

ASDA
PENSIONS
GMB COUNTER
PROPOSALS

GMB
UNION

Introduction

Back in 2017 GMB wrote to ASDA identifying the upcoming changes to Auto-Enrolment and expressing its desire to enter in to discussion with ASDA about potential changes at the earliest opportunity. Unfortunately, GMB did not get a response.

In January 2018, ASDA colleagues were sent proposals to change the ASDA pension scheme. This has stirred the emotions of ASDA colleagues up and down the country. Colleagues have not only expressed their concerns and anger at plans to close the Step Up section and reduce death in service benefit but they have started to look more broadly at what they believe ASDA as a large and good employer should offer its colleagues.

GMB Members response

From the launch of ASDA pension proposal GMB started an extensive consultative exercise with its membership. GMB has had an overwhelming response to its own pension questionnaire with over 10,000 responses. This is an unprecedented level of engagement from GMB members and their message was clear and unequivocal. This questionnaire has helped form GMB counter proposal.

The striking response from the GMB questionnaire is that three quarters of all GMB members in ASDA do not believe they will ever be able to afford to retire. The response to this question is shocking. GMB hopes that this resonates with ASDA and they will do something positive for ASDA colleagues.

ASDA have also received over 2,000 direct responses from GMB members alone to their own consultation.

- ★ **Over 10,000 responses to pensions questionnaire**
- ★ **3/4 employees can't afford to retire**
- ★ **5 new principles for GMB's counter proposal**

GMB Counter Proposal

The GMB counter proposal is simple but we will explain each point in detail.

1. GMB members expect at the very least to have a pension comparable to other leading supermarkets
2. GMB members expect ASDA to contribute at least as much as they do in to their pension
3. GMB members expect contributions on all of their pay
4. GMB members expect 4 x death in service for all
5. GMB expects Asda to respect the pension rights of staff who have transferred in to ASDA, abiding by their current terms

GMB members expect a pension comparable to other supermarkets.

ASDA's three main competitors by market share are Tesco, Sainsbury's and Morrison's.

	Type of Pension	Pensionable Pay	Contributions	Death in Service
Tesco	Defined Contribution	Total Pay	Matched from 4% to 7.5%	5x Annual contracted pay
Sainsbury's	Defined Contribution	Total Pay	Matched from 4% to 7.5%	6x Annual contracted pay
Morrison's	Defined Benefit	Basic Pay	Employee 5% & Employer 11%	4x Annual contracted pay

There is marked point of difference between ASDA's pension proposal and the pensions provided by its competitors. ASDA are looking to offer no more than legal minimum. ASDA colleagues believe they deserve better than the legal minimum. ASDA colleagues, say if the other big supermarkets can afford decent pensions then ASDA can do as well.

Currently in both the Start and Step Up sections of the ASDA scheme, the employer matches the employee contributions. All the GMB members questioned wanted at least matching contributions, with 2/3rd expecting matched contributions and 1/3rd expecting ASDA to pay more than them.

ASDA adopting the approach of offering the legal minimum will see employees contributing more than the employer in what GMB members see as a retrograde step and a disenfranchising move.

GMB members see their pension as their deferred pay and therefore expect ASDA to contribute on at least equivalent basis akin to their competitors.

Salaried staff within ASDA will continue to benefit from matching contributions even after ASDA's proposals to their pensions is adopted. GMB believes that ASDA hourly paid staff shouldn't be treated any worse than the salaried staff.

GMB members want pension contributions based on all their pay.

ASDA proposal to change pensionable pay to exclude wages below the Lower Earnings Limit is out of step with competitors, legislators and hits part time women workers the hardest.

All of ASDA's main competitors have a form of pensionable pay which doesn't have a disregard. GMB members all agreed they wanted their pension contributions to be based on all pay. GMB is aware that over 1,500 current Step Up scheme members will receive no contributions from ASDA under their proposal; in essence excluding them from pension saving. Although ASDA have not yet provided GMB with the gender breakdown requested, we believe that these will be mainly low paid part-time women whom ASDA wish to exclude from pension saving.

“ ASDA colleagues believe they deserve better than the legal minimum. If the other big supermarkets can afford decent pensions then ASDA can do as well. ”

There are nearly 50,000 ASDA colleagues who aren't a member of a pension scheme, most of these will have been excluded due to not meeting the Auto-Enrolment eligibility criteria. GMB suspects that a large fraction of these 50,000 colleagues earn less than £5,876 and therefore would receive no contributions under ASDA's proposal. The essence of Auto-Enrolment was to bring more people in to pension saving and ASDA's proposal excludes many thousands of which GMB believe will be mostly low paid women.

The thought that an employer such as ASDA would cut death in service benefit from 4x to 1x has genuinely shocked and angered ASDA colleagues.

Through the consultation the disparity within death in service has been highlighted. People have asked why is one colleagues life valued at 5 x times and another's at 1x. The inequity and unfairness is there for all to see

As the GMB probed the number of cases it also came to light that around 30 colleagues per year die who didn't have access to any death in service leaving their families destitute at a time of need.

GMB members also have major concerns about death in service being based on P60 earnings where a colleague may be on reduced or no pay due to sickness. GMB members are clear that all hourly paid staff should receive 4x their normal annual pay if they were to die in service.

The small number of ASDA colleagues whose pensions are protected through TUPE should continue to enjoy this benefit.

Closing the Step Up section will hit long serving and hard working ASDA colleagues. It's not fair that these colleagues, who have given so much to ASDA should see their pension cut.

Conclusion

The ASDA pension proposal is unacceptable to GMB members and emotions are running high.

ASDA's proposal if it was to go ahead means they will be paying less than 1.5% of all pay for hourly paid colleagues. GMB members believe they deserve better than this. ASDA can and should do more to provide for colleagues when they retire.

GMB urges ASDA to take our members counter proposal seriously. ASDA is required to comply with changes to auto enrolment in April 18 but can and should take time to discuss medium and longer term changes with its trade union partners.

The GMB counter proposal

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Our counter proposal is available to view online by visiting www.gmb-asdapensions.org

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