

## National Agreement: Application of Sick Pay Arrangements

### Introduction

In line with Section 6.4.1, the agreed changes to sick pay commenced on 1 October 2023 as part of the Business Recovery, Transformation and Growth (BRT&G) agreement.

The following approach to the calculation of sick pay has been agreed to achieve an approach which is fair and equitable, recognising that there is no perfect solution given the many and varied patterns of attendance.

This agreement applies to all employees in Royal Mail Group including Royal Mail, Parcelforce and Fleet. This agreement does not apply to employees in RMPFSL.

### Reduced Occupational Sick Pay

Reduced Occupational Sick Pay (ROSP) is the reduced level of sick pay for the first two, four or three days of a second, third, fourth or subsequent absence within a 12 month rolling period following a first absence.

ROSP will be paid as a proportion of the number of scheduled hours (excluding SA and overtime) individuals are contracted to work. The proportion of basic pay impacted and paid at the reduced rate is as follows:

	Second absence	Third absence	Fourth and subsequent absences
Proportion of weekly scheduled hours paid at ROSP	40%	80%	60%

The first period of sick absence in a 12 month rolling period is paid in line with normal sick pay entitlements. Normal sick pay limits and rates will also apply following the initial period paid as ROSP.

The sick pay approach applies to full days of absence and therefore where an employee has a part day absence, basic pay will continue to be paid for the full day as now. ROSP will apply from the first full day of the absence.

Only working days are included in the calculation of ROSP to ensure it reflects the hours individuals were scheduled to work.

The overall limits for company sick pay remain unchanged, as do the sick pay arrangements for new entrants with less than 12 months service.

### Calculating Sick Pay - Example

As described above, ROSP is calculated as a proportion of scheduled working hours. This ensures that individuals are treated consistently regardless of their contracted hours or the number of days they attend.

For example, an individual who is scheduled to work 37 hours a week, is absent for one week and has a second absence in a 12 month rolling period, will receive sick pay as follows:

40% x 37 hours = 14.8 hours paid at ROSP and the remaining 22.2 hours paid at normal sick pay rate

Should the individual return to work before 14.8 hours of their scheduled working time has elapsed, ROSP will only apply to the hours they are absent.

ROSP is based on the Statutory Sick Pay (SSP) rate which is set by the Government (currently £109.40). If the Government increases SSP, then ROSP will increase accordingly.

Payroll will automatically adjust pay to ensure that no individual is paid less than SSP where applicable.

### **Variation in Attendance Patterns (including Longs and shorts)**

Paying ROSP on a proportion of hours ensures fairness for those who work fewer, longer days who would otherwise see a larger reduction in sick pay.

The method of calculation described above ensures a fair and equitable impact on all individuals. However, in certain circumstances, it is possible that an individuals' attendance pattern will mean that they may be subject to ROSP for more than the first two, three or four days of absence. This will occur when the start of an individuals' absence coincides with shorter days on their work schedule.

The duty pattern below demonstrates the principle above. The individual is absent for one week and has a second absence in a rolling 12 month period. Monday is the first day of absence. The first 14.8 hours (40%) of absence are subject to ROSP. The table shows that 1.8 hours of their third day of absence is subject to ROSP (unless they return to work); the remaining 6.2 hours is paid in line with normal occupational sick pay entitlement.

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Total
<b>Scheduled hours</b>	7	6	8	8	8	<b>37</b>
<b>ROSP hours</b>	7	6	1.8			<b>14.8</b>

In the table below, the individual is scheduled to work 37 hours over 4 days. They are absent for one week and their first day of absence is Monday. If ROSP applied to their first two days of absence, 19 hours would be subject to ROSP rather than the first 40% (14.8 hours) of their scheduled hours.

Day	Monday	Tuesday	Wednesday	Thursday	Total
<b>Scheduled hours</b>	10	9	9	9	<b>37</b>
<b>ROSP hours (based on days)</b>	10	9			<b>19</b>
<b>ROSP hours (based on proportions)</b>	10	4.8			<b>14.8</b>

### **Seasonal variation (Delivery employees only, where appropriate)**

In line with Appendix 1 of the BRT&G Agreement, individuals in the Delivery function will adjust their hours in the summer and winter to reflect low and high workload periods respectively.

