it would be £12.24). Where someone is required to work ad hoc within conditioned hours on a shift attracting a higher payment than their usual job then the additional payment will be based

with their Resourcing Unit to exchange or swap their attendances voluntarily for personal reasons, for a period of less than a week, there will be no additional payment and no change to the normal shift payment arrangements for the employees involved. For temporary shift changes of a week or more, the allowance will be paid to each employee at the appropriate rate for the shift actually worked.

Unlike NDA, Shift Allowances will continue to be paid during holidays and periods of short-term sickness or other absence. They will not be paid for periods on less than full pay. Payment will also cease after any single spell of two months continuous paid absence from work.

There will be no additional payment for shifts worked on overtime or Scheduled Attendance.

Where Sunday hours are worked within conditioned hours, there will be an additional pensionable premium payment of £3.83 per hour worked. Sunday hours worked as overtime or SA will be paid as set out below.

ASSIGNED ALLOWANCES

Most existing allowances have been absorbed within the higher level of basic pay, which will now reflect and reward the broader range of skills covered by the new grade. Nevertheless there remain some specific areas where pensionable assigned allowances will be paid, on conditioned hours only, to reflect the additional qualifications or special circumstances required, as follows:

LGV driving (vehicles plated over 7.5 tonnes) £33.66 per week

LGV driving (vehicles plated 3.50 tonnes to 7.5 tonnes) £23.46 per week

Advanced TPM £18.36 per week

Postbus (PSV licensed) driving £10.20 per week

TPO Duty £46.00 per week

Leadership Allowance (incl. TPO in charge) £25.50 per week

Jobs with scheduled Rural Waiting Time £ 4.84 pw (at least 2 hours booked off), £7.90 (at least 3 hrs), £8.98 (at least 4 hrs).

Apart from the Leadership Allowance which may be combined with another allowance in certain circumstances (e.g. with TPO Duty for "TPO in charge"), no more than one of these assigned allowances may be claimed by any employee during any week, on top of any shift allowance due. Employees on rotations will receive an average payment reflecting the average of their various conditioned attendances.

No assigned allowance payments will be made for hours worked on overtime or SA.

For each ad hoc attendance within conditioned hours (except those arising from voluntary exchanges or swaps of attendance of less than a week) a one-off pensionable and contributory payment will be made, equal to the weekly amount divided by the number of attendances to which the employee is conditioned for that week. For temporary job changes lasting one week or more, allowances will be paid to each employee according to the attendance actually worked.

OTHER ALLOWANCES

In addition to the assigned allowances, there will be a number of intermittent non-pensionable allowances:

TPO bank holiday passenger £ 1.94 per hour

Training Allowance (non-school) on conditioned hours £18.36 per week

Weekend SA involving at least 3 hours LGV £ 6.73 (or £ 4.69 for vehicles up to 7.5t)

payable only to employees on SA who are not in receipt of assigned LGV allowance.

OVERTIME and SCHEDULED ATTENDANCE

Overtime and Scheduled Attendance will be paid at standard non-pensionable cash rates per hour. These rates will not vary according to the time of day or day of the week, except for higher rates on Sundays and Bank Holidays.

Enhanced rates for SA will continue to reflect the benefits of stable and reliable cover. These will only be paid where the conditions of the existing national agreement are met (i.e. each attendance is scheduled to a nominated employee and substitute for the year, and is paid on the basis of hours actually worked, excluding breaks except on Sundays). SA will be limited to no more than 12 hours per employee in any week. Where this necessitates a review of local SA arrangements this must be completed by the implementation date.

The new adult rates (with overtime rates for employees aged 16 and 17 increased to 87.5% of these adult rates) from the date of introduction will be as follows, at 1999 rates:

Monday-Saturday: overtime £7.05 per hour (for the first 10 hours during a week)

overtime £6.81 per hour (for hours worked over 10 per week)

SA £8.50 per hour

Sunday overtime £9.50 per hour SA £9.90 per hour

Bank and Public Holiday overtime £11.73 per hour

(alternatively a day off in lieu plus payment of £7.04 per hour may be taken for Holiday attendances of more than 2 hours).

