

# Manchester Pay and Benefits Agreement

## **1) Introduction**

This is an agreement between UNITE – The Union (the Union) and Fujitsu Services Limited (the Company) covering pay and benefits for the Company's employees in the Manchester bargaining unit defined in the Recognition Agreement between the parties.

The intention is to consolidate in one place as many as possible of the agreed elements affecting people in the bargaining unit, to provide more clarity for managers, employees and Representatives. The aim is also to make the process of discussing annual pay reviews more efficient.

Sections 3-17 are ongoing points of agreement. Appendices 1-3 include elements specific to the 2014 pay review.

## **2) Previous Agreements**

We have built up a number of agreements over a period of years. The intention in the medium term is that future versions of this agreement could completely replace some or all of these, allowing them to be withdrawn. At this stage, this agreement consolidates and extends, rather than replacing them.

## **3) Pay Systems (see 2005 pay agreement, Settlement Agreement 2007, 2009 pay agreement, 2010, 2011, 2012, 2013, 2014)**

Employees are managed on what is generally known as the medians pay system, which is partly based on the median pay of Fujitsu Services' UK employees in a particular professional community role, with the following exceptions in the bargaining unit:

1. Employees in TSS/1, TSS/2 and TSM/1 roles are managed on the Rise+ pay system if:
  - a. They are in Region 1 Service Desks, or
  - b. Their pay planning manager is the Operations Manager for Change Asset Administration.

See section 4 and Appendix 2 for more details.

2. A small number of employees have their pay managed centrally through the "Graduate" pay scheme as part of the graduate training scheme. See Appendix 5 for more details.
3. A small number of employees have their pay managed centrally through the "Apprentice" pay scheme as part of the Apprentice training scheme. See Appendix 6 for more details.

If the Company wants to introduce any other pay systems affecting the bargaining unit, the Company will consult with UNITE beforehand.

The Company will hold Rise+ ratings on the main HR database so that employees can view them through Self Service.

## **4) Rise+ Pay System (Settlement agreement 2007, pay guidelines 2008, updated 2009, 2012, 2013 and 2014)**

Rise+ levels are based on capability (including performance) as set out in the level descriptions. An individual's level is determined through 1:1 reviews with their manager in which their capability is compared against the level descriptions. Work not being available at the level of capability of the employee's capability is not a reason for refusing progression up the levels. Employees will never be moved down their Rise+ scale unless this is a disciplinary sanction.

The Company will ensure that there are "Rise+" pay scales for all Employees managed on the Rise+ pay systems. The Company will make the capability definitions for these scales and the associated pay bands available to the Union.

Employees will be paid no less than the lower pay comparator for their level, discounting any consolidated disturbance allowance.

### **The Rise+ system**

- 1) Nobody will be prevented from progressing through the structure because they have not demonstrated a capability for which their job does not require them to do the relevant task. Such factors in the capability matrices will not be scored.
- 2) People will not be moved down the Rise+ levels for pay purposes, even if they had changed jobs. They will still need to be assessed against the new matrices for development purposes.
- 3) To encourage people to cross skill and be flexible, extra credit should be given for having capabilities from more than one Rise+ Appendix. For example, a table could be created to set out how multiple Rise+ levels can be added together to produce a higher combined score. The Company will continue to work with Unite to consider options.
- 4) It is agreed to consider how employees can be encouraged and assisted to develop skills beyond those on their current Rise+ Appendix, to make it easier to move around and cope with change.
- 5) At the time of moving from a job covered by one Rise+ Appendix to a job covered by another, the individual will be assessed on their old role and have a discussion about what is required on their new one.
- 6) As managers and supervisors move around, individuals have to demonstrate competencies to Fujitsu, not to a particular individual manager or supervisor.
- 7) Managers will not normally be re-assessing the basics for employees who have demonstrated a capability at a previous review.
- 8) Individuals' Rise+ levels will be held on the HR Database and made visible to them via Your HR.

The pay scales for Rise+ are in Appendix 2.

### **5) Pay Comparators (see 2009 pay agreement, 2010, 2011, 2012, 2013 and 2014)**

With effect from 1<sup>st</sup> June 2014, the Company will ensure that no employee in the bargaining unit will be paid less than £7.65 an hour (which was the Living Wage hourly rate current at that time). This will be funded outside the pay budget. The Company will continue to apply the agreed minimum basic salary and the figure will be reviewed annually with UNITE.

The company currently uses two sets of pay comparators for the medians pay system:

- Market Reference Salaries (MRS) are Fujitsu's estimates of upper and lower quartile external market rates using data drawn annually from two external salary survey providers.
- Internal Reference Salaries (IRS) are the median Full Time Equivalent salaries for Fujitsu Service Limited's UK employees on a particular role code, excluding those managed on other pay systems. IRS are calculated based on salaries after the previous year's pay review.

IRS were previously known as Previous Pay Comparators (PPC), Internal Pay Comparators (IPC) or simply medians.

For pay bargaining, an "MRS mid-point" is used, which is half way between the MRS lower and upper quartile figures.

The Lower Comparator for employees on the medians pay system is the higher of 75% of IRS or 75% of the MRS mid-point. The Company will consider increasing the 75% figure in future years.

