An update on IChemE's programme of membership subscription process improvements and rate alignments

Background

In 2016, the Trustees recognised that the cost of operating complex subscription models was unsustainable in the long term. They therefore instigated a full review. Notable subscription related findings of the review:

- members were able to maintain membership for up to two years before being 'lapsed' for non-payment;
- there were a number of partnership deals resulting in members holding dual membership paying less to IChemE;
- rates for IChemE members in South Africa and Malaysia were not being set centrally by the IChemE Board of Trustees;
- depending upon geography, members were paying their membership subscription in one of five currencies. This introduced excessive system complexity for an organisation of IChemE's size and the costs associated with maintaining this were deemed to be a poor use of funds that could otherwise be spent on member benefits.

In addition, an ever-increasing proportion of IChemE's resources and member engagement opportunities are now available online, but members in some locations were paying less than others who receive the same offering. It is now clear that the global coronavirus pandemic has accelerated IChemE's move to a digital-first offering with members in all countries benefitting.

A series of changes have since been delivered to address these findings, reduce complexity and ensure a transparent, equitable approach to membership subscriptions.

A summary of changes already implemented

2017

- IChemE's partnership in Spain ended, with IChemE no longer receiving reduced income for dual members.

2018

- the two-year arrears cycle IChemE had been operating was reduced closer to the 12-month minimum set out in the By-Laws at the time. This affected those with outstanding payments for 2017 subscriptions;
- following a By-Law change, IChemE's arrears period was shortened to eight months to enable non-paying members to be lapsed before the following year's billing cycle commenced, further simplifying our processes. This affected all members in arrears moving forward.

2019

IChemE's partnership in South Africa (with SAIChE) for the 2020 renewals:

- members in South Africa were no longer billed at a locally set rate, instead IChemE reverted to its pre-collaboration position of charging the Discount Rate 1 as set by the Board of Trustees;

- payment would move from ZAR to GBP for 2020 renewals.

2020

- end to the SAIChE relationship delivered through the 2021 renewals cycle;
- moving away from locally set rates, IChemE announced that for the 2021 membership renewals the rates paid by members in Malaysia would be at the Discount Rate 2, as set by the Board of Trustees, with collection in GBP.

2021

Announcement of the following decisions coming into effect for the 2022 membership renewals:

- standardisation of subscription payment currency to GBP to ensure that a simple data structure can be maintained;
- Australian rates brought in line (reduced) with the Standard Rate (ie that paid by UK based members);
- Malaysian rates would increase over the next two years to align with Discount Rate 1.

Rate setting to date based on the World Bank country classifications

The Board of Trustees use the World Bank country classifications when setting subscription rates.

Changes to be implemented as part of the 2023 subscription renewals

1. The Trustees have confirmed that for 2023 there should be three subscription bands based on the World Bank classifications:
    - high-income countries = Standard Rate
    - middle-income countries = Discount Rate 1
    - low-income countries = Discount Rate 2
2. Those countries in the high-income category should be moved out of Discount Rate 1 to align to the Standard Rate equivalent to UK and Australia.
3. Those in the upper middle-income and lower middle-income countries should be included in the Middle band, and this would be 65% of the Standard Rate.
4. Low-income countries would remain in Discount Rate 2 at approximately 40% of the Standard Rate.
5. For members in Malaysia 2023 will represent the final stage to aligning subscriptions with Discount Rate 1.

The table below summaries these changes:

Country	2022 Band / % of Standard Rate	2023 Band / % of Standard Rate
UK / Australia	Standard Rate (100%)	Standard Rate (100%)
High Income	Discount Rate 1 (65%)	Standard Rate (100%)
Upper Middle Income	Discount Rate 1 (65%)	Discount Rate 1 (65%)
Lower Middle Income	Discount Rate 2 (40%)	Discount Rate 1 (65%)
Low Income	Discount Rate 2 (40%)	Discount Rate 2 (40%)

For Australia and New Zealand a local goods and service tax will be added in line with local legislation.

Full details of the new subscription rates split by grade and discount rate, will be available on the IChemE website from early November 2022. This will include a full list of the countries in each of the three tiers of subscription rates. The tiers will be referred to as Country Group 1, Country Group 2 and Country Group 3 for high-, middle- and low-income countries, respectively.

Countries affected by changes being affected by the upcoming changes

Countries moving from Discount Rate 1 to Standard Rate (now Country Group 1):
Austria, Bahamas, Bahrain, Barbados, Belgium, Bermuda, Brunei Darussalam, Canada, Chile, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Ireland, Israel, Italy, Japan, Korea (Republic of), Kuwait, Lithuania, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Oman, Poland, Puerto Rico, Qatar, Romania, Saudi Arabia, Seychelles, Singapore, Spain, Sweden, Switzerland, Taiwan, Trinidad and Tobago, United Arab Emirates, United States.

Countries moving from Discount Rate 2 to Discount Rate 1 (now Country Group 2):
Angola, Bangladesh, Egypt, Ghana, India, Indonesia, Iran, Kenya, Kiribati, Morocco, Nigeria, Pakistan, Philippines, Sri Lanka, Tunisia, Ukraine, Uzbekistan, Vietnam, Zimbabwe.

Note: only countries in which (at the time of writing) IChemE members reside have been listed.

The impact of change

These changes represent an important step forward in respect to reducing complexity and ensuring a transparent, equitable approach to membership subscriptions. These changes should have no adverse impact upon the Institution's finances and will help ensure sustainable membership growth whilst we continue to increase the proportion of professionally qualified members to over 40% of total membership.

Recognising the current global economic situation, the Trustees are keen that members continue to be made aware that the Institution can support those members who experience reduced income through unemployment, retirement, or other changes in life circumstances. Reduced subscription rate eligibility criteria can be viewed on the IChemE website and applied for via the My Subscriptions section of MyIChemE. In addition, should a member be experiencing financial hardship, assistance may be available from the Chemical Engineers Benevolent Fund which is run as a separate charity. Members can find more information on the Benevolent Fund website.

The review of our subscription rates is ongoing. Amongst other factors, we will continue to monitor the Institution's operating costs, value to members and affordability to ensure IChemE operates a sustainable business model with subscription rates that are transparent and equitable.

David Bogle FREng CEng FIChemE
President

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