Travelling Time £6.07 per hour

Sunday overtime and SA will remain pensionable for two years after 8 May 2000. In order to protect the pension position of employees who are aged 57 or over on 6 May 2002, these employees will retain pensionability of Sunday overtime and SA, on a personal reserved rights basis, until age 60 (or the age at which they take their pension if later). The facility within existing pension rules to base final salary on the best three consecutive years out of the last ten will provide some mark-time protection to employees aged over 50.

CHRISTMAS SUPPLEMENT

The existing Christmas Supplement will continue at its current value (between £42 and £100 maximum, pro-rata to conditioned hours) for all employees, but the payment date will be moved earlier than currently to the last payment date before Christmas each December. Eligibility will be linked to paid employment across the four week December bonus period used for PBS. From December 2001 the minimum full-time Supplement will increase to £60.

DELIVERY SUPPLEMENT

In those offices operating Delivery Remuneration schemes, the original elements of the Delivery Supplement will be separately identified and treated in exactly the same way as the equivalent elements of pay within the national package. This will ensure that all employees are treated on a fair and equal basis. Where the Supplement consists entirely of ex-UPAP this will mean that it will be replaced by the higher level of basic pay, as UPAP will have ceased. However the assessment of guaranteed pay under this agreement (see below) will include the amounts of Supplement actually paid to each employee.

EXISTING PHGs and STREAMLINE Levels 3-6

Existing employees in these grades will assimilate to the new single grade, which has a higher level of basic pay (many Streamline employees will also pick up the assigned LGV allowances). Permanent and substantive employees graded PHG or SL3,4,5 or 6 on 31

- an ongoing and fully pensionable Pay Supplement of £20 per week (pro-rata to conditioned hours). This will be retained indefinitely on a frozen personal reserved rights basis whilst the employee remains in the new grade, provided that they do not move voluntarily to a job with a work content that would formerly have been graded entirely at PMN/woman/SL1-2 level prior to 1 April 2002.
- enhanced shift allowances, retained indefinitely on the same basis as above but included within future pay awards, with nights retained on a fully pensionable basis so long as the employee continuously holds a job on the night shift, as follows:

Dawn shift (starts between 0201-0400) = £23.26 per week fully pensionable
 Early shift (starts between 0401-0500) = £12.21 per week fully pensionable
 Early shift (starts between 0501-0530) = £ 6.11 per week fully pensionable
 Evening shift (finishes between 2000-2139) £17.44 per week fully pensionable
 Late shift (finishes between 2140-0159) £36.05 per week fully pensionable
 Night shift (three hours worked across 2300-0500) £69.77 per week fully pensionable (as above)

- enhanced rates for overtime and SA, retained on personal reserved rights as above and thereafter held on a fixed (mark-time) basis:

Monday-Saturday: overtime £8.04 per hour (for the first 10 hours during a week)
 overtime £7.76 per hour (for hours worked over 10 per week)
 SA £9.69 per hour
 Sunday overtime £10.83 per hour SA £11.29 per hour
 Bank and Public Holiday overtime £13.37 per hour
 (alternatively a day off in lieu plus payment of £8.02 per hour may be taken for Holiday attendances of more than 2 hours).
 Travelling Time £6.07 per hour **DRIVING ALLOWANCE**

The new package will retain non-pensionable assigned allowances as personal reserved rights for the following employees:

