

No. 92/26

26th March 2026

Dear Colleague,

Pay Agreement 2026/2027

We have received several enquiries regarding the pay agreement for 2026/27. When the pay agreement was endorsed by members in July 2025, the following formula was contained within the agreement:

- The equivalent rate of CPI inflation based on the three-month average of CPI inflation in January, February and March 2026, as stated by the Office for National Statistics. The award will be effective from 1st April 2026. This will flow through to all elements of pay as set out in the 2025 award.
- If the average three-month CPI figure is less than 2%, all employees will receive 2%.
- If the average three-month CPI figure is above 3%, there will be a reopener clause for both parties to review the award against the overall financial and operational performance of the business at that time.

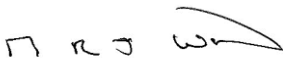
The CPI figure for January and February was 3%. The March CPI figure will be published on 22nd April 2026. The Bank of England are forecasting that due to the war in Iran and the impact on crude oil prices, inflation for March will be around 3.5%, which will mean an average of 3.13% over the three months.

The results of the two DRPs on USO and Equalisation will also be a factor within any discussions about the reopener clause.

We understand that members are eager to receive their pay increase as soon as possible. Our aim is to agree this promptly with Royal Mail once the March CPI figure is published on 22nd April so we can agree on the percentage to be paid and backdated to 1st April 2026.

Any enquiries relating to the content of this LTB should be referred to the DGSP department hford@cwu.org.

Yours sincerely,



Martin Walsh
Deputy General Secretary (Postal)