

Unpaid Leave Ballot

As previously communicated in Newsletter 16, the Company is proposing for everyone in Civil Aerospace to take 10 days unpaid leave in 2021 (5 days for Central Functions) to support its cost reduction plans. They say this will achieve part of their £1.3bn savings target to deliver a positive cash flow by the second half of this year.

As part of the consultation we have participated in producing a list of FAQs on the issue, including the Company position as to why it is needed, who it is to apply to (including leadership), why furlough cannot be used for all employees and the process for deductions etc.

The FAQs list details of the exemptions and safeguards we have negotiated for those who have been, or continue to be, furloughed – colleagues who will have already significantly contributed towards cost savings in 2020/21.

A copy of the Company FAQs can be found here:



<https://rrcivil.newsweaver.com/rolbfsrybp/1aw1hquuokm?a=5&p=59132528&t=31855809>

We still have differences of opinion with the Company related to the 5/10 day differential and their inability to maximise furlough. There are also ongoing discussions on boardings (to be the subject of a separate newsletter). However, we recognise there is a requirement to make cost savings and that this proposal addresses some of that. The important points that need to be taken into consideration before you cast your vote are:

- This is a temporary measure and not a permanent pay cut
- You are receiving time off in exchange for the reduction
- It is being applied across all Civil and Central Function leadership teams, senior management and employees
- The reduction will be divided into fixed monthly pay deductions over eight months from May until December 2021
- Any person on reduced pay within any monthly pay period will be exempt from any further deductions for that pay period as a result of the unpaid leave
- If you have or will be on furlough for more than 6½ weeks or 240 hours (whichever is the lowest) within 2021 you will be exempt from any unpaid leave reductions
- There will be no impact to any salary related allowances or benefits such as shift premiums/other allowances, pensions, annual bonus, or life insurance
- Pension contributions will continue to accrue and will be payable on full unreduced pay, as will VS & CR payments
- Exclusions for those who may have to work the shutdown period are to be agreed and communicated no later than 28th June
- The 10/5 day deduction equates to 4 or 2% annual saving and will form part of the 10% productivity & efficiency improvements for 2021

We know many of you don't like the unpaid leave proposal. However, strategically, unpaid leave in 2021 is not the issue we need to resist.

For several weeks we have been in discussions with the Company to agree the terms of reference for the 10% Productivity & Efficiency principle (Newsletter 14). It is clear the Company are simply looking at a permanent 10% cut in pay & benefits. This is not the TU position now or when we negotiated this principle back in July 2020.

If there are to be any permanent changes to members pay & benefits, we will expect commitments to securing the remaining core workforce with investment in new technologies, diversification and manufacturing in the UK.

By the end of 2021, the UK will have taken the brunt of 8000 reductions. This needs to stop. We cannot let this continue. **This must be our red line.**

The National TU Group continue to make difficult decisions and therefore, on balance to the points we have highlighted above, the National TU Group support the acceptance of the unpaid leave proposal.

Ballot Arrangements

This will be a National UK ballot of all represented Works and Staff Civil Aerospace & Central Functions members.

It is intended for a postal ballot to commence on the 16th April, closing on the 28th April, with a result confirmed on the 30th April.

If you have not received a ballot paper by the 21st April:

Unite members should email marian.delmaschio@unitetheunion.org

GMB members should email ian.hodgkison@rolls-royce.com or ring 01332 795 777

You will need to provide your name, membership number and a contact phone number. If you don't have your membership number, you will need to provide your address and Date of Birth to confirm your identity and membership.

Steve Hibbert	Ian Wilson
Gary Andrews	Mark Porter
Ian Bestwick	Steve Jones
Mahf Khan	Stuart Hedley
Karl Daly	Lee Purslow

All previous newsletters can be found at the following link:

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