In the summer, scheduled hours will reduce from 37 to 35 hours per week. In the winter, scheduled hours will increase from 37 to 39 hours per week. Pay for duty hours will be the same all weeks of the year.

If an individual is absent during the summer or winter periods, their pay will differ because the hourly rate used for ROSP is based on a 37 hour week. Using the example of an individual who is absent for one week and it is their second absence in a 12 month rolling period:

- In the summer, 40% of 35 scheduled hours is 14 hours. Therefore 14 hours are subject to ROSP. The remaining 21 hours are paid at the normal occupational sick pay rate.

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Total
<b>Scheduled hours</b>	7	7	7	7	7	<b>35</b>
<b>ROSP hours</b>	7	7				<b>14</b>

- In the winter, 40% of 39 scheduled hours is 15.6 hours. Therefore 15.6 hours are subject to ROSP. The remaining 23.4 hours are paid at the normal occupational sick pay rate.

Winter	Monday	Tuesday	Wednesday	Thursday	Friday	Total
<b>Scheduled hours</b>	8	7	8	8	8	<b>39</b>
<b>ROSP hours</b>	8	7	0.6			<b>15.6</b>

This means that individuals will be marginally better off for periods of absence incurred during the winter because the number of hours paid at the higher normal occupational sick pay rate offsets the hours paid at a reduced rate to a greater extent than the summer.

Examples for weekly and monthly paid colleagues can be found in Appendix A.

### **Meal breaks**

The scheduled hours used to calculate ROSP are based on your contracted scheduled hours including paid meal breaks.

For individuals who work net hours, unpaid meal breaks are not included in the ROSP calculation.

### **Exceptions**

With the introduction of ROSP, Royal Mail sick pay arrangements remain better than SSP (which pays nothing for the first three days of absence). The new pay approach will apply in the majority of circumstances when an individual is absent from work.

However, where it is reasonable and appropriate to do so, normal occupational sick pay will be paid as an alternative. Exceptions will be overseen by HR shared services to ensure consistency and fairness in application.

Such circumstances include:

- Pregnancy related absence will always be paid normal occupational sick pay
- Absence due to a non-blameworthy accident at work
- Absence due to a severe condition or disability that is or may be covered under the Equality Act (for example, an individual undergoing cancer treatment, an employee who has suffered a heart attack, stroke or other life-threatening condition). This does not mean every absence that may be covered under the Equality Act should be treated as an exception. Consideration should be given in serious cases as to whether it is reasonable and appropriate to apply discretion
- Other serious incidents leading to absence – for example, where the individual was subject to an assault outside of work or the victim of domestic/sexual violence, a road traffic collision where the individual is hospitalised or suffers serious injuries
- Where an individual has attempted to return to work; however, they have not been able to do so (for the same absence reason) and their rehabilitation plan has been unsuccessful.

This is not an exhaustive list and will be based on individual circumstances. Where an individual believes the decision not to grant them an exception is wrong, they can raise a grievance with their manager in the normal way.

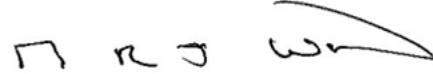
**Review**

The application of the new sick pay arrangements within this agreement will be jointly reviewed after 3 months by Royal Mail and CWU. Further reviews will take place as appropriate.

Any issues regarding the interpretation or application of this agreement should be referred to the signatories for resolution.



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## Examples of ROSP

**37 Hour OPG**

- Full time employee (37 hours) paid £500 per week
- They are sick for a second time in a rolling 12 month period – they are absent for 1 week
- ROSP paid for 40% of hours = 14.8 hours (£2.96/hour)
- OSP paid for 60% of hours = 22.2 hours

Full Time Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
<b>Work Schedule</b>	7.4	7.4	7.4	7.4	7.4	0	0	<b>37</b>
<b>ROSP hours (first 14.8)</b>	7.4	7.4	0	0	0	0	0	<b>14.8</b>
<b>OSP hours – 22.2</b>	0	0	7.4	7.4	7.4	0	0	<b>22.2</b>
<b>ROSP per day (£)</b>	£21.88	£21.88	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£43.76</b>
<b>OSP per day (£)</b>	£0.00	£0.00	£100.00	£100.00	£100.00	£0.00	£0.00	<b>£300.00</b>
<b>Total Sick Pay</b>	<b>£21.88</b>	<b>£21.88</b>	<b>£100.00</b>	<b>£100.00</b>	<b>£100.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£343.76</b>

