



2010 / 2011 AA PAY OFFER

Following completion of discussions regarding the 2010 Pay Review for AA staff, the details of the AA's final offer are shown below.

This offer is the final offer from the AA for 2010/11 and is subject to a recommendation by the IDU and a positive ballot result.

To summarise the final offer is:

- 2.5% increase to base pay backdated to 1 April 2010
- 2.5% increase to base pay from 1 April 2011
- 2.5% increase to allowances as applicable at pay review to include, contractual overtime, patrols flexibility allowance, recovery flexibility allowance, location allowances and composite allowance
- For those in an AA Pension Scheme a 0.7% reduction in employee pension contributions for the period from October 2010 to the end of February 2011 (representing the equivalent of a 0.5% reduction from August 2010 to February 2011)

In detail the offer is:

BASIC PAY

Salary scales will be increased by 2.5% with the exception of salary scales for the 'closed' back office grades, which will be increased by 1.88% in line with the agreement made with the IDU in 2007, and the recent agreement for AA Signs staff on CST grades.

STAFF ON INCREMENTS OR SPOT RATES

Staff in this category includes Roadside & Recovery Patrols, Fuel Technicians and some staff in Contact Centres. For these employees, salaries will be increased by 2.5%, with the exception of staff on 'back office' grades who declined to transfer to Level 7 & 8 and CST graded staff in AA Signs. Their salaries will increase by 1.88%, in line with the relevant IDU agreements.

STAFF ON PERFORMANCE RELATED PAY

The attached performance related pay matrices will be applied for Insurance and associated graded staff and those staff on performance related pay with a standard job rate (CCA2-5 and Level 7 & 8).

STAFF ON FROZEN SALARIES

Staff on Frozen Salary Allowances will have their salary package increased to reflect a 1.88% increase.

ALLOWANCES

The increase to basic pay will be reflected in the related hourly rate allowances, such as dependent flexibility allowances and disruptive allowances. Overtime rates which are dependent on hourly pay will also increase accordingly.

Other allowances which will increase by 2.5% include:

- Contractual Overtime
- Patrols Flexibility Allowance
- Recovery Flexibility Allowance
- Location Allowances
- Composite Allowances

LEVEL 7/8 MATRIX APPLICATION

The principle of the Level 7 & 8 contract introduction was to provide the earliest most cost effective resolution to reducing the pay gap for those carrying out the same role within different areas and businesses of the AA. For the level 7 & 8 employees this year's pay offer still recognises this principle.

Various workshops have now taken place to obtain feedback from Level 7 and 8 employees and we hope to be in a position to communicate the outcomes shortly.

OTHER INFORMATION

Staff in acting positions will receive an increase to their basic salary in line with the above increases. The value of any acting allowance will be reviewed in order to maintain the employee's position in the seconded grade.

Meal, First Aid and any 'Frozen' allowances will remain at the existing levels.

TRANSITION MATRIX FOR LEVEL 7 / 8 STAFF

| | | COMPETENCY RATING | | | | | |
|--|--------------------------------|-------------------|------|-------|-------|-------|-------|
| | | | A | B | C | D | E |
| Applies to salaries above 120% of the standard job rate. | PERFORMANCE AGAINST OBJECTIVES | 1 | 2.5% | 2.5% | 2.5% | 2.5% | |
| | | 2 | 2.5% | 2.5% | 2.5% | 1.88% | 1.5% |
| | | 3 | 2.5% | 2.5% | 1.88% | 1.5% | 1.25% |
| | | 4 | 2.5% | 1.88% | 1.5% | 1.25% | |
| | | 5 | | 1.5% | 1.25% | | |
| | | | | | | | |

This matrix applies only to those staff:

- who transferred across to Level 7 or 8 on 1st July 2007;
- have not subsequently moved to a new grade and;
- whose salary is at or above 120% of the standard job rate.

