

TSSA 2021 Annual Conference

Item 46 EC Report on Subscriptions Bands & Political Fund Contributions

The EC proposes the following motions:

46 EC Report on Subscriptions Bands & Political Fund Contributions

“That this Conference notes the EC report and agrees to:

- a campaign to update salary information, and
- a campaign to encourage political fund opt-ins.”

46A Rule Alteration

Rule 4.3.1 Subscription rates

Clause (c)

To delete “2018” in line 1 and substitute “2022”

Clause (d)

To delete “£20,000” in line 4 and substitute “£24,000”

To delete “£20,001” in line 5 and substitute “£24,001”

To delete “€25,000” in line 9 and substitute “€29,000”

To delete “€25,000” in line 10 and substitute “€29,001”

The closing date for amendments is midday on Wednesday 26 May 2021. Please follow the instructions in Circular 32 to submit any amendments. Each branch or SOG may submit one amendment to each motion.

The EC Report follows.

EC Report: TSSA Subscription Bands and Political Fund Contributions

Subscription Bands and Salaries	1																
TSSA subscriptions are determined by reference to the members basic salary and the amount payable falls into three salary bands with other bands for Retired, Free and Trainees & Apprentice. There are different rates for each band between the UK and the Republic of Ireland. To help in consideration of the report we will not differentiate between the UK and RoI choosing instead to provide a holistic approach.	2 3 4 5 6 7																
All TSSA membership	8																
At the end of 2019 we had 18087 members which fell into the various Bands as follows:	9 10																
<table border="1"> <thead> <tr> <th>Subscription Band</th> <th>Number of members</th> </tr> </thead> <tbody> <tr> <td>Free</td> <td>335</td> </tr> <tr> <td>Rate 1</td> <td>1088</td> </tr> <tr> <td>Rate 2</td> <td>14020</td> </tr> <tr> <td>Rate 3</td> <td>1910</td> </tr> <tr> <td>Retired</td> <td>561</td> </tr> <tr> <td>Trainees & Apprentices</td> <td>173</td> </tr> <tr> <td>Total</td> <td>18087</td> </tr> </tbody> </table>	Subscription Band	Number of members	Free	335	Rate 1	1088	Rate 2	14020	Rate 3	1910	Retired	561	Trainees & Apprentices	173	Total	18087	11 12 13 14 15 16 17 18
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Dealing only with Subscription Bands 1 to 3 there were 17018 Members. These break down in percentage terms as follows :	19 20																
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“Managers”	25																
Over 4,500 or 25% of our members have job titles which include the word “Manager”. Whilst not all of those roles will have salaries in excess of £50k, it seems reasonable to use this very crude measure to suggest that the percentage of members actually paying their subscriptions at Rate 3 is less than the percentage who probably should. Put another way, it seems likely that more than 41% of members with the word “Manager” in their job title are earning in excess of £50k.	26 27 28 29 30 31 32																

Network Rail

When TSSA introduced banded subscriptions, Network Rail reprogrammed their payroll software to ensure that all payroll deductions were directly linked to members salaries. They were the only employer to do this. One result is that the information which we hold in terms of payroll deductions for Network Rail is the most accurate available to the union in terms of correct subscription rates.

At the end of 2019 we had 5641 members in Network Rail who fell into Bands 1-3 as follows:

Subscription Band	Number of members
Rate 1	130 (2.3%)
Rate 2	4543 (80.5%)
Rate 3	968 (17.2%)
Total	5641

When broken down by method of payment, the proportion of rate 3 members paying by payroll deduction is about twice that paying by direct debit. This suggests that a significant number of members paying by direct debit continue to pay subs at rate 2 with salaries that should place them on rate 3.

All Employers Excluding Network Rail

Excluding Network Rail, at the end of 2019 we had 11,377 members working for other employers whose subscriptions fell into bands 1-3 as follows:

Subscription Band	Number of Members	Percentage of members
Rate 1	958	8.4%
Rate 2	9,477	83.3%
Rate 3	942	8.3%

It needs to be recognised that Network Rail, together with TfL/LUL, is amongst the leading payers in the industry and one would reasonably expect a higher percentage of members in Network Rail to fall into Rate 3 than elsewhere. However, if the percentage of members paying Rate 3 is 17.2% in Network Rail, where we have some good information, then the likelihood is that the proportion of other members paid over £50,000 is likely to be significantly higher than the 8.3% paying subs at rate 3.

