



News Release

20 September 2013

For immediate release

ROYAL MAIL STATEMENT

- Royal Mail is very disappointed that the CWU has confirmed that it is holding a national industrial action ballot of its members
- An Ipsos MORI poll, commissioned by Royal Mail, reveals that 72% of British adults believe the CWU should accept Royal Mail's pay offer and call off the plans to strike. In addition, 78% felt that the Royal Mail's pay offer of 8.6% over three years was "very fair" or "fair".
- A ballot for industrial action does not mean there will be a strike; currently it is business as usual for Royal Mail and Parcelforce Worldwide.
- Any industrial action has a direct bearing on Royal Mail's ability to sustain good quality, long-term employment for our people
- Any industrial action, or the possibility of disruption, is damaging to our customers, and our business, especially in the run up to Christmas, our busiest time
- Royal Mail is still talking with the CWU to reach a new agreement and calls on the CWU to focus on these talks rather than preparing for industrial action. We wish to reach agreement as soon as possible to provide continued stability for our employees, our business and our customers
- Since 2011 Royal Mail has been talking with the CWU to reach a new agreement following the three-year Business Transformation and Beyond 2010 agreement. That awarded a pay increase of 6.9% over three years, at a time when RPI was 4.1% and, public sector employees had a two-year pay freeze
- Royal Mail believes its offer to its postmen and women is very fair:

Pay	An 8.6% increase in pay , allowance and overtime payments over three years
Protections	We have offered a legally-binding and enforceable contract with the CWU. Pay & protections could not be changed for the period of the contract without CWU agreement

- This combination of protections, industrial stability and a legally binding framework is, we believe, unprecedented
- On pensions – we have proposed changes to the Royal Mail Pension Plan which would enable us to keep it open, without increasing members' contributions, or changing retirement age or accrual rates.

- Following consultation with Plan members and talks with the CWU we have put forward a significant improvement to our proposal which means that, for the overwhelming majority of CWU-represented grades, promotional pay increases will continue to be reflected in their Final Salary pensionable pay when calculating their pension as they do now.

Royal Mail is very disappointed that the CWU has confirmed that it is holding a national industrial action ballot of its members.

An Ipsos MORI poll commissioned by Royal Mail has found that the majority of British adults think that the CWU should accept the offer and call off plans to strike. The poll of 1,468 adults aged 18+ in UK, which was conducted during September 13th - 16th, found that 72% felt the CWU should accept the 8.6% offer and call off plans to strike. 78% thought the offer was "very fair" or "fair".

A ballot for industrial action does not mean there will be a strike; currently it is business as usual for Royal Mail and Parcelforce Worldwide.

Any industrial action, or the possibility of disruption, is damaging to our customers, and our business, especially in the run up to Christmas, our busiest time. It therefore has a direct bearing on our ability to sustain good quality, long-term employment for our people

Royal Mail proposed a highly competitive three-year agreement to deliver its agenda for growth and industrial stability. That includes an increase in base pay over three years and legally-binding protections on relevant employees' terms and conditions.

While this ground-breaking offer has been rejected by the union, it has acknowledged that it was a significant offer and discussions are ongoing.

Since 2011 Royal Mail has been talking with the CWU to reach a new agreement following the three-year Business Transformation and Beyond 2010 agreement. Intensive discussions over a new three-year agreement between Royal Mail and the CWU are continuing. We are committed to reaching an agreement with the CWU as soon as possible to give our customers and employees continued stability.

We will do all that we can to protect our business and our customers' mail. We will work hard to minimise the impact of any industrial action on our customers.

Royal Mail Pension Plan

Funding defined benefit schemes is becoming considerably more expensive. A large number of UK employers have announced that they are closing, or are seeking to close, their defined benefit schemes. We are in a better position than many other schemes. Our proposal would mean no changes to members' contribution rates, retirement age or accrual rates. We have proposed to use some of the £2 billion of assets in the Royal Mail Pension Plan (the Plan) to keep it open, subject to certain conditions.

Following the closure of the consultation on proposed changes to the Plan, the Company has made a meaningful improvement to its proposals: For the overwhelming majority of CWU-grade Plan members, promotions and increments would continue to flow through

into Final Salary pensionable pay as they do now. This would be at least until the conclusion of the next periodic review in 2018,

We are continuing to review all the feedback and comments received from the consultation. We are also continuing to have discussions with CWU and UNITE. When a decision is reached it will be communicated to Plan members.

Ends

For more information contact:
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Notes to Editors

- UK Mail, formed as a courier company in the 1970s, expanded into parcels delivery during a Royal Mail strike in 1978. The DX Group was formed after a Royal Mail strike in the 1970s. Home Delivery Services was born out of a Royal Mail strike in 1971. It then became Home Delivery Network in 2008 and then joined with Yodel in 2010.
- The Business Transformation 2010 and Beyond agreement was reached following the strike action in 2009. It was agreed in April 2010 after a national ballot of CWU members.
- The Agreement paved the way for Royal Mail Letters to continue with its much-needed £2 billion modernisation, including the introduction of new automated machinery and delivery equipment and changes in the way our people work.
- Under the terms of the agreement basic pay and allowances for Royal Mail postmen and women increased by 6.9 per cent over the three years from April 1st 2010. Over the same period the working week was reduced by one hour to 39 hours.
- Royal Mail also committed to paying lump sums totalling £1,000 per full-time individual - linked to the introduction and delivery of the planned changes - to further reward them for their part in the modernisation of the business and to reflect the scale of the transformation Royal Mail needed to implement (the payments were made pro-rata to part-time employees).
- In 2010, RPI was 4.1% and, public sector employees had a two-year pay freeze.
- The research was conducted by Ipsos MORI using a telephone omnibus during 13th - 16th September 2013. Questions were asked of 1,468 adults aged 18+ across United Kingdom. The survey data were weighted by: Age, Gender, Government office region, Social Grade, Taken a foreign holiday in the last 3 years, Tenure, Number of cars in the household and Working status to be nationally representative of adults aged 18+ across United Kingdom.
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About Royal Mail

Royal Mail is the Designated [Universal Service Provider](#) in the UK. It delivers an affordable six-day-a-week, one-price-goes-anywhere, postal service to more than 29 million UK addresses. Royal Mail is regulated by Ofcom. The Group operates within the United Kingdom, including a number of subsidiaries, associates and a joint venture. These include Royal Mail, which delivers more than 99 per cent of letters in the UK and has a leading position in the UK parcels sector, and Parcelforce Worldwide, its express parcels business.

The Group also has a presence in most European countries, mainly through General Logistics Systems, one of the largest ground-based parcel delivery networks in Europe.

On 1 April 2012, Post Office Limited was transferred from under the ownership of Royal Mail Group Limited to become a direct subsidiary of Royal Mail Holdings plc.