



5 March 2025

Remuneration update - a further £17 million uplift across April and May

Hello,

At last night's Postmaster Conference, Post Office Chair, Nigel Railton shared information on upcoming remuneration changes as part of our broader transformation plan. I've included some of the key information from the updates below and would encourage you to watch the recordings of the announcement, which will be available on the conference website this Friday.

In our November update he shared an ambition to increase your remuneration by £120 million in the FY 25/26. We took the first steps toward delivering the New Deal with an advanced initial payment totalling £20 million in December.

Whilst we continue our funding discussions with Government, we are pleased to announce that through April and May, we will be making an additional remuneration payment totalling £17 million, representing a 25% year-on-year increase in total remuneration.

£13m of this payment will be made in two consecutive lump-sum payments, £6m in April remuneration and £7m in May remuneration. These will both be applied in the same manner as the £20m payment that we made in December.

The remaining £4m of increases will in part be down to changes in trading volumes and client price changes and in part down to the following permanent changes:

- The rates for Royal Mail volume-based transactions will once again increase by CPI, which this year is a 2.5% increase from April trading.

- Rates for DVLA transactions will increase by 6.5% from April trading.
- Mailwork rates will increase by 1.5% and Outreach payments by 5.6%.
- We are maintaining the 50p increase on Western Union send transactions and also maintaining the Major Branch Support payments.
- The Operational Excellence Incentive will continue as it is with an extra allowance on cash pouch errors for all branches.
- We will be extending the Local Remote Support Payment to a number of additional branches following a review of updated census date.

As we build towards the New Deal remuneration goal of a £250m annual increase by 2030, we will be working closely with you and your representative groups over the next 12 months to shape the right long-term structure for remuneration. Please look out for opportunities to be involved in these discussions.

We will be in touch again soon regarding changes beyond April and May to address the balance of the £120 million, and we will be sharing updates on progress with our funding submissions to Government as soon as we can.

2025 Postmaster Survey now open - have your say!

The 2025 Postmaster Survey launched last night, and I strongly encourage all of you to complete this and make sure your voice is heard. This also helps us measure the performance of changes we've been making. We want to hear your honest feedback so please, take the time to complete the survey and let us know what's working well, what could be better and where we can offer better support.

**Access the survey by clicking here or
scanning the QR code**

The survey will close on 2nd April. Once the results have been collated, we will share them with you accordingly.



Thank you,
Neil Brocklehurst
Acting CEO



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