Transport

AA pension change will see staff retirement income cut in half

GMB, Britain's General Union, has reacted with fury after AA revealed proposed changes to their pension scheme would see staff retirement income slashed in half.

Detailed figures released by the company show the impact of the changes will be enormous for staff – meaning staff's retirement income will be up to 49.8% less under the proposals.

The cuts are being driven by the latest round of AA cost cutting which has been rife since the company was sold to private equity - a decision which has saddled the British institution with debt for which the staff and customers have paid a heavy price.

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The attack on the pension scheme represents an attempt by the owners to reduce their funding of the scheme from up to 13.9% to a maximum of 7%, a clear attack on members' term and conditions.

To add insult to injury, the company's own figures show that they have paid more than a third of a billion in dividends to shareholders in the last two financial years, money which could easily have been used to defend the rights of the hard working staff who make the owners their profits. [2]

This cost cutting clearly doesn't apply to all staff; Chief Executive Simon Breakwell's own pay packet increasing by 280% to £1.4 million between 2018 - 2019.

Andy Prendergast, GMB Senior Organiser, said:

"By cutting staff pensions whilst paying hundreds of millions in dividends, AA Chief Executive Simon Breakwell has shown his true colours."

"The truth is that since its sale to private equity in 2004, we have seen a British institution saddled with debts whilst being asset stripped by a series of profiteers.

"The latest of these is Simon Breakwell, a man happy to fill his and his shareholders pockets whilst hard working staff see their retirement incomes slashed.

"For more than fifteen years GMB has warned about the dangers of excessive debt, whilst successive governments and the stock market did nothing but count their grubby gains. It's roadside robbery.

"Now it's the staff who stand to pay the inevitable price. We call on them to stand with GMB against those who have reduced a much loved company into a personal piggy bank and to resist these devastating changes."

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