The Lower Pay Comparator for employees managed on the Rise+ system is the minimum figure defined for their Rise+ level within their professional community role.

The comparators to be used for an individual's pay review will be the ones for their current role code unless they have written agreement to be reviewed against an alternative role and median. Employees should notify UNITE and the Company in advance of the stage one negotiations if they believe they are covered by this point. Employees can obtain the pay comparators for their Professional Community role through the Your HR system on Café Vik. Should an employee request pay comparators from HRDirect for a role they wish to apply for, it must be the case that the role is currently advertised on the internal opportunities site, the RAR number is quoted and the employee can confirm that their manager has been informed of their interest in the role. HRDirect will then release the comparators to the employee.

The Company and Unite will work jointly to identify ways of giving employees and the union more clarity about how MRS figures are created and confidence in their use in pay negotiations. This activity will be complete by March 2015.

To avoid introducing new anomalies, the Company will ensure that throughout the year, all employees in t Bargaining Unit are paid at least the applicable Lower Pay Comparator at that time (between pay reviews this is the comparator that applied to the role in question at the time of the last pay review). Except by agreement with the Union, the only exception to this would be where a lower salary was agreed as part of the acceptance of an "alternative job" (as opposed to a "suitable alternative job") during redeployment. Any exception will include a plan with specified performance criteria to raise the salary to at least their Lower Previous Pay Comparator within a year, provided those criteria are met.

## **6) Pay for Non-Standard Hours and Your Choices (2005 pay agreement, 2009 pay agreement, 2011, 2012, 2013 and 2014)**

Where applicable, pay, comparators, increases etc. will be calculated pro-rata in relation to a full-time employee with a 37 hour week, except for employees in these areas where a 40-hour week is the norm:

- TSS/1 in End User Services – Engineering Services, or
- Employees managed on the RISE+ pay system.

For the purposes of pay reviews, when referring to an individual's basic pay, this is the individual's "reference" salary i.e. before any choices under "Your Choices" or "Salary Swap".

## **7) Appraisals (2009 pay agreement, 2010, 2011, 2012, 2013 and 2014)**

The Company approach to performance management, known as Performance First is established with the intention of engaging employees by linking individual performance to Company aims and objectives. This is now a business as usual activity for managers.

The Company is committed to the learning and development of employees. This includes using Fujitsu Management Accreditation Programme (FMAP) to develop and recognise management excellence.

Part of the People Management Accountabilities within FMAP includes setting SMART individual objectives which have been understood and agreed with team members and are linked to the particular area's team objectives. Becoming accredited in the People Management discipline is now an objective for all line managers.

These are documented on CaféVIK under FMAP: Fujitsu's Management Accreditation Programme and Performance First.

In order to encourage, develop and reward high performance in all employees in line with the business aims of Fujitsu, a performance management process is in place (at the time of writing this is FMAP and Performance First.)

Features of any performance management and reward system would be expected to be as follows.

- Relevant SMART (Specific, Measurable, Achievable, Realistic, Time-bound) objectives which are discussed with the employee which can be achieved and potentially exceeded within contractual working hours.
- Regular assessment and feedback against those objectives, which can be updated when appropriate.
- Objectively overseen appraisal of the individual's performance and efforts against the objectives on at least an annual basis.

Objectives and all targets must be agreed and be set so that they can realistically be achieved or exceeded without relying on working additional hours. It is recognised that employees often show flexibility in their working hours to help meet the needs of the business.

Employees will be given reasonable notice of appraisal meetings and allowed reasonable work time to prepare. Evidence and documentation for appraisals should be gathered in advance of the meeting. In the meeting, the evidence should be discussed and the appraising manager should decide the PAC rating, if possible by agreement, and inform the employee. For clarity, individuals' appraisals and PACs should be based only on their own performance.

Within the business a moderation process will be undertaken with the aim of promoting fairness and consistency, as a result of which amendments could be made to PAC ratings. Employees will be informed of any changes. Prior to completion of the moderation exercise the appraisal will remain "provisional" on the online system.

Rise+ levels will also be recorded and uploaded onto the HR database on the same timescale as appraisals.

The company will continue to work with UNITE on implementing the "lessons learned" from the 2013 collective grievance over appraisals and moderation.

Managers are responsible for ensuring that appraisals are complete according to the timescale in Appendix 4, other than in exceptional circumstances. Key elements of the appraisal process and system include:

- Providing a "Provisional" PAC rating which will be loaded onto the Your HR system so employees can view the rating
- An ability for employees to input "employee comments" onto the system
- A Company communication to employees advising once moderation is complete and their final PAC ratings are visible on Your HR.
- An option for employees to make additional comments on their final rating if it was changed during moderation.

Employees who wish to challenge their rating must do so within two weeks of being notified that their final PAC rating is visible on Your HR. Any employee who has no current PAC rating will be treated as an NS.

The Company will consult with UNITE about material changes to the appraisal process and timescale and agree revisions to the timescale for pay negotiations in Appendix 4 in light of the Company timescales.

Where an employee is high in their pay band (e.g. over 120% of the median), and therefore likely to get a smaller pay rise, the manager should discuss with individual what other roles they could move to and what they would need to do to achieve that.

