

6th June 2007

**INDUSTRY EMPLOYMENT RELATIONS
REVIEW OF THE NAECI 2007 – 2010**

**SCHEDULE OF RATES AND ALLOWANCES FOR THE PERIOD
MONDAY, 4TH JUNE 2007 – SUNDAY, 27TH JANUARY 2008**

The National Joint Council confirms that following the Review of the NAECI, undertaken by representatives of the Signatory Employers and Trades Unions, the Secretary of the NECC has confirmed, on behalf of the Signatory Trades Unions, that the Employers' proposals for a three year Settlement in respect of Wages and Conditions and the finalised NAECI Text have been accepted as a single, indivisible package, following a period of extensive consultation.

The revised rates and allowances in respect of the period 4th June 2007 to 27th January 2008 only, for all grades in NAECI A.12, and details of the additional revisions are attached.

Employers shall implement the new rates from Monday, 4th June 2007 and shall make payment in the subsequent week in accordance with company policy:

- a) All base, shift and overtime rates, radius, accommodation allowances and sick pay [other than (b) below] to increase by 4.4%.
- b) Sick pay after 13 weeks [Grades 4, 5 & 6] to increase by 50% to £150 per week.
- c) Welders' proficiency payments to increase as set out in NAECI A12.3 below.
- d) Death benefit to increase by 43% to £20,000.
- e) Additional occupational fatal accident benefit to increase by 30.5% to £30,000.
- f) Bereavement leave to increase to 5 days in the event of the death of a spouse, civil partner, child, parent or sibling.
- g) Weekly severance pay accrual to increase by 7%.
- h) The upper limit for performance – based incentive bonus payments on Categorized Work to increase 15.6% to a maximum of £1.85.
- i) The upper limit for incentive bonus arrangements where the National Guaranteed Rates are payable to increase by 2.3% to a maximum of £2.20.

The issues still to be confirmed are as follows:

- Rates for 16/17 year olds.
- Rates for Apprentices
- Rates for Salaried Status

It is the intention to deal with these in a subsequent Communique, to be published in the near future.

REVIEW OF THE NAECI 2007 – 2010 ADDITIONAL AGREED PROVISIONS

The Signatory Employers further agree to work together with the Trades Unions, over the lifetime of the above Settlement:

- To review provisions due for incorporation in a separate **NJC Supplement**, in so far as they relate to:
 - Promoting further growth in the recruitment of apprentices and trainees
 - Developing jointly sponsored training for shop stewards
 - Issuing a model written statement of particulars of employment
 - Enhancing provision for health screening
- To identify appropriate **nuclear decommissioning activities** to be brought within scope of the Agreement.
- To review pension provision, prior to implementation of a new or improved **industry pension scheme** during the course of 2008/9.
- To review the industry framework for **skills, training, career development, competence and grading**.

The NJC will enquire if the existing taxation treatment dispensation might continue.

It is a condition of the review that there will be no further improvements in the rates, allowances or any other terms of the National Agreement beyond those detailed above prior to Monday 28th January 2008.

The agreed revised rates and allowances in respect of the remaining two years of the Settlement will be contained in the new Agreement, when published.

A12.8 RATES OF PAY ON CATEGORISED WORK [NAECI 18.2]

(a) For graded employees [NAECI A1.2]