**37 Hour OPG**

- Full time employee (37 hours) paid £500 per week
- They are sick for a second time in a rolling 12 month period – they return to work after one day
- ROSP paid for up to 40% of hours = 14.8 hours (£2.96/hour)

Full Time Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
<b>Work Schedule</b>	7.4	7.4	7.4	7.4	7.4	0	0	<b>37</b>
<b>ROSP hours – first 14.8</b>	7.4	0	0	0	0	0	0	<b>14.8</b>
<b>OSP hours – 22.2</b>	0	0	0	0	0	0	0	<b>22.2</b>
<b>ROSP per day (£)</b>	£21.88	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£21.88</b>
<b>OSP per day (£)</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£0.00</b>
<b>Ordinary Pay</b>	£0.00	£100.00	£100.00	£100.00	£100.00	£0.00	£0.00	<b>£400.00</b>
<b>Total Sick Pay</b>	<b>£21.88</b>	<b>£100.00</b>	<b>£100.00</b>	<b>£100.00</b>	<b>£100.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£421.88</b>

## **Part Time Examples**

### **25 Hour OPG**

- Part time employee (25 hours) paid £337 per week
- They are off sick for a second time in a rolling 12 month period – they are absent for 1 week
- ROSP paid for 40% of hours = 10 hours (£2.96/hour)
- OSP paid for 60% of hours = 15 hours

Part Time Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
<b>Work Schedule</b>	5.0	5.0	5.0	5.0	5.0	0	0	<b>25.0</b>
<b>ROSP hours – first 10.0</b>	5.0	5.0	0	0	0	0	0	<b>10.0</b>
<b>OSP hours – 15.0</b>	0	0	5.0	5.0	5.0	0	0	<b>15</b>
<b>ROSP per day (£)</b>	£14.78	£14.78	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£29.57</b>
<b>OSP per day (£)</b>	£0.00	£0.00	£67.57	£67.57	£67.57	£0.00	£0.00	<b>£202.70</b>
<b>Total Sick Pay</b>	<b>£14.78</b>	<b>£14.78</b>	<b>£67.57</b>	<b>£67.57</b>	<b>£67.57</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£232.27</b>

### **36 Hour OPG**

- Part time employee (36 hours) paid £486 per week
- They are off sick for a second time in a rolling 12 month period – they are absent for 1 week
- ROSP paid for 40% of hours = 14.4 hours (£2.96/hour)
- OSP paid for 60% of hours = 21.6 hours

Part Time Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
<b>Work Schedule</b>	7.2	7.2	7.2	7.2	7.2	0	0	36.0
<b>ROSP hours – first 14.4</b>	7.2	7.2	0	0	0	0	0	14.4
<b>OSP hours – 21.6</b>	0	0	7.2	7.2	7.2	0	0	21.6
<b>ROSP per day (£)</b>	£21.29	£21.29	£0.00	£0.00	£0.00	£0.00	£0.00	£42.58
<b>OSP per day (£)</b>	£0.00	£0.00	£97.30	£97.30	£97.30	£0.00	£0.00	£291.89
<b>Total Sick Pay</b>	<b>£21.29</b>	<b>£21.29</b>	<b>£97.30</b>	<b>£97.30</b>	<b>£97.30</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£334.47</b>

### **35 Hour OPG**

- Part time employee (35 hours) paid £473 per week
- They are off sick for a second time in a rolling 12 month period – they are absent for 1 week
- ROSP paid for 40% of hours = 14 hours (£2.96/hour)
- OSP paid for 60% of hours = 21 hours

