

No. 37/26

3rd February 2026

Dear Colleague,

National CWU DRP on the Equalisation of New Entrants' Pay, Terms and Conditions

The CWU has today, in line with the legally binding Dispute Resolution Procedure under 3.2, registered a formal DRP against EP and Royal Mail for failing to honour their commitment to equalise new entrants' pay, terms and conditions.

This relates to their current failure to honour the following:

EP's commitment of 18th December 2024, Rebuilding Royal Mail Part 1 agreement, where they agreed the following:

EP and CWU agree that there will be a review of the new entrant grade (those who joined Royal Mail after December 2022 and going forward) and a new career path will be introduced to equalise their pay, terms and conditions, alongside ensuring the necessary flexibility to grow the business. This new career will be based on agreed incremental steps over an agreed period of time.

The detailed negotiations to design the new career path will be concluded no later than six months post transaction, with the first step being agreed within three months post transaction.

In July 2025, under the pay agreement titled Rebuilding Royal Mail Part 2, both EP and Royal Mail agreed the following:

EP Group/Royal Mail Group reaffirm their absolute commitment to the equalisation of new entrants pay, terms and conditions through the introduction of a new career path in incremental steps, alongside ensuring the necessary flexibility to grow the business. In line with the timescales previously agreed, we will agree the first step in the equalisation pathway in September 2025 with the full plan being agreed by no later than in December 2025.

You will be aware that Royal Mail activated its own DRP process on 29th January, triggering a month of talks on a USO agreement, with their preferred option being the Optimised Delivery Model (ODM). These discussions commenced today. The CWU has today sent to

Royal Mail a document detailing the reasons why we do not support the ODM along with our USO proposal.

The CWU DRP will now mean that negotiations on the terms of the union's DRP will begin.

It is now crystal clear that only by supporting the CWU position on both the USO and equalisation will we apply pressure on both EP and Royal Mail to honour what they agreed and deploy a USO model which will not collapse the service.

If you are a new entrant and not a member of the CWU, now is the time to join. Equally, if you are on an old contract, it is essential you support new entrants in achieving equalisation in line with the EP and Royal Mail agreement.

Remember, the old Royal Mail board imposed the new entrants' terms and did not want them to have collective bargaining to improve their terms. The union achieved a groundbreaking commitment to remove the two-tier workforce which Royal Mail imposed and which has led to a resourcing crisis.

This crisis has meant that 27,000 new entrants have joined and left since December 2022, and that 50% of new entrants leave within the first twelve months of service.

It is hardly surprising that there is a retention issue when a new entrant in a delivery office is earning £1.98 less per hour than someone on the old contract. This is more in outer and inner London.

There are new entrants within other operational functions, including Fleet, Engineering, Admin, Collections, and Mail Centres. The commitment that EP and Royal Mail made to equalisation is equalisation throughout the Royal Mail Group.

There will be further updates in due course.

Any enquiries in relation to the content of this LTB should be addressed to the DGSP Department - hford@cwu.org.

Yours sincerely,



Martin Walsh
Deputy General Secretary (Postal)