	Grade 1		Grade 2		Grade 3		Grade 4	Grade 5	Grade 6	
	Adult	16/17 yrs	Adult	16/17 yrs	Adult	16/17 yrs				
Basic rate/ day work	£ 7.92	<i>tbc</i>	£ 9.09	<i>tbc</i>	£ 10.31	<i>tbc</i>	£ 12.17	£ 12.71	£ 13.25	
Night shift	£10.02	<i>tbc</i>	£ 11.53	<i>tbc</i>	£13.05	<i>tbc</i>	£ 15.41	£ 16.08	£ 16.77	
Afternoon shift	£ 9.33	<i>tbc</i>	£ 10.74	<i>tbc</i>	£12.17	<i>tbc</i>	£ 14.37	£ 14.99	£ 15.63	
Double day shift	Mornings	£ 9.20	<i>tbc</i>	£ 10.55	<i>tbc</i>	£ 11.96	<i>tbc</i>	£ 14.13	£ 14.74	£ 15.36
	Afternoons	£ 9.82	<i>tbc</i>	£ 11.30	<i>tbc</i>	£12.78	<i>tbc</i>	£ 15.10	£ 15.75	£ 16.41
3 shifts	5 days	£ 9.69	<i>tbc</i>	£ 11.13	<i>tbc</i>	£12.62	<i>tbc</i>	£ 14.90	£ 15.55	£ 16.21
	7 days	£ 9.82	<i>tbc</i>	£ 11.30	<i>tbc</i>	£12.78	<i>tbc</i>	£ 15.10	£ 15.75	£ 16.41
Rolling shifts	Days	£ 9.51	<i>tbc</i>	£ 10.93	<i>tbc</i>	£12.37	<i>tbc</i>	£ 14.61	£ 15.24	£ 15.87
	Nights	£10.45	<i>tbc</i>	£ 12.03	<i>tbc</i>	£13.61	<i>tbc</i>	£ 16.07	£ 16.77	£ 17.49
Overtime	Rate 'A'	£11.08	<i>tbc</i>	£ 12.75	<i>tbc</i>	£ 14.45	<i>tbc</i>	£ 17.04	£ 17.79	£ 18.54
	Rate 'B'	£14.24	<i>tbc</i>	£ 16.38	<i>tbc</i>	£18.67	<i>tbc</i>	£ 21.91	£ 22.86	£ 23.84

Note: Details of National Guaranteed Rates are set out at NAECI A12.2(a).

(b) For employed apprentices [NAECI A1.5(a)]

To be confirmed in future NJC Communique.

(c) Incentive bonus arrangements on Categorised Work [NAECI 19]

(i) The following provisions must be read in conjunction with NAECI 19.

(ii) On Categorised Work, any incentive bonus arrangements established by an employer shall take the form of EITHER (1) a fixed productivity allowance only [NAECI 19.2], OR (2) a performance-based payments arrangement, with or without a fixed element [NAECI 19.3]. Subject to (iii)-(vii) below, the amounts payable under any such arrangement are to be determined locally.

(iii) The maximum amount payable under a fixed productivity allowance arrangement established in accordance with NAECI 19.2 shall not exceed £1.10 per hour worked (and *pro rata* for all other employees, as set out in (v)-(vii) below).

(iv) The maximum amount payable under a performance-based payments arrangement established in accordance with NAECI 19.3 shall not exceed £1.85 per hour worked (and *pro rata* for all other employees, as set out in (v)-(vii) below), incorporating a maximum Fixed Productivity Allowance element of £1.00 per hour worked (and *pro rata* for all other employees, as set out in (v)-(vii) below).

(v) Grades 4, 5 & 6: 100% of locally determined payment

Grade 3 (Adult): 80% of Grades 4, 5 and 6

Grade 2 (Adult): 70% of Grades 4, 5 and 6

Grade 1 (Adult): 60% of Grades 4, 5 and 6

(vi) Incentive bonus payments for 16/17 year olds - to be confirmed in future NJC Communique

(vii) Incentive bonus payments for employed apprentices - to be confirmed in future NJC Communique

(viii) Existing incentive bonus arrangements (i.e. fixed second tier and/or PPIS) operated in accordance with the NAECI on Categorised Work prior to 4 June 2007 shall remain unaltered and in force unless and until varied by agreement in accordance with NAECI 19.1 to 19.3.

Note: The payment provisions for incentive bonus arrangements where National Guaranteed Rates are payable are set out at NAECI A12.2(c).

**A12.2 NATIONAL GUARANTEED RATES OF PAY [NAECI 6.2]
(FORMERLY CATEGORY 4)**

(a) For graded employees [NAECI A1.2]