Part Time Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
<b>Work Schedule</b>	7.0	7.0	7.0	7.0	7.0	0	0	35.0
<b>ROSP hours – first 14.0</b>	7.0	7.0	0	0	0	0	0	14.0
<b>OSP hours – 21.0</b>	0	0	7.0	7.0	7.0	0	0	21.0
<b>ROSP per day (£)</b>	£20.70	£20.70	£0.00	£0.00	£0.00	£0.00	£0.00	£41.39
<b>OSP per day (£)</b>	£0.00	£0.00	£94.59	£94.59	£94.59	£0.00	£0.00	£283.78
<b>Total Sick Pay</b>	<b>£20.70</b>	<b>£20.70</b>	<b>£94.59</b>	<b>£94.59</b>	<b>£94.59</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£325.18</b>

## Monthly Examples

### 40 Hour Monthly paid OPG

- OPG new T&Cs paid £2137/month scheduled to work 40 hours a week
- They are sick for a second time in a rolling 12 month period and are absent for 1 week
- ROSP is paid for 40% of their hours = 16 hours (£2.96/hour)
- Daily rate of pay £68.95
- Monthly pay would be £2047

Monthly Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
Work Schedule	8.0	8.0	8.0	8.0	8.0	0	0	40.0
ROSP hours	8.0	8.0	0	0	0	0	0	16.0
OSP hours	0	0	8.0	8.0	8.0	0	0	24
ROSP per day (£)	£23.65	£23.65	£0.00	£0.00	£0.00	£0.00	£0.00	£47.31
OSP per day (£)	£0.00	£0.00	£68.95	£68.95	£68.95	£68.95	£68.95	£344.77
Total Sick Pay	£23.65	£23.65	£68.95	£68.95	£68.95	£68.95	£68.95	£392.08

### Professional Driver

- Professional driver paid £2814/month scheduled to work 36.25 hours a week
- They are sick for a second time in a rolling 12 month period and are absent for 1 week
- ROSP is paid for 40% of their hours = 14.5 hours (£2.96/hour)
- Daily rate of pay £90.79
- Monthly pay = £2676

Monthly Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
Work Schedule	7.25	7.25	7.25	7.25	7.25	0	0	36.25
ROSP hours	7.25	7.25	0	0	0	0	0	14.50
OSP hours	0	0	7.25	7.25	7.25	0	0	21.75
ROSP per day (£)	£21.44	£21.44	£0.00	£0.00	£0.00	£0.00	£0.00	£42.87
OSP per day (£)	£0.00	£0.00	£90.79	£90.79	£90.79	£90.79	£90.79	£453.94
Total Sick Pay	£21.44	£21.44	£90.79	£90.79	£90.79	£90.79	£90.79	£496.81

### PFW

- PFW £2,098/month scheduled to work 38 hours a week
- They are sick for a second time in a rolling 12 month period and they are absent for 1 week
- ROSP is paid for 40% of their hours = 15.2 hours (£2.96/hour)
- Daily rate of pay £67.67
- Monthly pay = £2008

Monthly Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
Work Schedule	7.6	7.6	7.6	7.6	7.6	0	0	38.0
ROSP hours	7.6	7.6	0	0	0	0	0	15.2
OSP hours	0	0	6.6	6.6	6.6	0	0	19.8
ROSP per day (£)	£22.47	£22.47	£0.00	£0.00	£0.00	£0.00	£0.00	£44.94
OSP per day (£)	£0.00	£0.00	£67.67	£67.67	£67.67	£67.67	£67.67	£338.37
Total Sick Pay	£22.47	£22.47	£67.67	£67.67	£67.67	£67.67	£67.67	£383.32

## HRS

- HR Services £2440/month scheduled to work 33 hours a week
- They go off sick for a second time in a rolling 12 month period and are absent for 1 week
- ROSP is paid for 40% of their hours = 13.2 hours (£2.96/hour)
- Daily rate of pay £78.71
- Monthly pay = £2322

Monthly Employee working on flat week	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Weekly
Work Schedule	6.6	6.6	6.6	6.6	6.6	0	0	33.0
ROSP hours	6.6	6.6	0	0	0	0	0	13.2
OSP hours	0	0	6.6	6.6	6.6	0	0	19.8
ROSP per day (£)	£19.51	£19.51	£0.00	£0.00	£0.00	£0.00	£0.00	£39.03
OSP per day (£)	£0.00	£0.00	£78.71	£78.71	£78.71	£78.71	£78.71	£393.56
Total Sick Pay	£19.51	£19.51	£78.71	£78.71	£78.71	£78.71	£78.71	£432.59