## **8) Work-life balance**

### **a. Contractual Items**

All employees will have a contractual entitlement to at least 25 days annual leave in addition to bank holidays.

Where employees work 37 hours and are in an area where 37 hours is the standard, but have higher contractual hours, the Company will continue to review these situations on a case by case basis and reduce contractual hours to 37 hours where there is no detriment to these employees or the Company by doing so. Where an employee moves or has moved from an area where 40 hours is the standard to an area where 37 hours is the standard, their contractual hours will be reduced to 37 without loss of pay.

### **b. Non-contractual Items**

Unite the Union have proposed an improvement to the Carers Policy. The Company will review this proposal and engage with Unite as appropriate.

Unite the Union has proposed changes to the Sabbatical and temporary, and Part Time working practices. The Company will review the proposal and engage with Unite when appropriate.

Due to the lateness of the 2014 Pay implementation the Company has offered an extended Your Choices period, via the life event process within one month of the 2014 pay implementation.

The company will engage with Unite and review the current annual leave policy in respect of increasing the current limit of 5 days on buying annual leave through your Choices as appropriate if/when this is further reviewed across the company.

### **9) Role Code Changes (2004, updated 2009, 2012)**

Where the Company initiates the movement of an individual or a group onto a different Professional Community role code, the Company will write to each employee affected, informing them of their new code. Any non-standard mappings will be identified and reasons for the decision given. The correct Professional Community role code is the one whose role profile "best describes the dimensions of the job and naturally suits the likely career route for the job holder". Where any employee believes they are not on the correct role code they should raise this in the first instance with their line manager. Should they remain dissatisfied they should raise this with HR or follow the grievance procedure. Where this process identifies incorrect mappings, the employee will be moved to the correct role and detail code. Where this has resulted in a lower pay rise for the individual in a pay review, this will be addressed. Any such increases will be backdated to the effective date of the pay review.

### **10) Role Changes (2009 pay agreement, 2010, 2011)**

When an employee changes professional community role, their benefit levels will be reviewed and discussed with them and their line manager. The pay and benefit guidelines will be used to inform this discussion with the intention the Employee's benefits will be in line with these guidelines.

### **11) Promotions (Settlement agreement 2007, 2009 pay agreement, 2010, 2011)**

The term "promotion" is used to mean a change in an individual's Professional Community Role code to one with a higher median salary.

Fujitsu's resourcing processes (the Recruitment Authorisation Request or RAR) require the manager to have secured the budget before a vacancy can be filled. When promoting into a new job, managers can budget for pay rises after the initial rise associated with the promotion itself. In order to avoid pay rises coming from the pay pot, managers should specify planned pay increases for at least the next twelve months on the form at the time of promotion.

Employees who are promoted will, unless there are exceptional circumstances, receive a pay rise at that time. If it is proposed that there will not be a pay rise, an HR Manager will initiate a review prior to the decision being finalised. As part of the review, the proposal will be discussed with the employee and an appropriate plan (with timescales) agreed with them, identifying what is required for the Company to increase their pay.

See the section on Lower Pay Comparator.

Promotional pay rises throughout the year must be clearly distinguished and funded outside of the pay review budget. Likewise, any increases to benefit levels are not funded from the annual pay review budget.

Where employees change to a job/role which is a promotion, an immediate review should take place with a plan agreed with the individual to include reward and development. The Company will implement a mechanism to monitor and ensure that this consistently takes place. The company will review this with Unite via the JWG.

The Company will discuss with the Union how to fund promotions within a job on an equal footing with promotions to a new job via the JWG.

Where an individual is temporarily performing a role which would normally attract a higher rate of pay than their own, there will be a review with the individual to determine whether a "responsibility allowance" will be paid. In some cases the individual may be undertaking the role for training and development purposes and not performing at the level that would be expected of someone normally doing it. The review will ensure the principle of equal pay for work of equal value is applied.

### **12) Other Benefits (2003, 2005 pay agreement, 2010, 2011, 2012, 2013 and 2014)**

Company sick pay will be available to all employees from the first day of their employment and from the first day of sickness.

Amicus have identified 32 employees in the bargaining unit who they believe don't get benefit cars when most of their peers do. The Company will review the 32 cases on a case by case basis with the individuals identified. If the individual believes that they are being unfairly treated this will be reviewed with the individual. Where, in the Company's view there is a possible justification for not giving the individuals a car, this will be reviewed with the individual to try to agree an alternative resolution and reported back to Amicus. The overall review will be completed by the end of May 2005 and where the Company agrees that a benefit car should be provided, the decision will be communicated to the individual and the benefit applicable from June 1st 2005.

The Company and UNITE have agreed to review minimum benefit levels with the aim of preventing the introduction of new anomalies in pay and benefits. It is recognised that some historical differences may remain and both parties are committed to removing these if they are unjustified, giving priority to improving the benefits of those furthest below the norm. The Company and Unite will meet by the end of September 2013 and then as necessary to agree a definition of a benefit anomaly and a plan (including timescales) to identify and address them.

