

Grow

Build

Change



Financial Proposals for Congress 2019

GMB Congress 2019

Financial proposal for Congress 2019

CEC April 30, 2019

The economy of the UK has rarely faced a threat as great as the uncertainty caused by the Brexit referendum and the continued failure of the political parties to find a way through to a relationship with our European neighbours which will protect the jobs and living standards of working people in this country. GMB understands these threats and is putting the defence of our members at the centre of everything we do, now and in the future. In order to do this, we must remain financially strong. A bad Brexit could have a serious effect on our membership numbers, but the CEC is clear that we will meet that challenge, as we have met past challenges, with redoubled organising efforts, and if necessary budget reviews. We will not put the burden on members' contributions. Another thing the CEC will not do is to allow the union to drift back into deficit, because we know that the strength and health of our union is essential to the protection of our members.

GMB has had a number of years of financial and membership stability, based on the very simple principle of never spending more on our regular operations than we earn from contributions. We achieve this by keeping a delicate balance between income and the essential expenditure needed to protect our members and grow our membership. A growing membership of course not only secures the union financially, but builds the power of solidarity behind every single GMB member.

The CEC is this year recommending a contribution increase roughly equal to inflation. 10p would be added to the weekly grade 1 rate and 5p to the weekly grade 2 rate. This recognises that our main costs are personnel costs, but the CEC believes that the increase will also provide sufficient resources for investment in communications and other technologies to stay competitive and meet our members' needs into the mid-21st century. The CEC is, as ever, conscious of the affordability of union contributions, and debated the impact of recent changes to local authority wage rates and minimum wage levels. We rejected any idea of freezing contributions. This has been tried in the past, and led then to a £3m deficit, followed after two years by Congress being asked to pass a 25% increase in contributions, all with no positive impact on membership numbers. We also considered various options for special rates for particular groups of members, but we believe that the existing rules provision for promotional rates already allow the union to adapt our contribution rates for special circumstances.

In 2018, Congress accepted a financial report which included a report of the CEC's investigations into a wage-related contribution scale. The CEC's conclusions are reproduced here, and the CEC sees no reason for Congress to overturn its long-held policy against a wage-related scale, reaffirmed in 2018.

"A number of unions charge contributions related to a member's earnings. This has the attraction of theoretically benefitting the union when wage negotiations are successful, but it has been discussed and rejected by Congress on numerous previous occasions. It would be difficult to apply in GMB due to the huge range of our members' pay rates and the probable need to rely on "self-certification". It would also be disruptive and could be unpopular among members whose contributions would have to rise to maintain the union's income levels. When, in the past, GMB colleagues visited another large union which operates a wage-related system, we found that the absence of fixed rates meant that the quality of data in the membership system, particularly for check-off members, was inferior to GMB. Finally, GMB's contribution structure is better for our democracy, as it obliges Congress to have an annual debate on finance, which is often side-lined in other unions. "

Congress in 2018 also again rejected the concept of family membership.

One further area of contributions which the CEC suggests should be reviewed is the contribution for retired life membership. This was formerly a one-off payment of £40.00, and it was removed in 2015. The cost of eliminating this payment was around £40,000 per year, but the concern is that now, many members are reclassified as retired life members without them taking an active decision to remain involved, leading to a disproportionate growth in membership numbers representing members who are not paying regular contributions.

Finally, on contribution rates, the CEC proposes that the qualification under rule 47 expressly includes maternity and shared parental leave, which results in the member's wage being significantly reduced or stopped.

The CEC has considered a number of changes to cash benefits. Funeral benefit still falls below the actual cost of a funeral, and our policy has been to move the rate up when finances allow. The benefit was last increased in 2015, and the proposal is that the benefit is increased in line with inflation to £375, with no changes to the qualifications for benefit. We should also retain the right to recover arrears from the funeral benefit.

There are some aspects of the rules for disablement and fatal accident benefit which the CEC considers may be out of date. There is a provision in the rules for both benefits that, if there is a successful legal claim arising from the accident which caused our member's disablement or death, and that claim results in an award of ten times the maximum level of grant available in our rules, then GMB benefit will not be payable. The CEC feels that this unfair in that the measure of legal damages is based on many factors, including the level of, possibly, an employer's culpability, and it seems odd that benefit is withheld from what would usually be the most serious cases. We have no record of the restriction being operated, and the CEC suggests that it should be removed.

Two further restrictions on fatal accident benefit are that funeral benefit is withheld (or recovered) if a late member is awarded fatal accident benefit, and that any disablement benefit previously paid is deducted from a fatal accident award. The CEC believes that withholding funeral benefit is unnecessarily mean-minded and should cease. The bar on duplicating benefits was intended to avoid paying twice in cases of industrial diseases, but again, we have no record of this restriction being operated, and propose it is abolished.

Finally, the annual payment of superannuation paid to former members of the Boilermakers' Society (ASBSBSW) has remained unchanged for some time. The fund is in an actuarial deficit, but the number of beneficiaries is now dwindling. The CEC proposes that the benefit be increased from £64.00 to £70.00. The proposals in this report allow the CEC to carry on building and strengthening our union, with some modernisation of our benefits package, and the CEC commends them to Congress.

