

# Working for you in RBS

NEWSLETTER • June 2010



## **OUTSOURCING OF TECHNOLOGY SERVICES NETWORK MANAGEMENT TO ACCENTURE – TUPE TERMS ANNOUNCED**

Following a series of meetings between Unite, Accenture and RBS, consultations have now concluded. Whilst broad agreement has been reached on a number of the TUPE transfer terms, Unite have some remaining concerns about the potential future impact on terms and conditions where individuals move role within Accenture.

It would be impossible to cover off all the detail of the transfer terms and the discussions with Accenture and RBS within this newsletter, therefore the key items will be detailed. Members by now will also have started to receive information from Accenture and RBS on the agreed Measures and there will be further opportunity for all those in scope of the transfer to raise questions and to have further one to one meetings to address any outstanding concerns or seek clarification on any matter. The date of transfer is anticipated as 16th July 2010.

**Pay and Performance** – Current levels of pay will transfer. As Accenture's pay date is the last working day of each month this would have potentially meant that members would have been waiting an additional 2 weeks to receive a full month's salary, as RBS pay on 18th of each month (2 weeks in arrears, 2 in advance). Agreement has been reached that a loan facility will be made available up to a maximum of 2 weeks net salary repayable over for example a 4 month period. RBS will therefore make a 2 week final salary payment to all transferring staff on their last working day with the Group, i.e. 15th July. Accenture will pay any loan amount on 16th July and will then pay two weeks pay on 30th July. Accenture have assured that they will be sympathetic to individual personal circumstances.

Accenture's pay methodology, similar to that of RBS, is based on performance and market rates of pay. They operate 8 salary grades (career levels) with minimum and maximum salary range for each grade. Mapping of transferring staff to Accenture's salary scales will be carried out post transfer at which point Accenture will consult fully with Unite. Accenture's performance year runs from 1st June to 31st May, with a salary review being applied each September. The next salary review for all transferring staff will therefore be 1st September 2011 at which point a consolidated 17 month payment will be made to reflect the period 1st April 2010 (date of last RBS salary review) – 31st August 2011. For example, if you receive a 3% increase in pay reflecting 12 months of performance, your consolidated 17 month pay increase in September 2011 would be the equivalent of a 4.25% pay rise.

**Pensions** – The position of Pensions within TUPE legislation is that where an occupational pension exists, the receiving employer (i.e. Accenture) has to provide a pension with up to a maximum 6% employer contribution but is not required to replicate the existing pension arrangements. Accenture are providing to all transferring staff a Defined Contribution Pension Scheme ("The Accenture Retirement Savings Plan" ("ARSP") regardless of whether staff are in the RBS Defined Benefits Scheme (Final Salary Scheme) or the Defined Contributions Scheme (Retirement Savings Plan). All staff have the option to join the scheme within 3 months of transfer and at subsequent election dates. A pensionable allowance of 18% will be paid to those who were previously members of the RBS Final Salary scheme and a matched 15% for those

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who are currently members of the RBS Retirement Savings Plan or in receipt of pension benefit funding. This funding can be taken fully or partly invested into the scheme with any residual percentage being taken as cash.

The current minimum contribution rate to be a member of the "ARSP" is 1%, however as per the current position in RBS, agreement has been reached on a phased contribution rate of 2% up to September 2010, 4% from January 2011 and 8% from January 2012. This will assist transition into the "ARSP" and pre-empt changes to pension legislation where from 2012 minimum contribution levels to be a member of an occupational pension scheme are anticipated to be set at around 7%. Staff can also opt not to join the "ARSP" and take the 18% or 15% supplement to be invested in a private pension or taken in part or full as cash.

Whilst welcoming that Accenture are providing pension funding in excess of statutory requirements, Unite recognise that many impacted staff will lose their superior pension arrangement currently enjoyed as members of the RBS Final Salary Scheme. Accenture recognise that they are not able to match the benefits of this scheme, however during consultations Unite sought and received improvements on Accenture's original offer and therefore feel that they have made genuine efforts to reflect the loss of the Final Salary Scheme by offering a higher pension benefit contribution level of 18%. All changes and differences within the scheme, including matters around the Normal Retirement Age, Death in Service, etc will be explained as part of the communication process.

