

22 August 2023

PCS rejects HMRC Pay Offer

HMRC intends to impose its unacceptable, below-inflation pay offer.

HMRC have today (22) published their pay offer for 2023/24.

PCS has rejected the offer as it falls significantly below our national demands of a 10% increase to address the current cost-of-living crisis as well as being below the current rate of inflation.

The offer ranges from 4.26% to 6.27% depending on grade and point on pay range, however as the maximums of the pay ranges are not being increased, staff who are on or near the maximum of their pay range will not receive a fully consolidated and pensionable increase in salary. PCS does not feel that this is acceptable.

AA and AO grades

In April 2023 over 19,000 HMRC staff were given an uplift in salary to meet the requirements of the legal minimum wage. This resulted in AA and AO grades being paid the same.

HMRC has set out an ambition to have a 5% differential between the AA and AO grades rather than a merged spot rate but PCS can see no realistic prospect of delivering on that ambition without extra funding. Current projections indicate that there will be a further significant increase to the legal minimum in April 2024 meaning any differential is likely to be wiped out again next year.

Group executive committee rejects the offer

The group executive committee (GEC) has met and decided that the offer does not come close to our demands and therefore we have written to HMRC to advise that we will not be agreeing to the offer on the basis that:

- The offer does not meet our reasonable demand for a 10% increase,
- it fails to secure consolidated and pensionable rises of a minimum of 4.5% for all staff,
- it does not address the issues of endemic poverty pay,

- **any offer below inflation is in effect a pay cut.**

Imposition of below inflation rise

PCS understands that HMRC intends to impose the pay increase. The payment will be made in October pay and backdated to 1 June.

The Revenue and Customs GEC will engage with the national executive committee to plan the next steps of our campaign.

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