



# LETTER TO BRANCHES

@CWUNews The Communications Union [www.cwu.org](http://www.cwu.org)

No 062/24

8<sup>th</sup> February 2024

Dear Colleagues,

## Royal Mail Group: BRT&G Agreement Section 6.4.1 - Sick Pay Arrangements

Further to LTB 056/24 dated 6<sup>th</sup> February. We are aware that since this week's payslips have been received there have been enquiries from members starting to repay monies owed due to the changes to sick pay as per the BRT&G Agreement. We recognise the process and calculation for repayment is complex however Royal Mail have provided assurances that, in line with our Agreement on the application of the new sick pay arrangements, they have deducted no more than the £50 maximum in this week's wage. That said, Royal Mail acknowledge there are a very small number of cases where issues have been identified and these will be made good via BACS payments to the appropriate members this week.

A further Joint Statement (attached) has been agreed to provide reassurance and clarity and this includes an explanation of how the repayment of monies are reflected on payslips. Additionally, the FAQs have been updated. Branches and Reps are encouraged to ask members impacted to access the Sick Pay Recovery tile on the People App for guidance on how overpayments are being managed. The tile enables individuals to see the total overpayment amount, the rate of recovery per pay period and the number of pay periods before the overpayment will be cleared. Members can also call the Payroll Helpline on 03456 060 603 for assistance. The Joint Statement also enables members to retrospectively seek an exception in line with the Agreement.

As a reminder, the maximum deduction will be £50 per week for full-time members and pro-rata for less than full-timers. If there are any cases that exceed this amount, please ensure this information is provided to the DGS(P) Department as a matter of urgency so that representations can be made to address concerns.

Yours sincerely,

Martin Walsh  
**Deputy General Secretary (Postal)**

Andy Furey  
**Assistant Secretary**

## **Business Recovery, Transformation & Growth (BRT&G) Agreement: Section 6.4.1 Sick Pay**

### **Further Joint Statement between Royal Mail and the CWU**

Following the publication of the Joint Statement on Tuesday 6 February 2024, we thought it would be helpful to provide further clarity to assist in employees' understanding of what we have agreed.

Firstly, we can reassure with absolute certainty that individuals will not have more than £50 adjusted from this week's pay. However, we do acknowledge that payslips have confused some colleagues and this has created concerns. We have updated the Frequently Asked Question (FAQs) to provide an explanation of the payslips and the changes agreed.

Secondly, through Royal Mail's payroll audit process, we are aware of a very small number of cases where issues have been identified. These are being made good this week with BACS payments being authorised where appropriate.

We will continue to update the FAQs. In the meantime, we would encourage employees to access the Sick Pay Recovery tile on the People App where there is guidance on how overpayments are being treated. The tile enables individuals to see the total overpayment amount, the rate of recovery per pay period and the number of pay periods before the overpayment will be cleared. There will be a link to the FAQs added to this tile; the FAQs can already be accessed through the Useful Links tile.

In regard to exceptions, we have agreed to the principle of a retrospective application via line managers. If an individual believes they meet the criteria for an exception and should not have been subject to an adjustment, they will need to raise this directly with their line manager who in turn will forward the exception request to the HR Service Centre.

We understand this situation may be difficult for some and we are seeking to provide the necessary support via the People App and FAQs. Colleagues can also call the Payroll Helpline on 0345 6060603.



Andrew Smith  
Director of Industrial Relations  
Royal Mail



Martin Walsh  
Deputy General Secretary (Postal)  
CWU



Alistair Wood  
Director of Workforce Performance and HR Policy  
Royal Mail



Andy Furey  
Assistant Secretary  
CWU

8 February 2024

# New Sick Pay Approach - FAQs



## Why have you reduced the amount of sick pay I receive?

Sick absence costs Royal Mail around £250m a year – this is three times higher than the UK average and not sustainable. It affects the service we provide our customers and places more pressure on colleagues in work.

To reduce the impact of sick absence, and the costs associated with it, we have agreed these changes as part of a package of measures in the Business Recovery, Transformation and Growth Agreement on pay and change. Despite these changes, Royal Mail continues to offer some of the best terms and conditions in the UK in relation to sick pay.

