The communications union

LETTER TO BRANCHES

@CWUNews The Communications Union www.cwu.org

No. 232/25

24th October 2025

Dear Colleagues,

Salary Sacrifice - POAL

The recent increase in the national minimum wage has resulted in a number of companies having to review the purchase of annual leave and that of which is taken out through My Bundle.

The reason for this is employers are under a legal requirement to ensure that an individual's pay does not fall below the minimum wage after the deductions for salary sacrifice have been made. This is why Royal Mail took the decision in April to step in and pay for the purchase of annual leave and for My Bundle items ahead of any pay rise, to potentially avoid being in breach of the minimum wage legislation.

This is a particular problem where individuals purchase annual leave and have several My Bundle purchases at the same time.

We are in discussions with Royal Mail to still allow access to additional annual leave, even when an individual does not qualify for salary sacrifice. Where individuals are above the minimum wage figure, they would be eligible for salary sacrifice for the purchase of annual leave.

Whilst negotiations are continuing it is advised that for the purposes of selecting leave for next year, individuals should follow the same allocation as last year, including any purchased leave.

In terms of any items purchased via My Bundle and paid via a salary sacrifice, Royal Mail are carrying out a review of the benefits, the result of which will be announced in due course.

A further update on this issue will be provided in due course.

Any enquiries in relation to the content of this LTB should be addressed to the DGS(P) Department.

Yours sincerely,

Martin Walsh
Deputy General Secretary (Postal)

CWU 150 The Broadway, Wimbledon, London, SW19 1RX
email: info@cwu.org Tel: 020 8971 7200 Fax: 020 8971 7300
General Secretary: Dave Ward

@DaveWardGS Dave Ward CWU