If any of these circumstances change, the employee will transfer to the standard SJR matrix.

Staff on this matrix will be capped at a maximum 2.5% pay award.

**PERFORMANCE RELATED PAY MATRIX
FOR ALL GRADES WITH STANDARD JOB RATE**

| | | COMPETENCY RATING | | | | | |
|--|--------------------------------|-------------------|-------|-------|-------|-------|-------|
| Applies to salaries at or above the standard job rate. | PERFORMANCE AGAINST OBJECTIVES | | A | B | C | D | E |
| | | 1 | 4% | 3.5% | 3% | 2.5% | |
| | | 2 | 3.5% | 3% | 2.5% | 1.88% | 1.5% |
| | | 3 | 3% | 2.5% | 1.88% | 1.5% | 1.25% |
| | | 4 | 2.5% | 1.88% | 1.5% | 1.25% | |
| | | 5 | | 1.5% | 1.25% | | |
| | | STANDARD JOB RATE | | | | | |
| Applies to salaries below the standard job rate. | PERFORMANCE AGAINST OBJECTIVES | 1 | 5% | 4.7% | 4.38% | 4.08% | |
| | | 2 | 4.7% | 4.38% | 4.08% | 3.75% | 2.5% |
| | | 3 | 4.38% | 4.08% | 3.75% | 2.5% | 2.5% |
| | | 4 | 4.08% | 3.75% | 2.5% | 2.5% | 1.88% |
| | | 5 | 3.75% | 2.5% | 2.5% | 1.88% | 1.25% |

Comparison of current salary and current SJR (before applying pay review uplift) determines position above or below SJR.

- Staff on or above the standard job rate cannot:
 - Drop below the standard job rate unless their performance and competency rating is below a 3:3/c rating
 - Rise above 120% (L7 & 8) or 110% (CCA2-5) of the standard job rate
- Staff below the standard job rate cannot:
 - Rise above the standard job rate unless their performance and competency rating is above a 3:3/c rating
 - Drop below 80% (L7 & 8) or 90% (CCA2-5) of the standard job rate.
- Where staff are newly appointed into their role and are considered 'too early to assess' then the standard pay settlement will be applied (4D rating).
- CCA2-5 staff already at or above 110% of the SJR will be capped with a maximum 2.5% pay award.

This matrix does not apply to those staff transferring across to Level 7 & 8 on 1st July 2007, whose salaries were at or above 120% of the standard job rate. For these people refer to the Transition Matrix.

**PERFORMANCE RELATED PAY MATRIX
FOR PRP GRADES WITHOUT A STANDARD JOB RATE**

| | | COMPETENCY RATING | | | | |
|---------------------------|---|-------------------|-------|-------|-------|-------|
| | | A | B | C | D | E |
| PERFORMANCE OBJECTIVES | 1 | 4% | 3.5% | 3% | 2.5% | |
| | 2 | 3.5% | 3% | 2.88% | 1.88% | 1.5% |
| | 3 | 3% | 2.88% | 2.50% | 1.5% | 1.25% |
| | 4 | 2.5% | 1.88% | 1.5% | 1.25% | |
| | 5 | | 1.5% | 1.25% | | |

This matrix applies to all other staff on Performance Related Pay, where the grade does not have a Standard Job Rate.

This currently includes the following grades:

AM
BS1I
AST1 - 4
DSP1 - 5
FS1 - 3
IBM
FUJ

SM (if started prior to 1/3/96)

Employees on 'closed' grades, (i.e. those which are no longer open to new entrants), who declined the Level 7 & 8 offer, will receive an increase at 75% of the matrix value, under the agreed terms of the Level 7 & 8 project in July 2007. This applies to the following grades:

CSP1 - 4
FP3

These terms also apply to staff on the closed CST 1-4 grades as a result of the recent agreement in AA Signs.

All staff on this matrix at or above the maximum of their pay range will be capped at a 2.5% maximum pay award.