

# NATIONAL GAS TRANSMISSION

## Levels 1-8 BONUS Proposal

Dear member

As part of the 2023 Pay Agreement, the Company and Joint Trade Unions agreed to review the Pay Framework, in relation to levels 6-8 pay progression and the bonus construct for all levels 1-8.

### Bonus proposals

- The proposal puts all L1-8 on the same ratings and percentages, as opposed to the earlier design which had different scales for 1-5 compared to L6-8.
- The proposal simplifies the bonus construct and makes it easier for everyone to understand.

The proposal also allows for a larger potential bonus for L1-5 than the previous (6% proposed vs 5% previously) bonus. The proposal has potential to pay higher in more instances than the previous, examples below:

Below is the historical 2018-20 construct shown next to the proposed new design;

### Bonus construct. 2018 -20 design vs proposed

2018-20 with individual rating	
	L1-5 Max
Exceptional	5.00%
Above Target	5.00%
Achieved	2.75%
Mostly Achieved	2.75%
Unacceptable	0%
	L6-8 Max
Exceptional	6.00%
Above Target	4.25%
Achieved	2.75%
Mostly Achieved	1.375%
Unacceptable	0%

Proposed				
Business Performance		Individual Performance - L1-8		TOTAL
Max (100% of targets)	3.0%	Exceptional	3.0%	6.0%
		Above Target	2.25%	
		Achieved	1.50%	
		Mostly Achieved	0.75%	
No targets met (0% of targets)	0%	Unacceptable	0%	0%

#### Proposed approach (above)

- 6% potential per person (both elements combined)
- Individual receives the sum of both added together
- Equal split of business and individual elements (50/50)
- Business element is linear– can land at any point from 0% to 3%
- Individual element is pegged – can land at any one of 5 points
- Opportunity to earn more in most instances than under 2018-20 scheme
- More opportunity to be rewarded for individual performance than under flat awards of in 2022 (2.75%) and 2023 (3%)

Example 1

Level 5 “Achieved” rating at EOY, and Company performs at 80% of total targets		
Previous design		<b>2.2% bonus paid</b>
Proposed design	1.5% for individual element plus 2.40% for company element =	<b>3.9% bonus paid</b>

Example 2

Level 5 “Above Target” rating at EOY, and Company performs at 80% of total targets		
Previous design		<b>4% bonus paid</b>
Proposed design	2.25% for individual element plus 2.40% for company element =	<b>4.65% bonus paid</b>

Example 3

Level 5 “Mostly Achieved” rating at EOY, and Company performs at 80% of total targets		
Previous design		<b>2.2% bonus paid</b>
Proposed design	0.75% for individual element plus 2.40% for company element =	<b>3.15% bonus paid</b>

Example 4

Level 7 “Achieved” rating at EOY, and Company performs at 80% of total targets		
Previous design		<b>2.2% bonus paid</b>
Proposed design	1.5% for individual element plus 2.40% for company element =	<b>3.9% bonus paid</b>

Example 5

Level 7 “Above Target” rating at EOY, and Company performs at 80% of total targets		
Previous design		<b>3.4% bonus paid</b>
Proposed design	2.25% for individual element plus 2.40% for company element =	<b>4.65% bonus paid</b>

Example 6

Level 7 “Mostly Achieved” rating at EOY, and Company performs at 80% of total targets		
Previous design		1.1% bonus paid
Proposed design	0.75% for individual element plus 2.40% for company element =	3.15% bonus paid

We believe that real progress has been made to improve the bonus. GMB is recommending acceptance of the proposal.

The ballot will run until 12 Noon on Monday 30<sup>th</sup> October 2023 for all GMB levels 1 to 8 members. If you're not yet a GMB Union member, you can join online at [www.gmb.org.uk](http://www.gmb.org.uk)

In solidarity

**Gary Carter**  
National Officer