- £6.00 per week (pro-rata to conditioned hours) for employees graded PMN/woman, who are not receiving another assigned non-shift allowance, and whose substantive job on 31 January 2000 involves driving a Royal Mail van (of less than 3.5 tonnes) for at least two conditioned hours per day. This will include reserve jobs dedicated to covering driving duties as of 31 January 2000;
- £6.00 per week (pro-rata to conditioned hours) for employees graded PMN/woman or Streamline Level 4, who are not receiving another assigned non-shift allowance nor the £6.00 for van driving, and whose substantive job on 31 January 2000 involves driving a fork-lift truck for at least two conditioned hours per day. This will include reserve jobs dedicated to covering fork-lift duties as of 31 January 2000;

These allowances will be frozen and retained on a personal rights basis by these employees only so long as they remain in the same job as on 31 January 2000. There will be no payments for hours worked on overtime or Scheduled Attendance. These assigned allowances will continue to be paid during annual leave and other paid absence.

Employees on rotations as of 31 January 2000 will receive an average payment.

Pay for the new operational support grade

The pay package for the new operational support grade will be based on the same principles as above. The new rates will be as follows:

BASIC PAY

Basic pay at max = £214.20 per week (Outer London £240.93, Inner London £263.02)
 Adult Recruit = £192.78 per week (Outer London £216.84, Inner London £236.72)
 Age 17 = £149.94 per week (Outer London £168.65, Inner London £184.11)
 Age 16 = £128.52 per week (Outer London £144.56, Inner London £157.81)

Regional payments will be the same as for the operational grade, and included in the joint review.

SHIFT ALLOWANCES

There will be assigned shift allowances for conditioned hours as follows:

Dawn shift (starts between 0201-0400) = £18.36 per week fully pensionable
Early shift (starts between 0401-0500) = £ 9.18 per week fully pensionable
Early shift (starts between 0501-0530) = £ 4.59 per week fully pensionable
Evening shift (finishes between 2000-2139) £13.26 per week fully pensionable
Late shift (finishes between 2140-0159) £27.54 per week fully pensionable
Night shift (three hours worked across 2300-0500) £53.55 per week (of which £27.54 is pensionable and the remainder non-pensionable)
Split Duties (conditioned hours of a single contract £ 7.80 pw if total span over 10 hours, involving two daily non-continuous attendances, £15.61 pw if total span over 12.5 hrs, covering at least four days or nights of the week) £22.95 pw if total span over 15 hours.

All other arrangements (e.g. rotations, ad hoc attendances, swaps, part-time employees, periods of absence) will be the same as for the operational grade. The pensionable premium payment for conditioned hours worked on a Sunday will be £3.32 per hour.

ALLOWANCES

The operational support grade will be eligible for the Non-School Training Allowance and the Leadership Allowance, on the same terms and rates as above. **OVERTIME and SCHEDULED ATTENDANCE**

Overtime and Scheduled Attendance will be paid on the same basis as above, at the following standard non-pensionable cash rates per hour (with age 16/17 rates at 87.5%):

Monday-Saturday: overtime £6.17 per hour (for the first 10 hours during a week)
overtime £5.96 per hour (for hours worked over 10 per week)
SA £7.44 per hour
Sunday: overtime £8.32 per hour SA £8.67 per hour
Bank and Public Holiday: overtime £10.26 per hour
(alternatively a day off in lieu plus payment of £6.16 per hour may be taken for Holiday attendances of more than 2 hours).
Travelling Time £5.36 per hour

Sunday overtime and SA will remain pensionable for two years from 8 May 2000, and then continue on a pensionable basis until pension is taken for those employees aged 57 or over on 6 May 2002, as above.

CHRISTMAS SUPPLEMENT

The existing Christmas Supplement will continue, as above, with the minimum payment increasing to £60 per person (pro-rata to conditioned hours) from December 2001.

BONUSES

For employees in the new operational support grade, former RBS productivity and RULC bonuses remaining as PBS Supplements after the application of the provisions of the PBS agreement will cease, and be compensated for with a one off lump sum payment equal to 52 weeks' value of the supplement.

