

**P&P Briefing 4/2018**

**20<sup>th</sup> March 2018**

**TO ALL CWU MEMBERS OF THE BT RETIREMENT SAVING SCHEME**

Dear Colleague,

**BTRSS: PENSIONS AND PAY DEAL RECOMMENDED**

Following the consultation period in January on pensions, the CWU has been in negotiations with BT and those talks have now concluded.

**The CWU Executive is now able to recommend a revised proposal which constitutes a legally binding agreement between CWU and BT and also includes a two year pay agreement.**

I would like to place on record my thanks to all members and Branches who helped in rejecting BT's original pension proposals during the consultation; this has strengthened our position with the company.

During the consultation the CWU said that we deserved better and BT could afford more. We have secured a better deal, and BT will be paying more.

This briefing focuses on the changes for members of the BT Retirement Saving Scheme - the money purchase pension. Other briefings will focus on BT Pension Scheme changes and provide more details on pay.

**BT Retirement Savings Scheme**

**BT Contributions**

The CWU has secured an improved BT contribution rate into the BTRSS. These improvements should make a significant impact to pension pots at retirement.

This is especially important in pensions like the BTRSS as the level of benefits that can be expected at retirement are strongly linked to the level of contributions made over time.

The new offer is as follows:

<b>Member Contribution %</b>	<b>BT Current Contribution %</b>	<b>Previous BT Offer %</b>	<b>New BT Offer %</b>	<b>Increase in BT Contributions %</b>
5 (default)	8	9	10	25
6	8.5	9.5	10	18
7 or more	9	10	10	11

Note: Contribution figures shown are percent of pensionable pay

Most CWU members contribute to the BTRSS at the default figure of 5%. BT has doubled the offer for those paying 5%.

This means 70% of our BTRSS members will now receive a 25% increase in BT contributions.

The changes set out above do not alter legacy arrangements that are already in place or other special arrangements linked to TUPE transfers into BT.

### **Minimum BT Contribution**

The CWU have also pushed BT to increase their minimum payment on your pension. Currently this is £1,500 per annum. This will rise by 33%, to £2000, on 1st June provided members are paying in at least 5%. The figures are pro-rated for part time staff.

This increase will benefit our lowest paid members, by boosting BT's payments to those who earn less than £20,000 (pro-rated for part timers).

In future the BT minimum figure will increase every year by CPI inflation.

### **Allowances**

London Weighting will become fully pensionable in the BTRSS for the first time from June, boosting the amount of money going into BTRSS accounts. The Pay and Pension Supplement will remain pensionable. Both BT and members will make contributions on these allowances.

Shift, night and outside broadcast allowances will become pensionable but with no member contributions. This is planned to happen in September/October 2018 but no later than 1 April 2019.

The position of the Sunday attendance in conditioned hours allowance, remains under review.

### **Death in Service**

Currently if a member dies in service there is a payment of three times pensionable salary; a dependents pension of 30% of pensionable salary; and the value of the members' BTRSS pot.

From June this will change and there will be a payment of ten times pensionable salary plus the value of the members' BTRSS pot.

### **Other Changes**

For the first time those who have opted out of the BTPS but not drawn their BTPS pension will be allowed to join the BTRSS.

BT will retain discretion to allow those who have opted out of the BTRSS to re-join.

### **Pay Review 2018-2019**

The agreement also includes the pay offer for 2018 and 2019. This would be a two year deal as follows.

- Pay will rise by 3% in April 2018 and 3% in April 2019. This will be fully consolidated and pensionable.
- Those on Workforce 20/20 contracts will receive an additional fully consolidated and pensionable increase each year of £150 pa (pro-rated for part-timers).

The proposed agreement would secure pay rises for CWU members in the top 25% of current UK settlements.

## Redundancy Payments

The new agreement includes redundancy arrangements that would cover all CWU represented grades for the first time.

The CWU remains opposed to compulsory redundancies but currently in the event that this were to occur, BTRSS members would only be entitled to statutory minimum payments.

In the new agreement BT has reconfirmed its commitment to dealing with job surpluses in a voluntary way wherever possible, but has also agreed to new contractual redundancy payments. These would provide redundancy payments of up to two years pensionable pay.

Please note this change relates to redundancy only and not to voluntary leaver payments.

## Next Steps

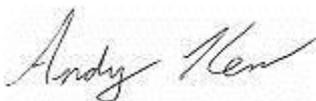
Taken together, with a pay rise in excess of 6% over two years, the Executive firmly believes that the company's full and final offer is the very best that could be secured by negotiation for both BTRSS and BTPS members.

The agreement will be subject to a consultative ballot and members will receive a home mailing in advance of the ballot providing full details of the agreement.

There will also be a series of members meetings around the UK to discuss the agreement. Look out for details.

Members should contact their local Branch if they have questions about the proposed agreement in the first instance, or email [bt pensions@cwu.org](mailto:bt pensions@cwu.org)

Yours sincerely



**Andy Kerr**  
**Deputy General Secretary (T&FS)**