



SOCIALLY JUST WAGING SYSTEM

General principles

The PLATFORM waging system aims to be as long-term and sustainable as possible. It should be socially just, in recognising different needs and backgrounds, and be fair to all of its workers. It should provide for maximum financial security, and also reflect PLATFORM's own ethics and principles. It should serve as a model for a more just waging system, such that PLATFORM would like to see it applied more widely in other organisations, and PLATFORM workers should feel proud to talk about it.

All the criteria used for determining waging levels for individuals working with PLATFORM have been chosen with the twin principles of **recognising different needs and backgrounds** and **supporting people's security and creativity** as central focii. Naturally ethical judgements have informed the criteria used, however the prime focus has always been on recognising the *practical needs* of people's situations - for example, whether or not you are in favour of people having children (there are environmental arguments on both sides!), it should be recognised that such a situation carries with it additional costs and concerns, and therefore a financial increment should reflect this.

Finally PLATFORM do not suggest that the following are a definitive list of social justice criteria. There will be a review of the system after the first six months (when the core rate for 2005/6 is set in February 2005), and subsequently every year. At this stage other aspects can be addressed - for instance, after some discussion we have decided not to include London weighting or travel in the criteria, as we felt the impact of such increments would be to cancel the other out. But any PLATFORM worker on salary will be able to suggest changes and amendments at the review stage each year, which can then be discussed and agreed collectively.

1) No hierarchy of pay

Principle: all workers should be offered the same 'core rate' of waging, regardless of their position in PLATFORM, or their experience and expertise. Although there are functional hierarchies in decision-making in the organisation, these should not be reflected in waging. All staff are equally valued. All staff are expected to be doing excellent work, so there is no need for waging to reflect quality of work or skill.

Mechanism: a 'core rate' is established when budgets are set (annually). This core rate is then subject to a percentage adjustment according to social justice and other criteria as below, and pro-rata adjustments for part-time work. These percentages are not cumulative. (cf. examples at end)

2) Length of service

Principle: PLATFORM's work is deliberately and strategically long-term. PLATFORM should reward and recognise long-term commitments by increasing waging according to time worked in the organisation.

Mechanism: an increment of 1% is added to the salary per year worked¹ at PLATFORM, up to a maximum of 30 years.

¹ Volunteering and part-time work count the same as full-time and paid work towards this number of years' service, as long as there has been a regular (rather than occasional or freelance) commitment to the organisation. The commitment should be judged as primarily to PLATFORM itself rather than to a partner organisation; the start date of such commitment is to be determined by the core directors.

Examples:

If the core rate were set at £25,000 per annum:

Someone who has worked in PLATFORM for 12 years is paid £25,000 + 12% = £28,000.

Someone who has worked 8 years is paid £25,000 + 8% = £27,000.

Someone who has worked 90 years is paid £25,000 + 30% = £32,500.

(assuming all are working full-time now, and no other increments)

3) Inherited wealth

a) Inherited wealth + gifts

Principle: as a social justice measure, those who have inherited wealth have less need and so get paid less. Therefore PLATFORM should aim here for a policy not of punishing the wealthy but of re-distribution so that those in greatest need are supported more. The question of inherited wealth, and therefore ability to 'donate' labour is a critical one, and one that we in PLATFORM see as having a negative impact upon certain areas of activism, especially the British Green movement, where such donation of labour can have the effect of removing the pressure for a fair and living wage, thus determining (and limiting) the social composition of people working in environmental organisations.

Mechanism: PLATFORM workers are asked to submit in writing a record of all realisable (see 3b) cash, property, investments (eg funds, stocks, shares) and other assets (eg cars) that they have inherited or been given during their lifetimes. They need only include amounts over £1,000.²

A 'dincrement' of 5% is then subtracted from the salary for the first £25,000 received, (plus a further 1% per each further £5,000), up to a maximum of £200,000 received.³

Examples:

If the core rate were set at £25,000 per annum:

Someone who has received inheritance and gifts of £80,000 (at current prices) is paid £25,000 - 16% = £21,000