Unite has proposed a change to the Company's contractual commitments on pensions, with the aim of giving employees greater options and protection when a TUPE transfer is envisaged. The Company will review this proposal with UNITE to assess its viability. This discussion is ongoing.

Staff who join the company (including TUPE-in) during the year, and qualify to be in a Fujitsu bonus or incentive scheme, and do not automatically qualify for bonus or incentive, should receive payment at least pro-rata.

### **13) Consolidated Disturbance Allowances** (2008 pay guidelines, 2010, 2011, 2012, 2013 and 2014)

Many Manchester employees had disturbance allowances due to relocation to Central Park. These were consolidated from 1/10/2007 through the Settlement Agreement and now form part of the base level of pay cost upon which the budget for pay rises is calculated, increasing the funds available.

The disturbance allowances were paid when relocation had led to increased travel costs for employees. In consolidating the allowances it was not the intention that these employees should receive lower pay rises in future years because their base pay was now relatively higher than colleagues who had not incurred such costs. It is anticipated that such differences will gradually decline over a number of years.

For service desk / helpdesk employees in the bargaining unit, the part of basic pay arising from the consolidation in 2007 or since will be ignored when comparing an individual's pay against their peers or the pay scales for the 2012 pay review, to avoid penalising those who had disturbance allowances. This measure will be phased out over a number of years as follows:

Year	% of consolidated disturbance allowance to be ignored for pay review purposes
2014	20%
2015	0%

The specific mechanism described above has not been put in place generally because the impact on higher paid employees is relatively smaller and the pay bands are wider. This means that managers reviewing pay for employees outside the service desk / helpdesk area should take into account the same underlying principles.

### **14) Equal Pay Review** (Settlement agreement 2007, ACAS 2010, 2011, 2013 and 2014)

The Company is committed to doing an Equal Pay Review and will work jointly with UNITE in Manchester to agree a timescale.

The Company will continue to work on a more open and transparent pay system, working with Unite to achieve this. In addition, the Company will work with Unite and other employee bodies in developing its approach to pay and benefits.

The Company and Unite will continue to work together to contribute to the "Think, Act and Report" initiative and feedback to the Joint Working Group. The initiative supports the Company's business aims and, in particular, its Responsible Business strategy by valuing and promoting a diverse workforce and identifying to managers and employees the benefits of inclusivity.

## **15) Implementation and Monitoring (2009, 2010, 2011, 2012, 2013 and 2014)**

The pay review described in the Appendices is being backdated to 1<sup>st</sup> August 2014 with the exception of the Living Wage element which is being backdated to 1<sup>st</sup> June 2014. Backdating will apply to all payments and deductions calculated from basic pay.

Any employee whose salary has been changed between 1<sup>st</sup> August 2014 and implementation will have their current salary calculated as if the same size (£) of change was applied to their new 1<sup>st</sup> August salary. Individuals who ceased to be employed by the company between 1<sup>st</sup> August 2014 and implementation of the pay review will receive their backdated pay review but not be eligible for any management discretionary elements.

The Company will provide UNITE with appropriate information for joint monitoring of pay and benefit outcomes, particularly where these relate to agreements reached.

Should UNITE wish to clarify any points arising from the implementation of the Manchester Pay & Benefits Agreement, they should contact Jenny O'Reilly. The Company will work with UNITE to:

- Ensure a full and timely implementation of the Manchester Pay & Benefits Agreement
- Monitor the implementation of the 2014 pay review

The Company will work with Unite to ensure that the 2014 pay deal has been implemented fully and fairly. The Company will provide information to allow Unite to monitor this (based on backdated salaries to 1<sup>st</sup> August 2014) by 15<sup>th</sup> February 2015. The Company is committed to spending the entire budget on pay rises effective from 1<sup>st</sup> August 2014. If, for any reason, the Company has spent less than agreed on any of the elements of the pay review, the Company will spend the shortfall on equal additional pay rises for each employee in the bargaining unit, backdated to 1<sup>st</sup> August 2014.

## **16) Legal Status**

In accordance with the Trade Union and Labour Relations (Consolidation) Act 1992, part IV, Chapter I, Paragraph 179, the parties agree that the following aspects of this agreement are intended to be legally enforceable parts of the contract between the Company and its Employees:

- a. Section 3
- b. Section 4
- c. Section 5
- d. Section 6
- e. Section 7
- f. Section 8 subsection A
- g. Section 9
- h. Section 10
- i. The aspects of section 11 which explain the term "promotion" and which mandate an immediate review on promotion and aspects relating to responsibility allowances
- j. Section 12
- k. The aspect of section 13 relating to service desk / helpdesk employees
- l. Section 14
- m. Section 15
- n. The Appendices relating to the 2014 pay review
- o. The Appendices relating to specific pay systems.

It is not the parties' intent for any other parts of this agreement to be legally enforceable, but it is our intention to honour it in full.

Where an employee leaves the bargaining unit, this agreement will no longer apply to them. The Company will inform the employee in writing of any change to their terms and conditions prior to transfer.