Subscription bands and rates	68
Subscriptions bands and rates have remained constant since January 2018 as the union’s finances have gradually improved. 2014 Annual Conference set the weekly subscription rates for the bands and since then these bands have not been adjusted in line with inflation or pay rises, whilst subscription rates for members increased in 2018. Meanwhile, the Retail Prices Index has shown an increase between July 2014 and December 2020 of 15%.	69 70 71 72 73 74 75
Any changes to all three salary bands would disproportionately impact on Network Rail members due to the fact that significantly fewer are in Band 1 and significantly more in Band 3 and also due to the fact that our information held in terms of salaries is more accurate.	76 77 78 79
However, the Executive Committee also recognises that any delay in reviewing the salary bands significantly disadvantages those in Rate 1 as they see their subscriptions increase due to salary increases which inadvertently take them into Rate 2 subscriptions. The Executive Committee is therefore proposing to change bands 1 and 2 from January 2022 as follows:	80 81 82 83 84 85
<ul style="list-style-type: none"> • Rate 1: under £24,000/€29,000, • Rate 2: £24,001 - £50,000/ €29,001- €60,000. 	86 87
Increasing the Rate 1 band by 20% will have a relatively small impact on the union’s finances given the number of members involved (approximately 800 members which would cost in the region of £100k in reduced subscriptions). A Rule Alteration to give effect to this change will be put to Conference.	88 89 90 91 92
Proposals	93
It is clear that a major exercise needs to take place to match job titles and grades with agreed salaries across all companies and consequently with our subscription bands, whilst also actively encouraging all members to update their MyTSSA records to better reflect their actual salary. This piece of work would involve all paid staff, branches and workplace reps working together but would ultimately mean that any subsequent review(s) of the salary bands would come with less risk to the subscription income of the union. A report on progress will be considered by Conference in 2022 alongside any recommendations which the Executive Committee consider appropriate in respect of future changes to the subscription bands and rates.	94 95 96 97 98 99 100 101 102 103 104
An increase in the band 2 threshold will be appropriate to protect members on low rates of pay and assist recruitment, and a Rule Alteration is proposed to give effect to this.	105 106 107

Political Fund	108															
The introduction by the Conservative Government of changes to the law governing Trade Unions Political Funds via the 2016 Trade Union Act essentially meant that, since April 2018, new members of any union with a political fund have to actively opt-in to the fund. The Executive Committee, responding to the change in legislation, agreed new political fund rules in 2018 which were designed to protect the overall income of the union as much as possible. This has had some success.	109 110 111 112 113 114 115															
The number of members contributing to the political fund in recent years and the value of those contributions at the year end was as follows:	116 117															
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Political Fund expenditure in 2019 was £96,421 or 86% of PF contributions. Political affiliation fees, conferences and Branch payments are obligations upon which we have little control: these are projected to equate to approximately £80k in 2021 and to rise in line with inflation going forward. This leaves a decreasing amount for political donations and campaigning each year if the number of contributors continues to decline. The Executive Committee believes that the Political Fund can currently meet its annual commitments but that if the number of contributors continues to fall then the pressure on the fund will eventually bring this into serious question within about five years.	124 125 126 127 128 129 130 131 132 133															
In order to avoid this, our union needs to increase the value of member contributions to the Political Fund. This can be done in one of two ways, either increase the number of contributors or increase the rate of contribution.	134 135 136 137															
Increasing the political levy could in the short term boost the income to the fund. However, doing so could also act as a deterrent to some new joiners going forward. Any changes to the fund levy require rule changes to be communicated in writing to all members thereby increasing opt-outs.	138 139 140 141															

Under the Government legislation, all new members who have joined the union since April 2018, have to be written to directly setting out the option to leave the political fund. Whilst such correspondence is always designed to encourage them to remain in the fund it invariably leads to some members taking up the option and ending their political fund contributions. The Executive Committee believes that writing to all members to inform them of an increase in contributions to the political fund could cause a number of historical levy payers to consider opting out of the fund and together with reduced numbers of new members contributing, this would ultimately serve to increase the rate at which the Political Fund would decline and become unsustainable.	142 143 144 145 146 147 148 149 150 151 152
The Executive Committee therefore proposes to focus attention on increasing the number of members ‘opting-in’ as contributors to the fund via:	153 154 156
<ul style="list-style-type: none"> • TSSA Materials to explain clearly why opting IN is a good idea, to go with every membership form. • Use of TULO ‘message-testing’ survey previously carried out of TSSA members so we know how best to affect their decision to join (or not join) the political fund. • Specific training for workplace activists about conversations on this topic • An email and phone campaign to non-opted in members • A proper landing page on this topic on the website - including the use of video to explain what the Political Fund is for, and why members should opt in. • A dedicated micro-site linked through the membership join page making the case for why new members should opt-in. Given most TSSA members now join online, this is crucial. 	157 158 159 160 161 162 163 164 165 166 167 168 169 170
The Political Fighting Fund	171
The union’s political fighting fund (PFF) was set up to provide a source of funding during the period when the political fund was in deficit over 2017 and 2018 and political fund expenditure was prohibited by the Certification Officer.	172 173 174 175
The current value of the fund is in excess of £8k, mainly due to a significant one of donation from a TSSA member. However, the number of regular contributors to the fund currently number two. Encouraging contributors to the Political Fund to make additional voluntary contributions to the PFF would be one way of supplementing our unions political income and expenditure, however, the very limited success of the PFF suggests that it would be unlikely to make a significant difference. The Executive Committee therefore proposes that the PFF be closed with the funds being transferred to the political fund following consultation with the main contributors.	176 177 178 179 180 181 182 183 184 185
End of EC Report	