Someone who has received inheritance and gifts of £500,000 (round down to £200,000) is paid £25,000 - 40% = £15,000

(assuming working full-time, and no other increments)

b) Non-realisable assets

Principle: PLATFORM recognises that there is a substantive difference between realisable inherited assets (ie those that can be immediately accessed by the owner) and non-realisable assets (ie. those that while technically 'owned' cannot be accessed, for instance where family members are still living in a property part-owned by an individual, or where eg a pension fund is inherited). However the sense of increased security that such ownership gives should be quantified in some way, therefore it is proposed to assess such assets at 50% of their market value, and this to be added to the inheritance in 3a.

c) Donations

Principle: PLATFORM recognises that some of its workers may choose to make donations because they are committed to the organisation, and it encourages them to support the organisation in this way. Therefore

² Cash inheritances / gifts are grouped by decade and index-adjusted for inflation. Inheritances are treated as 'received' when the PLATFORM worker gains access to them, rather than when they were gifted. Other assets are assessed by current value when the core waging level is set each year – this may have to be by the PLATFORM worker making their best estimate, where precise valuation figures are not available.

³ The receipt of gifts / inheritance relates to legal ownership. A partner's situation is not relevant (eg the partner inherits), unless the partner makes a gift to the PLATFORM staff member. If a PLATFORM staff member lives with their partner in a house the partner inherited, this mechanism only applies if the couple have joint title.

workers (if they choose to) can decide if they want to have such donations offset against the inherited wealth increment criteria set out above.

Mechanism: PLATFORM workers can submit in writing a record of all cash, property, investments (eg funds, stocks, shares) and other assets (eg cars) that they have donated to the core of the organisation during their lifetimes. This is index-linked. They should only include amounts over £1,000. This amount is subtracted from the inheritance in 3a.⁴

Examples:

If the core rate were set at £25,000 per annum:

Someone who has received inheritance and gifts of £300,000 but has donated £150,000 to PLATFORM is assessed as having inherited wealth of £150,000, therefore is paid £25,000 - 30% = £17,500
(assuming working full-time and no other increments)

4) Children

Principle: often the greatest financial insecurity (and need) is felt by those with children or dependents - especially by single parents. They should be supported by extra pay.⁵ There are payments only for the first two children, for environmental reasons.

Mechanism: someone with one child gets an increment of 8%, someone with 2 children gets an increment of 12% (8+4%). For single parents, these figures are doubled ie 16% and 24%

5) Other dependents

Principle: similar stresses can be experienced by those who care for ill or aging relatives, or other dependents. PLATFORM will increase pay for those who cover the living costs of their dependents. This does not include healthcare - as PLATFORM does not want to offer incentives for private rather than NHS treatment. Some healthcare cases may be dealt with through the emergency fund (see 9).

Mechanism: if the dependents live with the PLATFORM worker, who provide their food and accommodation, the same mechanism applies as with children: 8% for one dependent, 12% for two, doubled if supporting them solely (without partner / sibling etc).

If a PLATFORM worker pays for care / housing etc of a relative or relatives externally (eg living in a care home, or receiving care at home), their salary will increase by 4% for every £2,500 it costs them, up to a limit of £15,000.

The dependents increment is on top of the children increment.

Example:

If the core rate were set at £25,000 per annum:

Someone who paid £9,000 per year for a relative to be cared for would be paid £25,000 + 12% = £28,000
(assuming working full-time and no other increments)

6) Pensions

Principle: PLATFORM supports the long-term financial security of its staff, especially in old age, so should contribute to pensions. However, the investment of the pension contributions should not support the activities PLATFORM is concerned about for their environmental and social impacts.

⁴ The total inherited wealth after adjustments in 3b and 3c cannot be a negative value: if someone has donated more than they have inherited, their wage does not increase

⁵ the pay should only ever be a contribution, not aim to cover the full cost of raising the children / looking after the dependents

Mechanism: PLATFORM will match any payments into a pension fund, (as long as these are not invested in industries that PLATFORM are campaigning against - cf. PLATFORM's Ethical Funding Policy) up to a maximum of 7.5% of salary. The pension fund chosen by an individual will then be put to a monthly meeting of PLATFORM's workers and agreed (or not).