Any employee who believes their pay review has not been implemented in accordance with this agreement must put a query via AskHR within two months of being notified in writing of the outcome of their pay review. Any employee who does not do so has no contractual right to a higher rate of pay as a result of incorrect implementation of Appendix 1 for the 1<sup>st</sup> August 2014 pay review unless they did not have access to Company email to receive the relevant communications and raised it promptly once they became aware of the issue. Anonymised complaints will be discussed between Unite and the Company with the aim of agreeing a solution. Employees who want UNITE to see their full complaint should copy it to [unitetheunion@uk.fujitsu.com](mailto:unitetheunion@uk.fujitsu.com).

### **17) Review and Termination**






The agreement is intended to be reviewed and updated on at least an annual basis, partly to allow for the annual pay review effective from 1<sup>st</sup> August each year. This will be undertaken using the agreed procedure for dealing with collective issues.

Either party may give six months' notice to terminate this agreement. Such notice to be given in writing and delivered to the other party's registered office. In the event that this agreement or the Recognition Agreement is terminated, individual terms and conditions remain unchanged unless subject to appropriate consultation with relevant parties.

### **18) Signatories**

On behalf of

Fujitsu Services Limited (names & signatures)

 B MACAULAY-HIND  S. CHADWICK  
 J O'REILLY  PATRICIA SMITH  
 J. JACQUES

Date:

14 Jan 2015

Unite – The Union (names & signatures)

 MARK NORMAN  KEVIN DAVIES

Date: 2015-01-21.

The effective date of this version of the agreement is the date on which it has been signed on behalf of both parties

## **APPENDIX 1: Points for August 2014 Pay Review**

Any employee whose pay is below £7.65 an hour (the November 2013 Living Wage figure) will have it increased to that level with effect from 1<sup>st</sup> June 2014. For 2014, this is funded outside the pay review budget.

If Managers have difficulty meeting the needs of their staff, due to the pay and performance profile of the individuals they manage in the bargaining unit, they should raise this up their management chain for additional funds.

Managers must have justifications for any application of management discretion (e.g. no discretionary rise, size of discretionary rise). and will be made available to individual employees on request.

The Company has set aside a budget for the Manchester Bargaining Unit of 2.5% for pay increases effective 1<sup>st</sup> August 2014. The Rise+ and median pay budgets are managed and allocated separately so each have a 2.5% pot. The 2.5% figure is calculated after any increases to the Living Wage. If additional funds become available through the year employees in the bargaining unit will have access to these on the same basis as those outside of the bargaining unit.

The 2014 pay review applies to all employees within the UNITE Manchester bargaining unit at 1<sup>st</sup> August 2014, except for those employees on the Graduate Scheme and Apprentices whose pay review is managed centrally.

Our pay principles must be based on the principle of equal pay for equal contribution and **must not** be discriminatory.

All pay rises will be fully consolidated.

As described in section 6, all pay increases as part of the pay review will be calculated pro-rata for employees on non-standard hours.

The details for the Rise+ and Medians pay systems are detailed in Appendices 2 and 3 respectively.

## **APPENDIX 2: RISE+ PAY SYSTEM 2014**

The base pay levels for the Rise+ pay system are:

	Foundation	Foundation+	Intermediate	Intermediate+	Advanced
TSS 1	£16,000	£16,250	£16,500	£16,800	£17,100
TSS 2	£17,500	£18,000	£18,500	£19,250	£20,000
TSM 1	£21,000	£23,000	£25,000	£27,000	£29,000

TSS 1 Foundation will not be used in the Manchester Bargaining Unit.

For clarity, whilst there is a guideline pay range, there are no defined "maximums" in the Rise+ pay structure.

The 2.5% pay budget for the 2014 pay review will be distributed based on three key elements applied in this order:

Element	Amount
Lower Comparator / Progression	Approximately 1.54%
Cost of Living	Approximately 0.82%
Management Discretion	The remainder of the 2.5% pot, which is estimated to be 0.14%

### **Lower Comparator**

The Company will ensure that from 1<sup>st</sup> August, all Employees in the Bargaining Unit are paid at least the applicable Lower Pay Comparator. Any corrections to bring employees to the Lower Pay Comparator will be applied on 1<sup>st</sup> August 2014.

### Cost of Living

After the Lower Comparator rises, increases for employees will be topped up to at least the following levels:

Role	Minimum increase
TSS1	£300
TSS2	£385
TSM1	£200

### Management Discretion

The remainder of the total 2.5% budget not allocated to the other elements will be allocated at management discretion based on:

- a) PAC rating
- b) Increases already allocated above

## APPENDIX 3: MEDIANS PAY SYSTEM 2014

The 2.5% pay budget will be distributed based on four key elements applied in this order:

Element	Spending
Cost of Living	Approximately 2.03%
Increase towards Lower Comparator	Approximately 0.07%
Performance and Progression	Approximately 0.2%
Management Discretion	The remainder of the 2.5% pot, which is estimated to be 0.2%

### Cost of Living

All employees will receive a cost of living rise of 2.4%, subject to a minimum of £500 and a maximum of £1000.

### Increase towards Lower Comparator

In section 5 the Lower Comparator has been changed this year from being based purely on IRS to taking account of MRS too. The aim is to for all employees to be paid above the new Lower Comparator. However, this cannot be achieved within the budget this year.