EXISTING DOORKEEPERS

Permanent and substantive employees in the Doorkeeper grade on 31 January 2000 will receive an additional fully pensionable ongoing Pay Supplement of £10 per week (pro-rata to conditioned hours). This will be retained indefinitely on a frozen personal reserved

that they do not move voluntarily to a job with a work content formerly graded entirely at Liftman or Cleaner prior to 1 April 2002.

Guaranteed weekly earnings

For the large majority of existing employees in both the new operational and operational support grades the new package will deliver higher guaranteed weekly pay. This is defined as basic pay, pay and PBS supplements, regional supplements and all shift premia and allowances that are earned weekly during conditioned hours. Where this would not be the case the difference in guaranteed weekly earnings will be made good as an ongoing supplement.

This will be calculated by comparing current guaranteed weekly pay expectations for each employee with the new guaranteed weekly pay for the same job after the new pay and hours package is implemented. It will be assessed on the basis of nationally agreed pay rules across a full 52 week year (assuming 44 weeks' attendance per year to allow for average Bank and annual holidays, sickness and other absence), carrying forward the 2.0% uplift of current basic pay and NDA on conditioned hours to be implemented on 14 February 2000.

Any supplement will be based on the job each employee holds on 31 January 2000, provided that the employee holds the same job on 8 May 2000. On that date guaranteed weekly pay will be underpinned by the introduction of personal supplements where this is necessary to support earnings. Employees on rotations will have the assessment performed for each attendance in the rotation and averaged. Reserves will either have the assessment for their usual shift/attendance or based on an average of their various attendance patterns. Supplements will be retained indefinitely on a frozen personal rights basis whilst employees remain in the same job (or are moved compulsorily) as on 31 January 2000. They will be paid as an assigned payment that will continue (on the same basis as the new shift payments) during periods of paid absence and be pensionable and contributory.

Weekend duties

The various changes to pay, premia payments and hours will necessitate a local review of pay and attendance arrangements for all "notionally full-time" weekend jobs, based on national guidance. This should be completed for all such jobs by 1 October 2000 at the latest, to ensure that they are re-based to reflect the new pay package and the 40-hour full-time week.

Until reviews are completed, basic pay (including any grossed up premia payments on conditioned hours) and working hours should remain at their current levels, after applying a 2.0% increase to cover the 1999 pay award. Once the review is completed and the new contracts implemented, the full-time employees involved will be paid a lump sum of £500 (this replaces entitlement to the standard £100 payment. Any PHGs involved will be paid £100 following completion of the review, over and above the standard £500 payment for their grade).

Implementation

The new pay package will be implemented as follows:

14 February 2000: Implementation of the 1999 pay award and lump sums

2 April 2000: Cessation of IHP

1 May 2000: Cessation of Saturday Premium, NDA on non-conditioned hours, and all intermittent allowances

8 May 2000: Introduction of new grades, basic pay, ex-PHG/SL3-6 and Doorkeeper Supplements, and all new allowances, replacement of the UPAP;
Replacement of conditioned NDA with assigned shift allowances (on 28 April employees will therefore receive both any NDA for the conditioned hours of the previous week together with the first payment of the new assigned shift allowance);
Employees with under one year's service on 24 April 2000 will assimilate to the new recruit rate;
Overtime and SA will be paid at cash rates equal to the existing national rate for PMN/woman (with Saturday paid at the weekday rate), enhanced by 14% for ex-PHGs/SL3-6 and at 87.5% for the new Operational Support Grade.

29 May 2000: Introduction of the enhanced rates for weekday overtime (up to 10 hours), weekday Scheduled Attendance, and Sunday overtime and SA as set out above.

3 July 2000: Introduction of part-time SWW.

Implementation of these last two elements is subject to the review of progress with deployment of key elements of the rest of the Way Forward Agreement and PBS, as set out in the joint statement on deployment.