	Grade 1		Grade 2		Grade 3		Grade 4	Grade 5	Grade 6	
	Adult	16/17 yrs	Adult	16/17 yrs	Adult	16/17 yrs				
Basic rate/ day work	£ 7.10	<i>tbc</i>	£ 8.14	<i>tbc</i>	£ 9.23	<i>tbc</i>	£ 10.82	£ 11.35	£ 11.87	
Night shift	£ 9.00	<i>tbc</i>	£ 10.31	<i>tbc</i>	£ 11.68	<i>tbc</i>	£ 13.71	£ 14.38	£ 15.04	
Afternoon shift	£ 8.38	<i>tbc</i>	£ 9.62	<i>tbc</i>	£ 10.88	<i>tbc</i>	£ 12.77	£ 13.38	£ 14.02	
Double day shift	Mornings	£ 8.25	<i>tbc</i>	£ 9.47	<i>tbc</i>	£ 10.70	<i>tbc</i>	£ 12.55	£ 13.16	£ 13.79
	Afternoons	£ 8.81	<i>tbc</i>	£ 10.11	<i>tbc</i>	£ 11.44	<i>tbc</i>	£ 13.44	£ 14.08	£ 14.73
3 shifts	5 days	£ 8.70	<i>tbc</i>	£ 9.97	<i>tbc</i>	£ 11.30	<i>tbc</i>	£ 13.25	£ 13.89	£ 14.54
	7 days	£ 8.81	<i>tbc</i>	£ 10.11	<i>tbc</i>	£ 11.44	<i>tbc</i>	£ 13.44	£ 14.08	£ 14.73
Rolling shifts	Days	£ 8.53	<i>tbc</i>	£ 9.79	<i>tbc</i>	£ 11.07	<i>tbc</i>	£ 12.99	£ 13.61	£ 14.26
	Nights	£ 9.36	<i>tbc</i>	£ 10.76	<i>tbc</i>	£ 12.17	<i>tbc</i>	£ 14.28	£ 14.99	£ 15.69
Overtime	Rate 'A'	£ 9.95	<i>tbc</i>	£ 11.40	<i>tbc</i>	£ 12.91	<i>tbc</i>	£ 15.15	£ 15.88	£ 16.63
	Rate 'B'	£ 12.78	<i>tbc</i>	£ 14.66	<i>tbc</i>	£ 16.60	<i>tbc</i>	£ 19.48	£ 20.42	£ 21.38

Note: Details of rates payable on Categorised Work (1-3) are set out at NAECI A12.8(a).

(b) For employed apprentices [NAECI A1.5(a)]

Rates to be confirmed in future NJC Communique.

(c) Incentive bonus arrangements (National Guaranteed Rates only) [NAECI 6.3]

(i) The following provisions must be read in conjunction with NAECI 6.3.

(ii) Subject to (iii)-(vi) below, the amounts payable under any incentive bonus arrangement established in accordance with NAECI 6.3 are to be determined locally.

(iii) The maximum amount payable under such an arrangement shall not exceed £2.20 per hour worked (and *pro rata* for all other employees as set out in (iv)-(vi) below).

(iv) Grades 4, 5 & 6: 100% of locally determined payment
 Grade 3 (Adult): 80% of Grades 4, 5 and 6
 Grade 2 (Adult): 70% of Grades 4, 5 and 6
 Grade 1 (Adult): 60% of Grades 4, 5 and 6

(v) Incentive bonus payments for 16/17 year olds - to be confirmed in future NJC Communique

(vi) Incentive bonus payments for employed apprentices - to be confirmed in future NJC Communique

Note: The payment provisions for incentive bonus arrangements on Categorised Work (1-3) are set out at NAECI A12.8(c).

A12.3 PROFICIENCY PAYMENTS FOR WELDING [NAECI 6.4]

CATEGORY	Materials to be welded	Nature of work	Qualifying weld tests to be completed by each skilled employee and approved to:	Proficiency payments in addition to the skilled basic rate in A12.2(a) or A12.8(a)
A	Any material in category B, C or D	Manual, semi-automatic or stud welding of non-pressure parts: e.g. casings or structural work.	The satisfaction of the employer within the appropriate design and safety standards, but where the work does not require a test to be passed in accordance with BS EN 287/ ASME IX or equivalent.	None
B	Carbon steel	Welding of pressure parts, tubes, pipes, vessels or structural work.	BS EN 287/ ASME IX or equivalent.	11p per hr
C	Either ferritic alloy or austenitic steel (but not both)	Welding of pressure parts, tubes, pipes or vessels.	BS EN 287/ ASME IX or equivalent for both materials.	18p per hr
D	Both ferritic alloy & austenitic steel	Welding of pressure parts, tubes, pipes or vessels.	BS EN 287/ ASME IX or equivalent for both materials.	26p per hr
E	Any material in category B, C or D	Welding of pressure parts, tubes, pipes or vessels.	A0339 Build quality 1 and 2 weldments or equivalent for any material.	34p per hr

A12.4 RADIUS ALLOWANCE [NAECI 9.1]