At the time of the pay review, employees will receive a rise which, after the Cost of Living rise, but prior to performance and progression or management discretion:

- Ensures their pay is at least 75% of IRS
- Reduces any shortfall from 75% of the MRS mid-point by at least 25%

### Performance and Progression

0.2% will be spent on performance and progression, after any increases above. This will provide PAC-related pay increases and progress people through their pay band.

As a comparator for progression, a "Combined Mid-Point" is used. This is the higher of IRS and the MRS mid-point.

PAC-related rises are as follows:

PAC	Increase
O	Combined Mid-Point x 50% x <i>factor</i>
E	Combined Mid-Point x 37.5% x <i>factor</i>
A or NS	Combined Mid-Point x 25% x <i>factor</i>
P	Combined Mid-Point x 12.5% x <i>factor</i>
U	Not applicable

The “factor” is calculated to spend approximately 0.2% from the budget and is 0.0039.

To ensure that individuals can progress through the band, rises are greater for those paid below a target percentage of their median, where the target is also PAC-related.

Increases are doubled until they reach the individual’s target level, as follows:

PAC	Target	Increase	Scaling of increase below target	Scaling of increase above target
	(% of Combined Mid-Point)			
O	125%	50.00%	200%	100%
E	112.5%	37.50%	200%	100%
A	100%	25.00%	200%	100%
NS	100%	25.00%	200%	100%
P	87.5%	12.50%	200%	0%
U	75%	0.00%	0%	0%

Examples, assuming a factor of 0.0039 and a median of £30,000:

- Employee A is paid £30,000 (100% of the median) and has a PAC of A. Their increase under this element is entirely above their target level (100% of the median) and so is  $£30,000 \times 25\% \times 0.0039 = £29.25$
- Employee B is paid £22,500 (75% of the median) and has a PAC of A. Their increase under this element would be  $£30,000 \times 25\% \times 0.0039 \times 200\% = £58.50$ . The increase is entirely under their target level, so the 200% scaling applies to the entire increase.

Employee C is paid £29,985 (99.95% of the median) and has a PAC of A. Their unscaled increase under this element would be  $£30,000 \times 25\% \times 0.0039 = £29.25$ . £15 of this increase occurs below the target level of 100% of the median. That part of the increase would be scaled by 200%, which is equivalent to only needing £7.50 for that £15 increase. The £7.50 that is not used for the increase to the target level is added to the overall increase, for a final figure of £36.75

### **Management Discretion**

The remainder of the total 2.5% budget not allocated to the other elements will be allocated at management discretion. The intention is for management discretion to be considered for

1. Pay anomaly (See below)
2. Where an individual has key or scarce skills
3. Where an additional increase is required over and above the pay calculations due to significant/outstanding contribution.

### **Pay Anomaly**

Pay planning managers should still be alert to pay anomalies which are defined as:

- a. Individuals whose salary has not been increased for a number of years. Where an individual's salary has not been increased for a number of years a check should be made to ensure that the salary is at the level appropriate to the individual's current contribution and value.
- b. A pay anomaly can be defined as those who are below the median and performing well (A, E or O) in the same role for at least three years, or very well (E or O) for at least two years.

## **APPENDIX 4: NEGOTIATION TIMESCALE AND DISCLOSURE OF INFORMATION**

It is in the interests of the Company and its Employees that collective bargaining is conducted efficiently and on the basis of timely and reliable shared information.

### **Timescale**

It is recognised that discussions around actual salary increases have a dependency on top level Company decisions. However, it is agreed that more general discussions can start before this point, these will include:

<b>Activity</b>	<b>Time window</b>
The Company providing the latest pay and benefit guidelines/comparators (if updated)	By end of January
Identify and attempt to agree deviations from information detailed in appendix 4.	By 16 <sup>th</sup> March
The Company providing information as detailed in Appendix 4 (snapshot as of 1 <sup>st</sup> April) (incorporating any agreed deviations from the standard list)	By 10 <sup>th</sup> April
Joint team produce cost-model ready for negotiations	By end of April
Unite Submit and present to the Company negotiating team their annual pay claim	By end of April
Line Managers completing Appraisals (including Company checking of employees who don't have a PAC)	January – March where possible By end of April in all cases
Company provides remainder of appraisal PAC information	By 31 <sup>st</sup> May

Once the Company decisions referred to above have been made, the pay negotiations can further progress. Steps will be taken earlier where practicable.

<b>Activity</b>	<b>Time window</b>
Stage 1 negotiations	Offer voted on by 14 <sup>th</sup> June
If required stage 2 negotiations	Offer voted on by 30 <sup>th</sup> June
If required stage 3 negotiations	Offer voted on by 14 <sup>th</sup> July
Guidelines issued to line managers (following discussions between Unite & the Company)	By 22 <sup>nd</sup> July
Pay planning complete	By end July
Pay review effective	1 <sup>st</sup> August
Company provides UNITE with information, snapshot at 1 <sup>st</sup> August	By 10 <sup>th</sup> August
Notification of pay review to individuals by managers	Before August pay date

At the start of the process, UNITE and the Company will jointly review the timetable and agree any variations that are required. For 2015 this review will take place in February.