Example:

If the core rate were set at £25,000 per annum, the cap for contribution-matching would be £1,875.

7) Emergency waging system

Principle: one of the greatest financial insecurities is the risk of losing one's home. PLATFORM should guarantee its staff that, as far as possible, it will prevent this happening to them. In times of PLATFORM financial emergency, housing and other fixed costs (eg council tax) will be covered first, and the remaining wages budget split equally.

Mechanism: PLATFORM promises its staff that in financial hard-times, the primary mechanism to save money on staff costs will not involve laying them off; instead the core wage rate will go down (ie all wage levels in the organisation go down together).

If the wages budget is so low that the core rate falls below a certain threshold (*to be set*), the normal, long-term waging system (all elements 1-7 above) is temporarily suspended, and an emergency waging system – based on “equal disposable income” – kicks in. This switch must be approved by the trustees.

Under the emergency system, PLATFORM pays all staff the relevant proportion (according to part-time / full-time status⁶) of each staff member's fixed housing costs: specifically, rent or mortgage, house and contents insurance, council tax, water rates and travel to work. Having paid these elements, the remainder of the wages budget is divided equally between staff, in proportion to the number of days they work.

The emergency waging system is specifically an *emergency* system, and is never expected to apply for more than 6 months.

In return for this pledge (that they won't be laid off), when emergency waging is applied, staff will be expected to respond to an 'all hands on deck' call for fundraising - putting all other work aside as necessary.

8) Emergency fund

Principle: PLATFORM does not provide any wage increment to cover healthcare, as it supports the principle of the NHS. However, PLATFORM recognises that in some cases NHS service is simply inadequate. In emergencies, PLATFORM will support staff's healthcare costs on a discretionary basis, where the NHS is insufficient or inappropriate.

PLATFORM also supports staff in relation to other personal emergencies eg housing, relatives etc

This is not to be confused with PLATFORM's (the organisation's) financial reserve – which exists to support PLATFORM in financial hard times. The emergency fund referred to here is for the emergency *personal* needs of PLATFORM staff (similar to a hardship fund, except only for emergencies), and is entirely separate from PLATFORM's financial reserve.

Mechanism: Each year, the waging budget includes an amount (initially £2,500) to be paid into the emergency fund. This continues until the fund reaches £10,000, and after that time it is simply 'topped up' annually to keep the sum total at this level. This fund is ring-fenced and cannot be used for any other purpose than emergency support for workers.

Staff may apply for some of this in an emergency. Criteria will be drafted for what kinds of things are covered (eg imminent eviction, own or relatives' healthcare, etc). The decision on any application is made by the PLATFORM Trustees, in a meeting with no PLATFORM staff present. No staff member may apply for more than 50% of the total fund in any year.

The emergency fund may offer a grant or a loan, at the discretion of the Trustees, under terms to be agreed. Although it is budgeted, it is assumed that most years the fund will not be used (it's an emergency fund, not a hardship fund). In those cases, it will simply be carried over to the next year.

⁶ Eg someone working 3 days per week receives 60% of these costs

Examples

If the core rate is set at £25,000, the minimum possible wage (for someone with >£200,000 of inherited wealth and no +ve increments) would be £15,000. The maximum wage (for a single parent with 2 children, who pays >£15,000 pa for care of their ageing parents, who has worked for PLATFORM for >30 years and who has had no inheritance) would be £44,500.

These extremes are rare / unlikely!

Complicated, full eg (to show calculation):

Someone who has worked for 12 years at PLATFORM, has one child, has inherited £80,000, pays £20,000 pa to support their ageing parents and pays £5,000 pa into a pension:

Long service increment: + 12%

Inheritance decrement: - 16%

Child increment: + 8%

Dependents increment: + 24%

Total increment: + 28%

If core rate is £25,000, they get £32,000 if full time, plus £2,400 matching pension contribution.

If 3 days / week, then $\times 0.6 = £19,050$ plus £1,429 matching contrib.

If core rate is £40,000, they get £51,200 if full-time, plus £3,840 matching contrib.