

## TUPE Transfer of UK Clearings Operation to iPSL

In March Lloyds Banking Group announced that it intended to outsource all of their UK Clearing Operation to their existing third party supplier iPSL, which will result in the TUPE transfer of colleagues engaged in cheque clearing activity to iPSL. Under the terms of a TUPE transfer contractual benefits such as salary (base pay), annual leave entitlement and notice period are protected, along with length of service. Non contractual or discretionary benefits are not protected under the terms of a TUPE transfer, Unite have been involved in lengthy discussions with the business regarding members' potential loss of these benefits and the appropriateness of any 'buy out' offered.

The business has now communicated the current position in relation to the proposed terms and conditions for those colleagues transferring to iPSL, it was deemed appropriate that colleagues received this update at this time, however it must be stressed that **discussions are ongoing and no agreement has been reached.**

Although the current proposal represents a significant improvement from the original position Unite are concerned that our members will be disadvantaged in real terms by the loss of non contractual discretionary benefits, which will have a profound impact on their standard of living. Under the current proposals colleagues will:

- **No longer be able to access colleague products** – For example those colleagues who currently take advantage of the generous staff mortgage rate will retain this for 1 year following transfer, after which time they will be required to transfer to a mortgage at commercial rate.
- **Suffer detriment to pension arrangements** – Anyone currently a member of any LBG pension scheme will be worse off under iPSL schemes:
  - **'Your Tomorrow' Money Purchase Pension Scheme** – You currently contribute either 3, 4 or 5% and LBG contribute 8, 10 or 13% respectively, however iPSL will only match your contributions up to a maximum of 7%. If you currently contribute 4% to be able to receive the same combined contribution as you currently receive within the LBG scheme you would need to contribute an extra 3%.
  - **Final Salary Pension Scheme** – As there is no final salary scheme in iPSL the only scheme available to you will be a money purchase scheme as described above. In comparison to your final salary scheme the iPSL offering is derisory. To maximise the benefits of the iPSL scheme would require an additional 3% contribution for those in the contributory scheme and a 7% contribution from those in the non contributory.
- **Annual Bonus** – Although this is discretionary most colleagues over recent years have a bonus payment, the current rate for most people is 5%, many depend on this bonus for holidays or for the repayment of debt. This will no longer be available as part of the iPSL total reward package.
- **Flexible Benefits** – Colleagues currently receive 4% of their salary as a cash sum to either spend on a range of benefits or to receive as cash. This is not available at iPSL and in real terms means a 4% pay cut for colleagues.

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## Worst Case Scenario

A year after transfer you may face increased mortgage payments, a loss of 4% of your total earnings, have to contribute up to 7% towards your pension and lose 5% annual bonus, which could add up to almost a 20% reduction in your disposable income.

## Proposed Buy Out

As proposals stand a one off payment to colleagues is to be made dependent upon their current pension scheme as follows:

<b>Flex</b>	4%	
<b>Bonus, Share schemes &amp; Colleague Products</b>	4%	
<b>Pension – add one of the following:</b>	Defined Benefit – Non-Contributory	12%
	Defined Benefit – Contributory	10%
	Defined Contribution	4%
	No Pension	0%
<b>TOTAL</b> To be made as a one-off non-consolidated payment at the point of transfer	<b>DB – Non-Contributory</b>	<b>20%</b>
	<b>DB – Contributory</b>	<b>18%</b>
	<b>DC</b>	<b>12%</b>
	<b>No Pension</b>	<b>8%</b>

Unite feel that a one off payment to a maximum of 20% for those in the 'worst case scenario' does not address the long term disadvantage colleagues will face as a result of the erosion of their total reward package. Unite are keen to hear the views of affected members and will continue to push for a fair deal for our members.

## Remember:

- **Unite is the only union recognised in all areas of Lloyds TSB**
- **Unite is the only union recognised in Cheltenham & Gloucester**
- **Unite is the only union recognised in both Lloyds TSB and HBOS**
- **Unite has a workplace reps structure of 180+ to ensure your voice is heard at negotiations and consultations**

**To join Unite, you can do so by going online at [www.unitetheunion.org](http://www.unitetheunion.org) or by calling the LBG helpline on 08081 449595. Alternatively you can contact your local rep who would be only too happy to help.**

**If you are interested in being a rep, please click on [www.unitetheunion.org/lloyds](http://www.unitetheunion.org/lloyds) for more information.**

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