### **Appraisal Timescales**

Managers are encouraged to complete and upload the results from appraisals for employees in the bargaining unit within the standard January to March window. In areas where this is not possible, they must be completed and uploaded by the end of April.

Only partial PAC information will be available when the Company provides the data snapshot at 1<sup>st</sup> April, so the timetable includes provision by the Company of the final PAC data before stage 1 negotiations conclude.

### **Disclosure of Information**

The Company is committed to meeting or exceeding the standard set out in the ACAS Code of Practice on Disclosure of Information to Trade Unions.

To streamline the process, a standard and consistent set of information will be disclosed in advance of annual negotiations, for monitoring of outcomes and for other collective bargaining that may take place during the year. The information will be disclosed in the same format each time wherever possible. Both Fujitsu and Unite will endeavour to provide data in an understandable format. Insofar as either side requires further clarification or explanation the other side will assist without delay. The standard information to be provided will comprise:

#### **Generic information:**

1. managers' guidelines (in draft if final ones are not yet available) for the "standard" pay review applying to people outside the bargaining unit
2. the size of the Corporate planned pay pot and budget (with an explanation of any difference between the two)
3. any financial considerations that the Company wishes to take into account
4. any roles where the Company wants to focus spending, for example to address recruitment or retention difficulties
5. any points relating to particular units (e.g. requirements to stage spending during the year), professional communities or roles
6. any external benchmarking information the Company uses for pay or benefits
7. list of roles which would be in scope of Recognition if undertaken by a Fujitsu employee which are currently being filled by contractors, temps or agency staff, including for each the job/skills
8. figures for attrition over appropriate time periods, broken down by role code, for the UK as a whole and for the scope of the Recognition Agreement. This should include an explanation of which types of leavers are included in the figures. The figures will separate voluntary and involuntary attrition. The parties will agree how to provide the involuntary data at a level that maintains anonymity.
9. figures for vacancies over appropriate time periods, broken down by role code, for the UK as a whole and for the scope of the Recognition Agreement.

#### **Comparator information in relation to each role for which there is someone in the bargaining unit:**

10. Professional Community
11. Role
12. Professional Community Role Benchmark Level/Detail Code
13. Lower comparator for Rise+
14. Median salary for UK employees on the role code. Median salaries are to be calculated without including the salaries of those not managed on this pay system (see section 3)
15. Any other pay comparators. Where pay comparators are not available for pay planning the company will provide UNITE with alternative figures to be used instead.
16. Guideline benefit levels including car, medical, bonus, notice periods, overtime

Comparator information is produced periodically by the Company. The Company will promptly provide UNITE with the new information when it is updated in January and August and the Company will inform UNITE promptly if it proposes to change this schedule. Unless agreed otherwise, pay reviews will be based on the latest comparator information at the effective date of the pay review.

#### **Anonymous information in respect of each individual in the bargaining unit:**

17. A unique identifier for the individual which is the same in each set of disclosed information
18. Pay Bargaining Marker (e.g. UNITE07)
19. Contractual base location (Building Code)
20. Contractual date of joining (Contractual Join Date)
21. Date Joined Company
22. TUPE marker
23. Date Harmonised

24. Current salary (Salary)
25. Current salary effective date (Salary Eff Date)
26. Reason for salary increase (Change Reason Description)
27. Previous salary (Prev Sal)
28. Previous salary effective date (Prev Effect Date)
29. Performance Appraisal Category (PAC)
30. PAC date
31. Previous PAC
32. Previous PAC date
33. Which pay system are they managed on?
34. If applicable, their current Rise+ level and date
35. If applicable, their previous Rise+ level and date
36. Current Professional Community (Prof Community Code)
37. Current Role (Professional Community Role Code)
38. Current Professional Community Role Level/Detail Code (Benchmark)
39. Previous Professional Community
40. Previous Role (Prev Community Role Code)
41. Previous Professional Community Role Level/Detail Code (Previous Benchmark)
42. Date of last role code change
43. Amount of last promotional pay increase
44. Effective date of last promotional pay increase
45. Contractual working hours on the day before the snapshot relates to
46. Contractual working hours on the day the snapshot relates to
47. Organisation Unit "Group"
48. Organisation Unit "Division"
49. Organisation Unit "Div-1 Desc"
50. Organisation Unit "Div-2 Desc"
51. Organisation Unit "Dept Desc"
52. Pay Plan Manager Name
53. Consolidated disturbance allowance amount
54. Date disturbance allowance was consolidated
55. Current car category entitlement (i.e. what the individual currently has before trading up or down)
56. Medical Entitlement
57. Current bonus scheme, including incentive schemes (Bonus Eligibility Description)
58. Current on-target bonus level (including incentive schemes)
59. Current fuel card benefit
60. Pension Entitlement
61. Pension Scheme
62. Gender
63. Ethnic Origin
64. Year of Birth
65. Nationality
66. Disability
67. Leave Entitlement
68. Severance Scheme Description
69. Employer Notice
70. Employee Notice
71. OOH overtime code
72. OOH standby code
73. OOH shift allowance code

**Details of the terms and conditions package on which FSESL staff are employed including:**

74. Names of the roles in which staff are employed
75. Details of the pay band for each role
76. Details of any grading scheme
77. Details of any pay progression scheme
78. Details of working hours
79. Details of any annualised hours scheme
80. Details of holiday entitlement
81. Details of sick pay entitlement
82. Details of any medical entitlement
83. Details of any standby allowance rates

84. Details of any shift allowance rates
85. Details of overtime rates
86. Details of any pension scheme
87. Details of the bonus scheme
88. Details of the terms on which a company vehicle is provided

In all reports, the Company will specify the date to which each aspect of the information relates. The "previous" value means the value immediately prior to the most recent change in value.

