

the 85% threshold

Your need to be achieving over 85% of your sales target to meet the first bonus payment threshold. Crown Office teams achieving less than 85% each quarter will get support from Crown Area Managers and CWU Territorial Counters Representatives to help improve their sales performance.

who's eligible?

The following roles are eligible for the new bonus scheme;

- Customer Service Consultants
- Financial Specialists
- Product Specialists

Casual staff are not eligible for the bonus scheme.

If you transfer to another office on a permanent or temporary basis you will receive pro rata payments based on the number of weeks you worked in each office. If you are temporarily promoted to manager then you will receive pro rata bonuses under this scheme and the corresponding manager scheme. If you're substituting for managers, for instance covering short-term absences such as sickness and annual leave, you will continue to receive your bonus as usual.

Bonuses are calculated according to the number of weeks you've worked during the quarter. If you've worked less than the full quarter period your bonus payment will be calculated pro rata.

Should you leave the business, your reason for leaving could affect whether you receive your bonus:

Reason for leaving	Bonus	Reason for leaving	Bonus
Age retirement	Yes	Ill health retirement - pension or lump sum	Yes
End of contract	Yes	Redundancy	Yes
Voluntary resignation	No		

need more information?

The scheme will be jointly reviewed, as required, to ensure it is appropriate and up-to-date with the changing needs of the business. We'll inform you in advance of any changes. For further information, please contact your branch manager.

And finally, good luck with your sales this year!



6 April 2010

Joint Statement on Sales Incentive Scheme - 2010/11

We are pleased to announce the details of your Sales Incentive Scheme for 2010/11, which has been agreed by Post Office and the CWU.

Achieving our sales targets is a key priority for the Crown network this year so it's important your scheme reflects and fairly rewards the performance you make in selling the products that are important to Post Office.

This booklet covers the scheme in detail for you. The key elements are:

- Overall structure of the scheme remains the same and will run for next two years
- Three weighted product categories - red (65%), blue (25%) and yellow (10%) with a fairer spread of products
- Bonus payments quarterly based on sales performance against targets
- Minimum 85% performance required to achieve a payment, up from 80% last year
- Higher bonus payments for achieving above target performance (100.01% and above)

Our experience from the first year of your Sales Incentive Scheme proved that certain elements needed changing to ensure it was fair to you. We recognised this in quarter four and altered the product groups from three to two, as the blue group was having a disproportionate impact on branches.

Therefore for 2010/11, the spread of products across the categories is fairer and more closely matches our income expectations. We have decided to move the threshold to 85%, and this means we will be able to pay more than last year to those branches who achieve above target performances (100.01% and above).

We've made real progress towards achieving an increasingly professional and commercially successful Crown network. By continuing to improve sales in our key product areas, including financial services you can help ensure better bonuses and contribute to the long term viability of the Crown network.

Andy Furey
Assistant Secretary
Communication Workers Union

Richard Barker
General Manager
Crown Network

your 2010/11 bonus scheme

Your role is vital in helping us complete our Forward:five2eleven strategy. The sales incentive scheme is designed to fairly reward the performance you make in selling the products that are important to Post Office® now and in the future. We have taken on your feedback and continue to look externally at other businesses' bonus schemes, to provide greater reward for people achieving above target performance. There's no limit to what you can earn. There's a continued focus on the types of product sold, meaning that bonuses are built on the quality of sales not just quantity.

how it works

Some products are more important to Post Office® than others. This is because they are more profitable or offer us a longer-term income. To reflect this we've split our products into three categories - red, blue and yellow - and set a different sales target for each. Bonuses are calculated against the three categories, which each carrying a different weighting. At the end of each quarter, sales performance across all three categories will be added together and the total forms the basis of your bonus payment.

Product categories

The red category contains our most important products and represents 65% of your bonus weighting. Products in this category are:

- Life Assurance
- Travel Money
- Travel Insurance Multi
- Travel Insurance Single
- Parcelforce 24 & 48
- Special Delivery Smartpost
- Parcelforce International Express
- International Priority

The blue category contains the next most important products and represents 25% of your bonus weighting. Products in this category are:

- Credit Card
- Car Insurance
- Home Insurance
- Mortgages
- Passport Check and Send
- HomePhone - live account

The yellow category represents 10% of your bonus weighting. Products in this category are:

- Post Office ISA sale
- Post Office fixed rate ISA
- Post Office Instant Saver new account
- Post Office Growth Bonds
- NS&I Easy Access account opening
- NS&I INV account initial deposit
- Broadband - live account
- Mobile E Top-ups
- HomePhone combined - live account

Example of quarterly bonus based on weighted performance

Quarter A	Target	Actual	% Achieved	Weighting	Weighted performance
Red	100,000	108,000	108%	65%	70%
Blue	30,000	28,000	93%	25%	23%
Yellow	50,000	50,000	100%	10%	10%
					103%

A quarterly branch performance of 103% would payout a bonus of £262.50 each (see next page)

your payment levels

As last year, your bonus payments will be made against payment levels. There is a new threshold of 85% but you can earn even more from 100.01% and above. These levels make it easier for you to see what you're on course to earn. An 85%-115% sales performance each quarter will earn you a set payment as demonstrated in the table below.

Weighted performance	<85%	≤90%	≤95%	≤100%	≤102%	≤104%	≤106%	≤108%	≤110%	≤115%	>115%
Quarterly payment	£0	£62.50	£106.25	£212.50	£245	£262.50	£280	£303.75	£327.50	£357.50	£362.50
Annual amount	£0	£250	£425	£850	£980	£1050	£1,120	£1,215	£1,310	£1,430	£1,450

≤ means less than or equal to

If you beat your quarterly target by over 115%, your bonus above this level will be included as part of the annual catch-up as there is no in-year catch-up.

your annual catch-up

The annual catch-up is a fair way to reward you for your performance across the year. If your four quarterly payments combined add up to less than your annual average, then we'll make up the difference. However if your four quarterly payments are more than your annual average, no claw back will be made. The money's yours to keep. Here's an example of a catch-up payment

Example of annual catch-up						
Quarter	1	2	3	4	Total	Full year
Performance	92.50%	99.00%	103.00%	100.50%		98.75%
Payment	£106.25	£212.50	£265.50	£245	£826.25	£850
					Catch-up payment	£23.75

Example of annual catch-up if you perform over 115% in some quarters						
Quarter	1	2	3	4	Total	Full year
Performance	105.00%	115.00%	107.00%	118.00%		111.25%
Payment	£280.00	£357.50	£303.75	£362.50	£1303.75	£1430
					Catch-up payment	£126.25

Weighted performance	≤120%	≤125%
Annual amount	£1,550	£1,670

Annual bonus payments are uncapped so the earning potential is limitless. To the left are the payment amounts if you finish the year above 115%

Above 125% you'll receive an extra £150 payout for each 5% above target achieved. This is £25 more than last year.

Bonus payments will be made directly into your salary the month after the end of the quarter. The exception to this is quarter four which will be paid with May salaries. This will include any annual catch-up payments you have earned.