Review

This new pay package represents a significant investment by the business and a significant benefit to employees, in terms of higher basic and pensionable pay net of the other agreed changes. The precise cost to the business and benefit to employees has been estimated on the basis of certain assumptions. Where there are specific areas of uncertainty it has been separately agreed between CWU and Royal Mail that, in order to protect both the value of the new package to employees and Royal Mail's financial position, the actual effect of these changes will be reviewed nearer to or just after implementation. Any significant discrepancy will be balanced by a corresponding increase in or reduction to the national pool within the Performance Bonus Scheme.

Annex A

Operational Postal Grade Description

This new grade includes all work and tasks associated with the physical handling and distribution of Service Delivery products from collection, processing through to delivery including driving work. It includes the use of automated machinery and equipment and the minor maintenance of such equipment (TPM). Also covered are supporting administrative work associated with day-to-day operations (e.g. bookrooms, revenue protection) training of individuals and work on customer premises such as mailrooms, including all tasks previously recognised separately through the payment of allowances.

The new role is underpinned by a set of key principles and capabilities assessed on entry to the Business and by the appropriate resourcing arrangements through the core skills and selection areas that have been defined in the Way of Working agreement.

The introduction of the new Operational Postal Grade removes issues of demarcation between the former PMN/women and PHG grades recognising that employees, in future, are liable to undertake the fullest range of tasks for which they have been properly trained or for which they have been specifically selected through the agreed procedures.

The vast majority of the jobs covered by this grade will be use core skills and will be filled as agreed on length of service/seniority, with any specialist duties being identified and

Annex B

Operational Support Grade Description

This new grade includes all work and tasks currently performed by employees in the Doorkeeper and Liftman grades. It also includes bag cleaning work, performed by a number of Cleaners remaining in Royal Mail.

The introduction of the new Operational Support grade removes any issues of demarcation that might have arisen between the former Doorkeeper and Liftman grades, recognising that employees, in future, are liable to undertake the fullest range of tasks for which they have been properly trained.

The new role will be underpinned by a set of key principles and capabilities assessed on entry to the business.

The jobs covered by this grade will be filled on length of service/seniority, as outlined in the Way of Working agreement. Enhanced pay for Letters Administrator 2

Introduction

As part of the Way Forward, and recognising the effect of the new single operational grade on pay differentials, enhanced basic pay has been agreed for the LA2 grade. This will be implemented alongside the changes for operational employees on the same implementation dates.

Basic salary

From 8 May the LA2 grade will have a new fully pensionable pay scale as follows:

	National	Outer London	Inner London
age 16	£145.66	£161.69	£174.95
age 17	£169.93	£188.64	£204.11
Adult recruit	£218.48	£242.54	£262.42
maximum	£242.76	£269.49	£291.58

This enhanced pay scale includes and replaces the former Clerical UPAP for the LA2 grade.

All adult employees on the recruit scale in post on the implementation date will move immediately to the maximum.

Other elements of pay

Except as set out in this agreement, terms and conditions for the LA2 grade remain as currently.

The higher level of basic pay for the LA2 grade will replace eligibility for any allowances from 8 May 2000 (1 May 2000 for intermittent allowances).

LA2s will be paid overtime (for Monday to Saturday up to and beyond 10 hours per week, Sunday, and Bank Holiday overtime) at the same standard hourly cash rates as will apply

Where applicable LA2s will be eligible for assigned and ad hoc shift payments at the same rates as apply to the new operational grade. This will replace NDA, Saturday Premium and IHP.

The existing system of Clerical RRIS, and SDIA at the new rate for the operational grade, will continue as currently pending completion of the wider joint review of regional payments.

All elements of pay for part-time LA2s will be paid pro-rata to conditioned hours against a 42/41-hour gross week, as set out in the 1997 agreement on harmonisation of part-time terms and conditions.

Ways of Working

Other improvements to resourcing and working arrangements for LA2s will be considered jointly within the context of the further discussions that have been agreed will take place for both the LA1 and LA2 grade. Pending this agreement, from the implementation date the age 16 and 17 scale points for LA1 will be increased to 60% and 70% respectively of the scale maxima.