The CEC recommends the following rule changes to give effect to these proposals:

CECRA5

Rule 45 Clause 1,

Line 3: Delete “join”, insert “joined”

Line 4: Delete “£3.15”, insert “£3.25”

Line 9: Delete “£1.83”, insert “£1.88”

Line 11: Delete “£3.16”, insert “£3.26”

Line 12: Delete “£3.15”, insert “£3.25”

Line 17: Delete “£1.84”, insert “£1.89”

Line 18: Delete “£1.83”, insert “£1.88”

Clause will now read:

1 Once they join the union, members will pay a contribution in line with this rule.

Members who joined before 1 March, 2018 and all members in Northern Ireland will pay £3.25 a week and be classed as grade-1 members, **unless** they are:

- part-time members employed for 20 hours or less;
- young people under 18; or
- recruited as being unemployed;

in which case, they will pay £1.88 a week and be classed as grade-2 members.

Members who join on or after 1 March, 2018 will pay £3.26 a week if they opt in to the political fund and £3.25 if they do not, and be classed as grade-1 members, **unless** they are:

- part-time members employed for 20 hours or less;
- young people under 18; or
- recruited as being unemployed;

in which case, they will pay £1.89 a week if they opt in to the political fund and £1.88 if they do not, and be classed as grade-2 members.

Grade-2 members can choose to pay the contribution rate for, and be classed as, grade-1 members.

The above grades are only used for deciding what contributions members should pay and the benefits they may receive

CENTRAL EXECUTIVE COUNCIL

CECRA6

Rule 45, Clause 2,

Line 4: Delete “£3.15”, insert “£3.25”

Line 5: Delete “£1.83”, insert “£1.88”

Clause will now read:

2 Branch committees will have the power to fix the amount lapsed members (members who joined but later stopped paying contributions) need to pay to rejoin. This amount will be between £3.25 and £10 for grade-1 members and between £1.88 and £5.50 for grade-2 members, except in particular circumstances when we may increase the amount with the approval of the regional committee.

CENTRAL EXECUTIVE COUNCIL

CECRA7

Rule 47 Title

Delete “when unemployed or ill”

Title to read:

Rule 47 Paying reduced contributions

CENTRAL EXECUTIVE COUNCIL

CECRA8

Rule 47, Clause 1

Line 2, delete from “who are” to “pregnant); and”

Replace with: “who are temporarily not working either because of unemployment, illness or maternity or shared parental leave (including where the employer has a sick pay scheme in force);and”

Clause to read

1. This rule gives members

- **who are temporarily not working either because of unemployment, illness or maternity or shared parental leave (including where the employer has a sick pay scheme in force);and**
- **whose ordinary wage is significantly reduced or stopped as a result**

the right to pay a reduced contribution to continue to be entitled to those benefits which they would normally be entitled to when paying full contributions, in line with the conditions set out in these rules.

CENTRAL EXECUTIVE COUNCIL

CECRA9

Rule 47, clause 4

Line 1, after “Any member who” delete “is out of work or ill”

Insert “qualifies under clause 1 of this rule”

Clause to read:

4 Any member who qualifies under clause 1 of this rule and is covered by their employer's sick-pay scheme can apply to the branch secretary to have their contributions reduced to 5p a week. The member must do this no more than six weeks from the date they stopped working. The reduced rate will apply for the time the member is out of work or ill, and will allow them to continue to receive the same benefits as if they were paying full contributions.

CENTRAL EXECUTIVE COUNCIL

CECRA10

Rule 47, clause 5

Line 1, after “If the member” delete “is ill or unemployed” insert “who qualifies under this rule is not working”

Clause to read:

5 A member cannot pay a reduced rate for more than 26 weeks in a row. If the member who qualifies under this rule is not working for more than 26 weeks, the branch secretary must notify the regional secretary. The regional committee will consider the member's circumstances and will either give or refuse permission for the member's reduced rate to continue for more than 26 weeks.

CENTRAL EXECUTIVE COUNCIL

CECRA11

Rule 47, clause 7

Delete clause and replace with

7 Members who qualify under clause 1 are responsible for applying to their branch to pay the reduced rate. Members who are unable to apply themselves must get someone to apply on their behalf.

CENTRAL EXECUTIVE COUNCIL

CECRA12

Rule 52, Clause 4

Delete clause.

CENTRAL EXECUTIVE COUNCIL

CECRA13

Rule 53

Clause 1, Line 4, delete “£350”, insert “£375”

Clause to read

1. If a full financial member, who has been a continuous member for 5 years dies, the regional secretary will, having been given a copy of the death certificate, pay the widow, widower, member of the family or nominated person a funeral grant of £375. (This person will need to show that they are responsible for paying funeral expenses).

CENTRAL EXECUTIVE COUNCIL

CECRA14

Rule 56

Clause 4

Delete Clause

Clause 5

Delete Clause.

Re-number clause 6 as clause 4

CENTRAL EXECUTIVE COUNCIL

CECRA15

Rule 31

Clause 4, line 5

Delete “£64”, insert £70”

Clause to read:

4. Every member of the full benefit section of the fund who:

- reaches age 60;**
- has been a continuous member for 40 years; and**
- has retired from the trade;**

will be entitled to a superannuation benefit of £70 a year.

CENTRAL EXECUTIVE COUNCIL