TESCO IRELAND

Mr Gerry Light
General Secretary
Mandate Trade Union
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17th January 2022

By Email & Post

Dear Mr Light,

We refer to our letter of the 16th December 2021 regarding the WRC proposals on changes to reward & benefits, and your response of the 17th December that, notwithstanding our willingness to immediately reengage with the WRC, the trade unions are not yet in a position to reengage with the WRC. It is our understanding that this may not be until late January.

We have carefully considered feedback from colleagues via various channels namely:

(a) Colleague feedback via our Store Managers

(b) Our own colleague survey regarding the proposals (conducted in November)
- in which more than 3,500 colleagues participated
- with 51% supporting the proposals
- and with over 300 colleagues volunteering their personal views

(c) Confirmation from the trade unions, in your own letters of the 8th and 17th December, that the core issue for colleagues is the proposal on consolidated pay.

Tesco remains committed to the process that the parties are engaged in under the auspices of the WRC, and as such, it is our intention to focus on the core issue of pay when we do reengage in the Workplace Relations Commission.

In the meantime in relation to the pension, and as previously shared with you, colleague representatives and the Trustees of the pension scheme, there is a pressing need to proceed with the changes which have been recognised as required by all parties, in order to secure the benefits already accrued under the current pension plan.

As you know, the new Tesco Ireland Defined Contribution Retirement Savings Plan is due to be introduced in March 2022 to coincide with the closure of the existing Tesco Ireland Defined Benefit Pension Plan. The Company wants to ensure that the many positive elements we have put forward in moving to a new Defined Contribution plan, and the commitments we have given on funding the significant deficit of the Defined Benefit plan, are progressed for the benefit of all colleagues. To delay any further, the implementation of the changes to pension, will introduce new and significant risk to benefits which is not in the interest of colleagues.

Having considered the feedback received (as outlined above) and with due regard to the elevated risks from any delay, we will be proceeding with the changes to pension, as outlined by the Company in July 2021, and as incorporated into the set of proposals by the WRC (which was supported by Mandate and SIPTU). The Company firmly believes this to be a proactive and positive step to secure the benefits in the defined benefit pension scheme and to make a new defined contribution pension plan available to all colleagues as committed to by the Company in July 2021.

Furthermore, although the investment cost associated with their implementation were included as part of the proposal on pay in the WRC proposals, we are pleased to confirm that we will also be proceeding with the introduction of the proposed family leave benefits from 1st March 2022. From a Company perspective again, this recognises that we have listened to feedback from our colleagues who told us that the introduction of paid maternity, adoptive and paternity leave was very important to them and we do not wish to delay unnecessarily, the introduction of these enhanced benefits for colleagues.

In proceeding on this basis we believe we will be giving certainty to all colleagues on these elements of the proposals which they were satisfied with, but also maintaining a means of continued engagement with colleagues and their trade union representatives via the WRC, on the core pay element.

Yours sincerely,

Frank Timmins
Head of Employee Relations

cc A Perry - Workplace Relations Commission