

No. 071/26

6<sup>th</sup> March 2026

Dear Colleague

## Post Office: Two Year Pay Agreement - 2026 and 2027

I am pleased to advise Branches that the Postal Executive has endorsed a no-strings two-year Pay Agreement for our Post Office members covering 2026/27 and 2027/28. The Key Features of the Agreement (pay offer letter attached with full details) are as follows:

### Year 1

- **A minimum 3% consolidated pay increase** for all grades from 1st April 2026 flowing through to overtime and Scheduled Attendance rates
- **Employer Pension Contribution** – minimum increased from 9% to 10%
- **Annual leave entitlements** - An extra day's annual leave (31 total) after 5 years' service
- **Scheduled Attendance** for Supply Chain Members - increased to 1.3x Monday – Friday (Saturday was already at 1.3x)
- **London Weighting increases** - Inner rising from £7,000 to £7,300 and Outer from £5,200 to £5,500

### Year 2

- **A minimum 2.5% pay increase** for all grades from 1st April 2027 flowing through to overtime and Scheduled Attendance rates
- **Employer Pension Contribution** - an increase in the maximum employer pension contribution from 12% (which is paid if members opt to pay an 8% contribution) to 13%
- **Annual leave entitlements** - An extra day's annual leave (32 total) after 10 years' service
- **London Weighting increases** - Inner rising from £7,300 to £7,600 and Outer from £5,500 to £5,800

- **Re-opener clause** - If average CPI inflation for the three-month period December 2026, January 2027 and February 2027 is greater than 3%, discussions will be reopened. If inflation falls below 2%, Post Office will reopen talks.

This is the third year running we have concluded pay negotiations prior to the pay review date. Feedback from our Territorial and Unit Reps indicates that members will appreciate the early settlement.

There are other benefits in the Pay Agreement, including the removal of various lower Pay Points for both Postal Officer (Admin) and CSA's. Additionally, we have assimilated the FSA / OSS grade onto the Crew rate of pay and this is especially advantageous for these impacted members.

### **Members' Consultative Ballot - Timetable**

We will now conduct an individual members' ballot to ratify the Pay Agreement. Ballot papers will be despatched from Wednesday 11<sup>th</sup> March and the closing date is Monday 30<sup>th</sup> March. Assuming ratification, the Year 1 pay increases will be made with April salaries. Also, the new pension arrangements for the minimum employer contribution of 10% and the extra day's annual leave for members with more than five years' service will apply from 1<sup>st</sup> April.

### **Conclusion**

Against the current economic climate, the Postal Executive believes this is a reasonable settlement, especially when taking into account the improvements to the employer pension contributions. Also, the two-year Pay Agreement provides a good level of certainty for our members looking forward. In essence, our members will be receiving benefits, including the consolidated pay rises, which will provide for an overall above-inflation package of measures. The next pay review date is 1st April 2028.

Branches are urged to bring this LTB to the attention of Post Office members.

Yours sincerely,



Andy Furey  
**Assistant Secretary**



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3 March 2026

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**Classification:**  
Private

Dear Andy,

**Agreed CWU Pay Offer 2026 -2028**

Following our significant work that we have undertaken in recent weeks, I am writing to outline our agreed pay offer for 2026 – 2028 which we understand will be recommended to your members. It is grounded in the need to provide stability, fairness, and clarity for colleagues while enabling the business to continue delivering on its strategic commitments.

Key to this offer is a commitment to reduce complexity in our pay structures, strengthen pension provision, improve annual leave entitlements, and recognise long-serving colleagues.

**Year One (2026/27):**

- A consolidated base pay increase of at least 3% for colleagues
- Removal of PO Grade levels 2 and 3 and consolidation of colleagues at Level 4.
- Removal of CSA Levels 1 and 2, consolidating all CSAs at Level 3.
- Increases to London Weighting: Inner to £7,300; Outer to £5,500.
- East London CVIT Crew members would have their location allowance removed but would be eligible for inner London weighting
- Scheduled Attendance increases to 1.3x Monday-Friday (1.3 is already applicable on a Saturday)



- Self-managed Unit allowance will now be applicable to Aberdeen, Swansea and Exeter. It will be changed to an annual allowance paid monthly and increased to £3,100 in year 1.
- Hemel Hempstead location allowance for Crew Grades increased to £3,120 in year 1
- OSS colleagues on Field Support Advisors grade (FSA) will be aligned to Crew grade and the FSA grade will be removed.
- Employer pension minimum contribution increased to 10% (from 9%).
- Annual leave: 25 days on entry, rising to 30 days after 2 years and 31 days after 5 years.
- Apprentice rates will increase to £25,000
- All rates not detailed in this draft directive increase by 3% in Y1

#### **Year Two (2027/28):**

- A consolidated base pay increase of at least 2.5% for colleagues
- If CPI inflation for the period of December 2026, January 2027 and February 2027 is greater than 3% then discussions will be re-opened. If inflation falls below 2% then Post Office will reopen it.
- PO Admin will assimilate to the same pay rate as PO Supply Chain
- Self-managed Unit allowance increased £3,200 in year 2.
- Hemel Hempstead location allowance increased £3,200 in year 2.
- Increases to London Weighting: Inner to £7,600; Outer to £5,800.
- Employer pension maximum contribution increased to 13% (from 12%).
- Annual leave further increased to 32 days after 10 years' service.
- Apprentice rates will increase to £26,000
- All rates not detailed in this draft directive increase by 2.5% in Y2

In addition to the above, we have agreed to:

- Joint working party to specifically look at an incentive scheme for CWU Grades with the aim of introducing a scheme(s) from year 2
- Joint working party to create options and proposals for use of apprenticeships
- Joint review of support when returning from maternity and paternity leave currently offered to colleagues



The pay uplift will be included in April's salaries and the associated improvements will apply from 1st April, subject to the acceptance of the agreement by your members.

In regard to Pay negotiations for the 2028 pay review date, Post Office fully commits to engaging in talks with the CWU towards the end of 2027, with the key objective of reaching a mutually agreeable conclusion in good time for the Pay Agreement to be applied from 1<sup>st</sup> April 2028.

Thank you again for the positive approach to these discussions, and we look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to be "TP" or similar initials.

Tim Perkins  
People Partnering and Operations Director  
Post Office