BRACKET MILES		SCALE 1			SCALE 2
Over	Not exceeding	Taxed £	Tax free £	Total £	
2	8	NIL	NIL	NIL	NIL
8	11	£ 1.96	NIL	£ 1.96	£ 1.29
11	14	£ 2.98	£ 0.99	£ 3.97	£ 2.58
14	17	£ 4.15	£ 2.15	£ 6.30	£ 4.20
17	20	£ 5.14	£ 3.15	£ 8.29	£ 5.48
20	25	£ 6.03	£ 4.04	£ 10.07	£ 6.69
25	30	£ 6.74	£ 4.74	£ 11.48	£ 7.55
30	35	£ 7.33	£ 5.33	£ 12.66	£ 8.43
Over 35		£ 7.88	£ 5.89	£ 13.77	£ 9.23

A12.5 ACCOMMODATION ALLOWANCE [NAECI 9.2]

(a) Daily and weekly rates

Daily rate	£ 28.19
Weekly rate	£ 197.33

(b) Accommodation retainer for public holidays and periodic leave

Daily rate	£ 8.28
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(c) Accommodation retainer for annual holidays and sickness absence

Daily rate	£ 4.76
Weekly rate	£ 33.32

A12.6 LONDON SUPPLEMENT [NAECI 9.3(b)]

Daily rate	£ 8.77
Weekly rate	£ 61.39

A12.7 OTHER PAYMENTS AND BENEFITS

(a) ECI Stakeholder Scheme - employee/ employer weekly contributions [NAECI A5.1(b)]

Minimum employee contribution	£ 3.90
Fixed employer contribution (conditional on individual making at least the minimum employee contribution above)	£ 5.00

(b) Welplan Limited: Benefits schedule [NAECI 11.3]

Note: The levels of Benefits 1, 2.1 and 3 indicated below first took effect on Monday 4 June 2007. Deaths occurring, and periods of sickness commencing, prior to this date shall continue to attract benefits calculated according to the levels of benefit applicable before 4 June. For these purposes the 8 week linking rule shall apply to weekly sickness and accident entitlement.

1. DEATH BENEFIT	£ 20,000	
Death by any cause		
2. ACCIDENT LUMP SUM BENEFITS		
2.1 ACCIDENTAL DEATH		
Fatal Accident due to occupational or site accident	£ 30,000	
Note: Death benefit will be payable in addition to any Fatal Accident benefit that may become payable.		
2.2 DISABLEMENT		
due to an occupational or site accident		
(a) Loss of sight		
- 1 eye	£ 10,000	
- 2 eyes	£ 20,000	
Total loss by amputation or permanent loss of use of -		
(b)		
(i) 1 limb (hand, arm, foot or leg)	£ 10,000	
(ii) 2 or more limbs	£ 20,000	
(c) Big toe	£ 265	
(d) Any other toe	£ 65	
(e) Four fingers or a thumb	Right Hand	Left Hand
(f) Index finger	£ 1,335	£ 1,070
(g) Any other finger	£ 800	£ 665
	£ 135	£ 100
Note: Payment in respect of a left handed person will be reversed where the claim is under items (e), (f) or (g).		
(h) Permanent total disablement from resuming any occupation for remuneration or reward.	£ 20,000 payable after 52 weeks consecutive disability	
3. WEEKLY SICKNESS AND ACCIDENT BENEFIT		
Weekly Benefit payable for absence from work due to sickness or injury (excluding the first 7 days of absence from work):		
Weeks 2-14 inclusive (all Grades)	£ 104.40	
Weeks 15-27 inclusive (Grades 1-3)	£ 104.40	
(Grades 4-6)	£ 150.00	
Benefit is payable for a maximum of 26 weeks in total.		
MAXIMUM LUMP SUM BENEFIT FORMULAE FOR ANY ONE EMPLOYEE		
Death due to any cause Death benefit	BENEFIT 1	
Accidental death due to occupational or site accident Fatal Accident benefit Death benefit	BENEFIT 2.1 AND BENEFIT 1	
Accident NOT resulting in death Permanent Disablement benefit	As per scale (BENEFITS 2.2(a)-(h)) up to a maximum for any one accident of £20,000	

(c) Contractual severance payment [NAECI 16.5(c)]

	Grade 1		Grade 2		Grade 3		Grade 4	Grade 5	Grade 6
	Adult	16/17 yrs	Adult	16/17 yrs	Adult	16/17 yrs			
Weekly rate of accrual (up to 103 weeks)	£ 3.66	<i>tbc</i>	£ 4.28	<i>tbc</i>	£ 4.89	<i>tbc</i>	£ 5.82	£ 5.96	£ 5.96