

No. 586/20

4<sup>th</sup> December 2020

Dear Colleague,

## Membership Subscription – Retired & Retired Associate Members – from 1st January 2021

You will be aware that the CWU Rule book, at rule 11.5.2 contains the following instruction:

**“The rate for retired and retired associate members shall increase on 1 January each year by the same percentage increase as the known CPI at the time.”**

This means that we have to notify this increase in advance for pension deduction purposes and write to 4,962 direct debit payers. In order to do this, we traditionally take the decision to apply this increase in October using the current CPI rate at that time. The current CPI rate at that time i.e. 1<sup>st</sup> October 2020 was announced on the 16<sup>th</sup> September 2020 and stood at 0.2%.

Currently we have 13,479 retired members. The retired members subscription rate is £5.32 (non-political levy). This means as follows:

Monthly income  $13,479 \times £5.32 = £71,708.28p$

Yearly income  $£71,708.28p \times 12 = £860,499.36p$

Yearly income multiplied by 0.2% =  $£860,499.36/100 = £8,604.99p \times 0.2 = £1,720.99p$  (additional annual income)

If we wrote to all direct debit payers to notify them of such an increase, as we would be required to do under the banking direct debit mandate, it would cost  $4,962 \times £0.80p$  (approx. letter and 2<sup>nd</sup> class postage cost) = £3,969.60p. It would cost us more to notify DD payers of the 0.2% increase than we would get in total from applying the increase. Indeed, it would be approximately 2.3 years from the date the increase was applied before we recovered that expenditure.

In addition, whilst the monthly rate is £5.32 we have a large number of weekly paying retired members. They pay £1.23 per week (rounded), 0.2% of £1.23p is £0.002p, in other words a fraction that cannot be added to a weekly paying subscription rate because it is below 1p. For weekly paying retired members there is no other way of collecting the additional £0.12768p that a yearly increase would bring. Monthly payers would be fine; they would pay the extra 1p per month.

Following discussion with the NEC and the CWU Trustees we believe these are valid reasons not to increase retired members subscriptions on 1<sup>st</sup> January 2021 as per rule 11.5.2. It is neither practical nor cost effective to implement this change at this time. Therefore, from 1<sup>st</sup> January 2021 the membership subscription rates for Retired and Retired Associate Members remains unchanged, as follows:

CWU Contribution rates - from 1 January 2021	Weekly Contributions		Monthly Contributions	
	"I" Rate £	"O" Rate £	"I" Rate £	"O" Rate £
Retired Members	1.43	1.23	6.19	5.32
Retired Associate Members	n/a	n/a	4.81	3.94

The CWU NEC reserves the position to add on the 0.2% increase to any future increases that the NEC agrees.

Any enquiries regarding this Letter to Branches should be addressed to the Senior Deputy General Secretary's Department on telephone number 020 8971 7237, or email address [sdgs@cwu.org](mailto:sdgs@cwu.org).

Yours sincerely,



Tony Kearns  
**Senior Deputy General Secretary**