The agreement is as follows:

- the first period of sick absence in a 12 month rolling period is paid in line with normal sick pay entitlements. For those in the first 12 months of employment, this is statutory sick pay. After 12 months, this is normally full pay for six months followed by half pay for six months;
- for the second and any subsequent absence in a 12 month rolling period, you receive the equivalent to statutory sick pay for:
  - the first two days of the second absence;
  - the first four days of the third absence;
  - the first three days of the fourth and any subsequent absence;
- normal sick pay entitlements apply following the initial periods of statutory sick pay

Royal Mail and CWU will monitor absence rates every six months. If absence rates fall on average below 5.5% over a 6 month period, then Royal Mail will re-instate the previous sick pay arrangements. Equally, if absence rates are at or above 5.5% across the 6 month period, then the approach above will continue or be re-instated as appropriate.

## When does the 12 month rolling period start; is it the same for everyone?

No, it isn't the same for everyone. The 12 month rolling period starts from the first day of an absence that begins on or after 1 October 2023. For example, if your first absence on or after 1 October 2023 starts on 4 March 2024, then your 12 month rolling period would start from the 4 March 2024.

A new rolling 12 month period starts from the first day of an absence which occurs after the

original 12 months has elapsed. So, using the example above, your original 12 month rolling period will end on 3 March 2025. After that date, if you do not have another absence until 2 August 2025, then your new rolling 12 month period commences on 2 August 2025.

Remember there will be no changes applied to sick pay for your first period of absence. Changes are only applied to the second and subsequent absence(s) in a 12 month rolling period.

## What is Reduced Occupational Sick Pay (ROSP)?

Reduced Occupational Sick Pay (ROSP) is the statutory sick pay equivalent that Royal Mail will pay if you have a second or subsequent absence within a 12 month rolling period. Depending on the number of absences you have incurred, this payment is paid for either the first two, four or three days of an absence, followed by sick pay under the normal Royal Mail sick pay policy.

## What percentage of my hours will be paid at ROSP?

Normal company sick pay will apply for the first absence in a 12 month rolling period. Further absences within the 12 month rolling period will have ROSP applied as follows:

- 2nd absence: 40% of your weekly scheduled hours will be paid at ROSP
- 3rd absence: 80% of your weekly scheduled hours will be paid at ROSP
- 4th absence and beyond: 60% of your weekly scheduled hours will be paid at ROSP

The remaining percentage of your pay will be based on your normal sick pay entitlement. Royal Mail and CWU have agreed this approach because it is the fairest and most equitable way to apply the new sick pay rules consistently to the large number of different duty patterns and roles across our business.

## Why have I received reduced pay across three days when the agreement states that for a second absence the equivalent of statutory should only be paid for two days?

ROSP is paid as a proportion of your scheduled contractual hours. In some circumstances, it is possible that you may be subject to ROSP for more than the first two, three or four days. This will occur when the start of your absence coincides with shorter days as part of your work schedule. Paying ROSP as a proportion of hours ensures fairness otherwise, those who work fewer, longer days would see a larger reduction in sick pay.

*Continued over page...*

### **How do seasonal hours affect ROSP? (Delivery employees only, where applicable)**

ROSP is calculated based on a 37 hour week. Therefore, if you are absent during the summer (35 hours) or winter (39 hours) periods, your pay may differ marginally. You may be slightly better off for periods of absence incurred during the winter because the number of hours paid at the higher normal company sick pay rate offsets the hours paid as ROSP to a greater extent than in the summer. The opposite applies to absences in the summer.

### **Are meal breaks taken into consideration when calculating ROSP?**

ROSP is calculated based on your contracted scheduled hours. If your meal breaks are paid, they are included in the ROSP calculation. If your meal breaks are unpaid, they are not.

### **I have received less money than I expected and don't understand why. How can I check that what I have been paid is right?**

You can check your payslip on the People App. You can also find more detail in the Sick Pay Recovery tile which is in the "My information" section of the app homepage.

### **I have received less money than I expected and don't understand why. How can I check that what I have been paid is right?**

In certain circumstances such as non-blameworthy accidents at work, Royal Mail will exercise discretion and pay normal company sick pay to support employees where it is appropriate and reasonable to do so. You should contact your manager if you believe your absence should be treated as an exception. Your manager will discuss your reason for the exception. If they support your request, they will complete and submit an exception request. To ensure consistency of application, requests will be reviewed and approved by HR.

