



# STERIA JOINT UNIONS

## STERIA PENSION REVIEW NEWSLETTER – 5<sup>th</sup> December 2009

### AGREEMENT REACHED – YOUR VOTE YOU DECIDE

The CWU, Connect and Unite negotiators have reached agreement with the Company over proposed changes to the pension schemes. We are recommending that you vote YES to this agreement, although the final say will be yours.

#### **Summary.**

In summary the agreement will involve closure of the Company's existing Defined Benefit Pension arrangements with these being replaced with a Defined Contribution Scheme. The DC scheme has been designed to provide 'parity' of benefit with the existing pensions promise people have from their current DB arrangement, at the same cost to them in terms of the contributions that they pay. In other words, we are proposing agreement to a DC scheme which should provide the same benefits, at the same cost, as the current DB arrangements (subject to a set of agreed assumptions).

Our independent pension's advisor (Hymans Robinson) has confirmed in writing that this scheme will deliver the same outcome for the same employee costs as the existing DB scheme given a series of agreed assumptions that are based on, and conform to, Financial Services Authority requirements. The assumptions we have relied on are in fact better from the employees' point of view than the minimum requirements stipulated by the FSA.

In addition we have secured a number of additional key benefits for you:

- 1) The pension's agreement is a legally binding agreement between the three unions and Steria. (In effect Steria would have to give 15 months notice of their desire to close this new scheme and any changes to the scheme have to be agreed by all the parties to the legal agreement. This is more legal protection than exists for the existing DB and DC schemes. )
- 2) Death in service cover provision within flex to increase by an additional once X annual salary for all employees
- 3) Management costs of the DC scheme reduced to 0.35%, as long as the majority of members join the new scheme
- 4) The establishment of a management committee to oversee the DC scheme with 4 staff reps, two appointed by the unions and two elected by all scheme members. This committee will also have an independent chairman

#### **Next Steps**

The Company will make available a booklet after 4th December, the content of which has been agreed with the unions. This important booklet will set out the details of the proposals – which are inevitably complex. The booklet will be available on Sterianet. We urge all members to read it carefully.

The timetable to consult with our members is as follows;-

1. Initial announcement of agreement – today
  2. Detailed pamphlet from the company explaining the agreement – this Friday 4th December
  3. Joint Union meetings throughout the country with the negotiators from w/c 6<sup>th</sup> December
  4. We will try and complete these meetings within the week but some may have to be organised w/c 13/12/09
  5. We ask you to suspend your decision on the agreement till this process has been complete and you've heard the full story.
- We aim to start the electronic ballot of all union members on the offer end of w/c 6<sup>th</sup> December with the hope that most members have had time to digest the implications of the agreement before voting. Trade union ballots are the few bits of workplace democracy that exist so we urge every member to use their vote.

#### **Union rights.**

In parallel with these discussions the company has agreed a number of extra rights for the trade union movement in Steria which we will detail in our meetings.

COMMUNICATION  
WORKERS UNION

150 The Broadway  
Wimbledon SW19 1RX  
020 8971 7427  
[www.cwu.org](http://www.cwu.org)

UNITE THE UNION  
35 King Street  
London  
WC2E 8JG  
Tel: 020 8462 7755

[www.unitetheunion.com/s](http://www.unitetheunion.com/s)

  
**connect**  
the union for professionals  
in communications

30 St Georges Rd  
Wimbledon  
SW19 4BD  
020 8971 6060  
[www.connectuk.org](http://www.connectuk.org)