



CNC Newsletter #2



Fighting for UK Pensions (Again)

18th November 2020

Update.

Our previous newsletter (9th November) communicated that the CNC had registered a Failure to Agree (FTA) with the Company.

Even in normal times pensions are complicated, with any outcomes requiring agreement between the Company, the CNC and most importantly the Trustees. This is something we have done successfully for many years.

Unfortunately, we are not in normal times. It has been frustrating and damaging in equal measure that all year we have had to deal with a Company which in many instances has lost its moral compass on how it should treat its employees.

Their initial response to our FTA is an example of this attitude (it was clearly written by Company lawyers). It stated that the Company does not accept we have any legal right to register an FTA, ballot our members or even negotiate on pensions, even though there is over 20 years of precedent.

The Company agreed to a vague future review of the Defined Contribution (DC) scheme structure. However, in parallel they disgracefully changed the Defined Benefit (DB) proposals they had already tabled to the CNC and Trustees.

The Chair of the CNC subcommittee contacted Joel Griffin (Head of Reward) and made it clear we cannot accept this attitude or the response to our FTA. The outcome was that the Company issued a revised response to our FTA (not written by a lawyer).

An FTA meeting took place, the outcome of which is an interim position for the DB scheme to provide much needed certainty for people considering Voluntary Severance (VS) and/or early retirement due to the DB scheme closure on 31st December 2020.

The main terms are:

- All DB members will be automatically enrolled into the DC pension on 1st January 2021 at the highest available level of employer pension contribution (12%) with employee contributions remaining at 6%
- Current 'with consent' Early Retirement Factors will continue to apply until at least 31st December 2023 (including any TUPE transferees)
- The current basis of calculating Share of Fund Transfer Values (SoFTV) continues until 31st December 2021 (including any TUPE transferees).

In addition, the results of the 2020 funding valuation are not yet known to the Trustee, Company or CNC. Once the details are known (expected over the next few months), we shall re-enter discussions with the Company to negotiate an MoU that will include:

DC

A Review of the DC scheme arrangements (Whilst the Company had agreed to provide a review of the DC pension, we have made it clear that we need to have further discussions, specifically to clarify the 'terms of reference' of any review).

DB

- Basis of potential terms of pension benefits for members as at 31st December 2020
- Basis of any SoFTV available beyond 31st December 2021
- Provision of 'with consent' Early Retirement Factors beyond 31st December 2023

No final decisions on any of these aspects are expected to be taken before January 2021.

Conclusion

The CNC and Company have reached an uneasy truce. But it is paper thin.

We believe the next time we fundamentally disagree with the Company; their lawyers will write more threatening letters stating we do not have the right to negotiate pensions or ballot our membership.

As a result, we must all be prepared to take the Company on.

Stay strong and remember the only source of fact and truth is via these newsletters.

Thank you for your continued support.

Pensions CNC Subcommittee

Steve Hibbert	Ian Wilson
Tam Mitchell	Bryan Huish
John Firth	Jon Hopkins
Mahf Khan	Tony Reilly

All our communications can be seen using the following Link:

<https://unitetheunion.org/campaigns/rolls-royce-play-your-part-in-rebuilding-our-economy-dont-slash-jobs/>