### **Will absences covered by the Equality Act be treated as an exception and normal sick pay apply?**

It will depend. In some circumstances, those who are absent due to a severe condition or disability that is or may be covered under the Equality Act (e.g. an employee undergoing cancer treatment, an employee has suffered a heart attack, stroke or other life-threatening condition) will be exempt. However, this does not mean every absence that may be covered under the Equality Act should be treated as an exception. Consideration will be given in serious cases as to whether it is reasonable and appropriate to apply discretion. If your manager believes an exception should apply, they will complete and submit an exception request with the appropriate evidence. To ensure consistency of application, requests will be reviewed and approved by HR.

### **I had an absence that I think should have been treated as an exception between 1 October and 2 February. What should I do?**

You should speak with your manager and explain why you believe the absence should have been treated as an exception. If your manager believes that a retrospective exception should apply, they can complete and submit an exception request with the appropriate evidence. To ensure consistency of application, requests will be reviewed and approved by HR.

### **My pay adjustment was for £176.54 and my recovery amount £50.00 over four weeks. This means I will pay back £200 which is too much. Is this correct?**

No. The final recovery will be adjusted down to reflect the outstanding balance. In this instance, the recovery amount would be £50 for three weeks with £26.54 being recovered in week four.

### **I don't understand my payslip. What do all the arrears and sick pay adjustments mean?**

You can find out what your pay adjustment is through the People App. Click on the Sick Pay Recovery tile under "My Information". This shows the adjustment, the amount that will be recovered each payroll and how many payrolls it will take to recover the sick pay in full.

The next page includes an example designed to help you understand sick pay changes on your payslip.

## Appendix: A - Understanding sick pay changes on your payslip

The example below is designed to help you to understand sick pay changes on your payslip. In this example, Employee A's pay adjustment was £115.58.

### Example payslip:

Payments		Hours	Amount	Deductions		Amount
Basic Pay		37:00	495.23	Tax paid		19.40
Arrears of Basic Pay			-198.23	Employee NIC		9.72
RRIS Area 3			20.00	Personal Assurance		16.45
Arrears of RRIS Area 3			-8.01	Penny Post Credit		17.24
Delivery Supplement			28.77	CWU Opt In		3.64
Arrears of Delivery Supplement			-11.52			
Partnership & Matching Plan			-10.00			
PSE Adj RMDCP 6%			-29.71			
Arrears of PSE Adj RMDCP 6%			9.29			
Arrears of ROSP Pay	14:40		43.38			
<b>Gross Pay</b>			<b>339.20</b>	<b>Total Deductions</b>		<b>66.45</b>
<b>Messages</b>				Net Pay		272.75
				<b>Adjustments to Net Pay</b>		
				Overpayment Adjustment		65.58
<b>Year To Date</b>						
Assessable Pay	Tax Paid	Council Tax		<b>Net Payment</b>		<b>338.33</b>
25815.27	2975.40	0.00				

Please see colour-coded guidance on next page for payslip information.

### Payslip guidance:

- **Arrears payments (removed from pay):**

These are adjustments to basic pay for the scheduled hours between 1 October 2023 and 2 February which should have been subject to Reduced Occupational Sick Pay (ROSP). In this example, they include RRIS and the functional supplement because ROSP applies to all elements of basic pay. In total £198.23 + £8.01 + £11.52 = £217.76

- **Refunds (added to pay):**

You then subtract the refund of overpaid pension contributions. Your pension fund contributions are directly linked to pay, so if your pay is reduced retrospectively, so is your pension contribution. In this example, it is £9.29.

- **ROSP payment:**

You then subtract the ROSP payment you should have received (instead of basic pay). In this case, it is £43.38.

**This leads to an overall adjustment of £165.09** (£217.76 - £9.29 - £43.38).

As the employee has been paid less, they have paid less tax and NI. In this case, they have paid £49.51 less tax and NI. **Note:** This amount is not visible on your payslip; payroll automatically adjusts to make sure you pay the right tax and NI.

If you subtract £49.51 from £165.09, you get the retrospective adjustment, which in this case, is £115.58.

To ensure the employee only pays a £50 sick pay recovery in the week, they are credited £65.58 (i.e. £115.58 - £50.00). This will be deducted over the next two weeks.

Next week, the payslip will show an '**Overpayment adjustment**' of -£50.00 and the following week, it will be -£15.58. This assumes nothing else changes from a pay perspective (i.e. they don't incur an overpayment for some other reason).

In this example, after three weeks, the retrospective adjustment will have been recovered.