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TIME TO VOTE ON PAY

Unite in AXA will commence balloting members in the employee bargaining unit on the company's final pay offer of a 3.6% pay pot from the 1st February. Whilst this is still short of inflation it is a substantial improvement on the 2011 pay award and compares extremely well with awards in other insurance companies.

Whilst inflation has fallen from its 6% high in 2011 to 4.8% in January, it has stubbornly remained high with the residual effects of cost push factors such as the January 2011 VAT rise still filtering through. The Bank of England forecasts a sharp fall in inflation in 2012 but of course there is no guarantee of that and the first real indicator will be the February RPI figure (the one normally we benchmark the pay offer against).

The impact of inflation on the lower paid was one that was of concern to many members and formed the basis of our pay claim. Whilst we appreciated that everyone would have been negatively affected by price rises, the impact on those on lower salaries was disproportionate, a point **AXA** agreed on early in the negotiations.

Accordingly the pay pot distribution is weighed towards the lower grades with 9 and 8's receiving 4.75%, grade 7's 4% and grades 6's 3%.

We appreciate some grade 6's may be disappointed with this but hopefully they understand the need to help those paid less than them and that this year's award is 1% higher than last year's matrix that most

people's pay was calculated on (and is also higher than what grade 5 and above have been awarded).

Poverty pay is an issue at the top of **Unite's** campaigning agenda and it was important for us to ensure that **AXA's** minimum salary was not lower than what it should be and did not reflect poorly on the company. Consequently we were pleased to negotiate a substantial increase in the minimum pay point to £13,900 from £12,556 and ninety employees will directly benefit from this.

Pay scales are a problem as they haven't been increased since 2008 resulting in some not being in line with market rates. **Unite in AXA** stressed the importance of addressing this issue whilst appreciating the fine line the company needs to tread on its overall expenses. To this end we have agreed to review the pay scales in Q3 this year and then discuss what, if anything, can be done to address any problems identified.

We have also ensured that in light of the lack of movement on pay scales that those employees over scale are not penalised and their awards this year will be consolidated into their salaries as they were in 2011.



AXA had mooted the idea of applying a discretionary 1% as part of the overall pay award to deal with pay scale issues as they had in 2011 but we rejected this given member feedback on the general unpopularity of this and the lack of transparency on where the money was spent.

Other improvements negotiated this year include the potential for staff whose performance has been rated as *Partially Successful/Developing* to receive a pay rise and bonus. Given the fact that achieving a *Successful* rating is now more challenging than last year and with more people receiving the lower rating it was important to see them differentiated from those on an *Unsatisfactory* rating and we feel this is a step in the right direction.

Overall **Unite in AXA** are pleased at what we have been able to negotiate. It is a substantial improvement on last year's award which has found ways to address a number of the concerns voiced by our members and so we have agreed to put the offer to a ballot of our members in the bargaining unit.