**Benefit Funding** – The existing arrangement of 10% for Clerical and Appointed and 15% for Managers plus any pension benefit funding will be maintained post transfer. However see the section later in this newsletter on what happens if individuals move role within Accenture in terms of the future continuation of these benefits.

**Bonuses** – The bonus schemes within RBS will be replaced by the Accenture scheme which assesses performance during the period 1st June – 31st May and pays bonus in November of each respective year. All entitlements to Accenture bonus are discretionary with a maximum bonus opportunity of 2% for Clerical grades, 2%-4% for Appointed and 4%-6% for Managers. Managers mapped to Accenture B grade will also be eligible to participate in the Accenture Annual Bonus Plan which delivers a maximum bonus opportunity of 8%.

Accenture will make a cash bonus payment to all staff in September 2011 to reflect their period of performance with RBS and based on RBS bonus scheme rates from 1st January – 30th June 2010, all transferring staff will be given their half year rating prior to transfer. Eligibility to participate in the Accenture scheme will commence from 16th July onwards.

Whilst the potential overall bonus opportunity compared to the existing arrangements in RBS are less, when comparing the amounts paid in RBS over the previous 2 years and taking into account that Accenture's bonus scheme pays out in cash and is payable to all satisfactory performers (90% of staff will benefit), overall the Accenture bonus scheme is felt to be more favourable and equitable. Whilst bonus remains discretionary it is not subject to the deferral or clawback terms that currently exist within RBS.

**Sick Pay & Sickness Absence** – Accenture have confirmed that they will transfer all employees to their sick pay policy which pays all employees up to 6 months full pay. Accenture also operate a Permanent Health Insurance scheme for employees who remain absent from work in excess of 6 months. This scheme delivers an income of two thirds of salary and continues to be made indefinitely subject to meeting the necessary eligibility criteria. Further details of the sickness absence and PHI policy will be provided to all transferring staff.

Accenture also intend adopting their own sickness absence policy on transfer which includes discretionary payment of hours for doctors, dentist and hospital appointments, however a commitment has been given to reasonable paid time off to cover these instances in line with the RBS policy. Sickness trigger points operate in a similar way to the RBS policy, however they are based on 5 occasions or a total of 75 hours absence in a rolling 12 month period for short term absence and more than 4 weeks for long term absence. The terms of any existing disciplinary warnings including those for sickness absence will remain in place post transfer. Full details of the sickness absence, disciplinary and grievance process will be made available to all staff.

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## Redundancy Terms

Accenture have agreed to protect the current redundancy terms of 3.5 weeks per year of service up to a maximum of 104 weeks for all transferring staff and have given a commitment to no redundancies for a period of 12 months post transfer. In the event that any member of staff agrees to accept another role within Accenture in line with their standard terms and conditions of employment, then the entitlement to this enhanced redundancy payment would cease. Accenture's standard redundancy terms are in line with the statutory provision.

**Holidays** – Existing RBS holiday entitlements including progression (e.g. Appointed to Manager) will transfer, however any member accepting a new role within Accenture will revert to Accenture's holiday entitlement which is 25 days for all Clerical & Appointed grades and 30 days for Managers. Accenture will align all staff to their holiday year which runs from 1st September – 31st August the transition to the new holiday year will be managed by calculating a pro rata holiday entitlement up to 31st August with the ability to carry over holidays.

**Overtime/Call Out/Standby Payments** – All existing payment rates, subject to the Accenture approval process, will transfer across and will continue to apply unless any individual voluntarily accepts a new role in Accenture in which case standard Accenture Overtime, Call Out and Standby terms will apply which are less favourable to that of RBS.

**Share Options** – As transferring staff are leaving RBS by way of TUPE transfer, you will be treated as a good leaver for the purposes of any Share Options that you currently possess, full details will be provided by RBS. Accenture operate an Employee Share Purchase Plan which gives staff an opportunity to purchase shares at a 15% discount. There are 2 enrolment periods each year, i.e. March and September, further details will be provided by Accenture.

