

MEMO NO.

MEMORANDUM FOR THE CABINET
BY THE HONOURABLE PRIME MINISTER

Claims by the General Workers' Union

The General Workers' Union has submitted the following claims:-

- (a) that sick and vacation leave entitlement should be the same for all Government employees without discrimination.
- (b) That no employees should be required to perform overtime work not pertaining to their grade, and that such overtime should be evenly distributed.
- (c) The reduction of the working hours of industrial employees to 40 hours per week, and
- (d) that the old age pension of the National Insurance Scheme should become payable at the age of 60 years instead of 63 as at present.

"A" Vacation and Sick Leave entitlement

This claim is based on the Union's principle of equity. Certainly no one disagrees with this principle which is being invoked by the Union.

The maximum vacation leave entitlement is 39 working days per calendar year.

The sick leave entitlement of pensionable employees is six months on full pay in any period of twelve months and six months on half pay subject to a maximum of twelve months on full and half pay in any period of four years, this entitlement can be extended indefinitely on the recommendation of a medical board, at half pay or pension rates, whichever is the less, as long as there is a reasonable expectation that the employee will become fit to resume work.

The pensions ordinance distinguishes between "Public Officers" and "persons employed in a Department". A public Officer is defined as a person substantively appointed to an office in respect of which a pension may be granted. This distinction is not made in the Constitution, as all Government employees are considered as holders of a Public Office. The distinction, however, still exists in practice, as appointment to Pensionable offices is made on the basis of a public examination or after the issue of a call for application.

Applying the equity principle it would not be improper to discriminate between employees selected on pure merit and those recruited direct from the labour market.

/.....

It is moreover to be pointed out that if the higher leave entitlement of officers recruited by competition is extended to those directly recruited from the labour market it will set a standard for all employees recruited from the same market by all other employers. This is bound to have serious repercussions on industry.

"B"

Overtime

The claim at paragraph 1(b) above seems reasonable, and may therefore be accepted, with a proviso that any temporary expedient may be resorted to in any emergency.

"C"

Shorter working week

This claim had been made in the Joint Industrial Council in 1962. It was later withdrawn by the Union on the grounds that the claim was solely directed against the U.K. Government Departments, as they (the Unions) had no intention of demanding reduced working hours either to Government or to Industry. Subsequently, the claim for a 40 hour week was revived in February, 1968. Cabinet considered this claim on 18th July, 1968 and decided that "any disturbances to the time/pay relation of any class of employees at this stage is bound to conflict with Government policy of non-interference in the terms and conditions of work of Government employees before the findings of the Salaries (Anomalies) Commission were known". The Union were informed accordingly and were told that their claim would receive consideration at the opportune moment (vide Mem. 1059).

Claims for a shorter working week have been made, and are still being made in various industries, including the U.K. Service Departments, who have informed us that they will be soon offering a 42 hour week to the G.W.U.

The G.W.U.'s main argument in this case is that there should be no different treatment between industrial employees and office workers, who are already on a 40 hour week. The M.G.C.U. has already claimed that, if the working hours of industrial employees were reduced to 40 hours per week, the working hours of non-industrial employees should be reduced to 38 hours per week. It will be recalled that, at the Drydocks, a similar claim was made by N.A.C.C.S. and met, thereby reintroducing the element of different treatment.

All in all, it is felt that it may be very difficult to resist this claim, or a modified one of phased reduction eventually leading to 40 hours.

"D"

National Insurance Old Age Pension to be paid at the age of 60 years

The claim at 1(d) concerns all National Insurance contributors and not merely Government employees. No remarks in this connection can be made by the Establishments Division, and any change in the qualifying age

/.....

3.

for the Old Age Pension has to be preceded by a proper study by the Department of Social Services,

Ministers are asked to decide to what extent the General Workers' Union's ~~claims~~ **can be accepted.**

5th March, 1970.

mc