For the avoidance of doubt, the levels to be provided are *prior* to any alterations an individual may have made to their package via a Choices scheme.

Fujitsu and Unite will discuss, with the assistance of ACAS, ways in which Fujitsu can provide Unite with information to monitor the implementation of agreements relating to the Excluded Group, any who have asked Fujitsu not to disclose their personal information to Unite, and any who are still within the time limit for objecting to the disclosure of their personal information to Unite.

Fujitsu will provide on a monthly basis the total numbers, broken down by contractual base location, of employees who are in the bargaining unit and have asked Fujitsu for exclusion and either:

- a) Have asked Fujitsu not to disclose their personal information to Unite, or
- b) Are still within the time limit for objecting to the disclosure of their personal information to Unite.

Should UNITE believe that additional information is required for a particular relevant purpose, it will make a specific request for this, explaining what is required and why, and the Company will respond within two weeks to such a request. Some examples of information that may be requested are shown below.

1. Total bonus/incentive payments received in last 12 months
2. Overtime paid in last 12 months
3. Standby paid in last 12 months
4. Shift paid in last 12 months
5. Hours recorded on SST or equivalent time booking system in the previous 12 months

Where applicable, the parties may decide to conduct negotiations on other topics or at additional times, which may also require different information.

## **APPENDIX 5: GRADUATE PAY SYSTEM**

The starting salary for employees on the Graduate scheme is currently £26,500.

Individuals on the 2-year Graduate scheme will receive up to four pay increases on a 6-monthly basis, based on their PAC ratings. Subject to their performance (and the performance of the business), they will be allocated the following increases:

<b>Increases</b>	<b>A</b>	<b>E</b>	<b>O</b>
Year One: March	£1000	£1500	£2000
Year One: September	£1000	£1500	£2000
Year Two: March	£1500	£2000	£2500
Year Two: September	£1500	£2000	£2500
<b>Total</b>	<b>£5000</b>	<b>£7000</b>	<b>£9000</b>

Any increases to the starting salary in this Appendix which are applied elsewhere in Fujitsu will also be applied to the bargaining unit. The Company will inform UNITE whenever these salary levels are reviewed.

## **APPENDIX 6: APPRENTICE PAY SYSTEM**

Apprentice schemes consist of learning through both academic study and learning on the job. Individuals can enter the Apprentice scheme at various levels, which attract various pay rates:

Apprentice Level	Starting Salary- year one	12 Month Salary- year two
Intermediate	£11,500	£14,500
Advanced	£14,500	£16,000
Higher level 4	£17,000	£18,000
Foundation Level 5	£18,000	£19,000
Bachelor Level 6	£19,000	£21,500

Any increases to the starting salary levels above which are applied elsewhere in Fujitsu will also be applied to the bargaining unit. The Company will inform UNITE whenever these salary levels are reviewed.

Any salary increases for individuals during the year, above the starting salary, would be at management discretion, based on performance.

An individual completes their apprenticeship when they have completed the academic element and their manager signs off that they have completed the relevant on-the-job learning. Managers should document the on-the-job learning required. Completing an apprenticeship may be quicker or take longer than two years.

An individual doing a higher level apprenticeship after completing a lower level one may not take as long because there may be overlap.

When an individual completes an apprenticeship, they have three options:

1. They apply for an apprenticeship at a higher level within Fujitsu (subject to availability).
2. Their manager completes a "Transform" to convert them to a permanent employee with a standard Professional Community role code.
3. They apply for another job inside or outside Fujitsu.

Where an Apprentice completes their apprenticeship and moves to a permanent job within Fujitsu, their salary will be no less than the lower comparator for their role, and no less than the starting salary for the next apprenticeship level:

Completed Apprenticeship	Minimum Salary
Intermediate	Entry Level for role 14.5k to 17k or above
Advanced	Entry Level for role 16k to 17k or above
Higher level 4	£19,000
Foundation Level 5	£19,000
Bachelor Level 6	£26,500 (starting salary for Graduate scheme)

## **APPENDIX 7: JOINT ACTIVITIES**

In various sections of this agreement there are commitments to work together on various activities. These are referenced here for convenience:

1. Rise+ cross skilling, section 4
2. Introduce new comparators (section 5)
3. Lessons learned, section 7
4. Changes to performance first timescale, section 7
5. Reducing non-standard hours (section 8a)
6. Plan for reward and development on promotion, section 11
7. Review benefit car anomalies, section 12
8. Minimum benefit levels, section 12
9. Contractual pensions & TUPE, section 12
10. Equal Pay Review, section 14
11. Monitoring, section 15