**YourBank/Mortgage Subsidy** – Facilities will continue for either 6 months post transfer or until the end of the term in the case of loans and mortgages, however members should refer to the Leavers Benefit Pack for further clarification. Unite urged RBS to extend this term as a gesture of goodwill to transferring staff, many of whom enjoy the associated benefits. No agreement was reached with RBS stating that they cannot implement such a change due to Group policy, a position that Unite do not support. A small number of the transferring population also benefit from a historical contractual mortgage subsidy (i.e. Natwest Mortgage Subsidy) which will continue to be honoured by Accenture.

**RBSelect Benefits** – Whilst Accenture provide a number of Flexible Benefits (full detail of which will be provided to all transferring staff), at date of transfer existing RBSelect benefits will cease to exist and in a number of instances any outstanding balances will require to be paid in full. Accenture has agreed that they will provide a hardship loan to smooth the transition and underwrite any tax and NI losses incurred as a result of the loss of any RBSelect product, e.g. bikes or mobile phones.

**Trade Union Recognition** – The collective agreement between Unite and RBS will transfer across to Accenture post transfer and Unite will be able to provide support, advice and representation, as well as continuing to negotiate terms and conditions of transferring staff.

## What happens if you change role within Accenture?

During consultations the impact of changing role was discussed in some detail. Members of staff who voluntarily accept a promotion to a Managerial grade on the RBS account or a new role outwith the RBS account, will transfer to standard Accenture terms and conditions of employment and will therefore lose both their preserved pension and benefit funding. This funding will continue if individuals change role but either remain at their current grade, are promoted to a non managerial role and continue to support the RBS account. Unite expressed concerns that this may discourage individuals from changing role unless they are in line for a generous promotion & remain sceptical about how benefit and pension funding will be offset. Accenture confirmed that any change in role, including any consolidated increase in salary in the case of a promotion, would adequately compensate for the loss of this separate benefit funding and are confident that overall there will be no detriment in the event of a change in role.

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Whilst Unite welcome assurances given regarding the shape and value of packages in respect of career moves within Accenture, your trade union remain cautious about these assertions, particularly in circumstances where individuals will lose both their pension and benefit funding, e.g. in the event of promotion to a Management grade or a change in role outwith the RBS account, a Manager could lose as much as 33% benefit funding (18% pension funding and 15% benefit funding). Unite's key concern in this regard is maintaining parity of pension funding and the associated costs to do so. The maximum employer pension contribution from Accenture under their standard terms and conditions is 14%, with staff having to contribute 6%. Unite have not agreed to nor do they support the loss of benefit funding particularly where this could result in an erosion of future pension benefits. Clearly members should consider the impact of any offer of promotion or voluntary change of role carefully.

## Unite Comment

As already mentioned it would be impossible to cover off every element of the TUPE discussions and this newsletter has concentrated on the key terms and conditions of the transfer. In addition hours of work, work location, notice periods, maternity leave and breaks remain unchanged on transfer.

Unite urged Accenture to consider a goodwill payment to transferring staff to reflect the loss of some benefits and as a gesture of Accenture's commitment to their new workforce. **Unite are pleased that agreement was reached to pay a non consolidated cash payment of 2% of salary to all transferring staff in September 2010.**

We would encourage all staff to make their thoughts known on the transfer terms and how they are feeling about a move to a new employer both to the trade union and to RBS and Accenture. Unite will continue to engage with both RBS and Accenture and it is therefore vital to ensure that the views of the workforce are fully considered in the run up to the transfer date.

Members can also contact their Workplace Representative or the Unite RBS Helpline on 0870 241 4425 or email [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org).

Finally Unite would like to pass on a big thank you to Albert Hall, Sharon Orr, Kevin Benassi and Dave Saunders for their involvement and input on the Unite negotiating team.

## Not a Member?

Join Unite's two million members and have a voice in the workplace, as well as receiving support, advice and representation, for £10.96 per month for full time staff and £4.98 per month for part time staff working less than 20 hours a week. Membership forms can be obtained by phoning 0845 850 4242 or you can join on line at [www.unitetheunion.org](http://www.unitetheunion.org)

## Workplace Representatives

It is vitally important that in moving into a new organisation the views of our membership are known. Therefore, if any members within the transferring population are interested in becoming a workplace representative then please contact the Helpline or email us at [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org)

**Alison Maclean & Stuart Davies – Joint Lead Officers**  
**Unite RBS Helpline – 0870 241 4425**

