



UNITE IS THE NEW UNION FORMED BY THE MERGER OF AMICUS & T&GWU

AGE LAWS – AMENDED OFFER ON REDUNDANCY AND PENSION TERMS

Following discussions with Unite/Amicus section, Lloyds TSB has proposed an offer relating to the terms on redundancy payments and pensions.

The offer is – Until 31st December 2008 a choice between the terms imposed by Lloyds TSB Group in October 2006 (the “ New Terms”) or the original Lloyds TSB 1997 terms (the “ Old Terms”) – whichever the individual chooses.

From 1st January 2009 until 6th April 2010 the New Terms will apply – however, for those leaving through redundancy and wishing to draw an immediate pension early pension, an enhanced actuarial reduction rate of 3% will be applied (rather than the rate of 4.75% stated in the New Terms).

The above transition arrangements will only be available to staff leaving the Group by reason of redundancy.

From 7th April 2010 the only terms offered for redundant leavers will be the New Terms with no pension enhancements/ supplements.

- Lloyds TSB Group agreed to extend the above offer to staff in C&G (although the choice would be between the severance terms in place prior to October 2006 and the New Terms – as the Old Terms were never in place for them).
- Lloyds TSB Group would also commit to opening talks in Asset Finance Division
- The choice between the New Terms and the Old Terms will also be offered retrospectively to staff that have been made redundant since 1st October 2006 to whom Lloyds TSB Group did

not previously offer this choice. Lloyds TSB Group said that it will endeavour to identify and write to these staff over the coming months.

Who qualifies? All staff within the collective bargaining unit – on harmonised terms and conditions and on UK contracts in bands 2 – 8

Conditions - This offer is conditional upon both recognised trade unions agreeing to the New Terms. Without agreement from both unions the transition terms outlined will not be implemented. Within Asset Finance and C&G, as Unite have sole recognition, the offer is conditional on Unite agreeing to the New Terms.

The Unite/Amicus Lloyds TSB National Company Committee has carefully considered this offer and strongly recommends that it be put before the membership for consideration.

CURRENT POSITION

The position as it stands is that the New Terms were imposed by Lloyds TSB Group in October 2006 and if there is no movement then anyone affected by redundancy either now or in the future may be subject to the New Terms but this could be challenged. Please see below the section entitled “ The Choice”. Unite/Amicus section members will have had newsletters with some worked examples; we have reprinted those worked examples overleaf.

For Lloyds TSB main bank:

EXAMPLE 1**Staff member age 50 - 24 years service**
salary £11,200

Old Terms from 1997 (applicable from 1 January 2007)

Severance payment £15,508
Immediate Pension £4,480 per annum**New Terms imposed in 2006**

- i) Severance payment £21,108 + deferred pension £4,480 (payable from age 60) or
- ii) Severance payment £21,108 + immediate pension £2,755 per annum or
- iii) Immediate pension £4,480 per annum

EXAMPLE 2**Staff member age 52. - 33 years service**
salary £12456

Old Terms from 1997:

Severance payment £18,917

Immediate Pension £6,850 per annum

New Terms imposed in 2006

- i) Severance payment £24,433 + deferred pension £6,850 (payable from age 60) or
- ii) Severance payment £24,433 + immediate pension £4,644 per annum or
- iii) Immediate pension £5,914 per annum

EXAMPLE 3**Staff member age 54 - 25 years service**
salary £15000

Old Terms from 1997

Severance payment £12,981

Immediate Pension £6,250 per annum

New Terms imposed in 2006

- i) Severance payment £30,000 + deferred pension £6,250 (payable from age 60) or
- ii) Severance payment £30,000 + immediate pension £4,668 or
- iii) Immediate pension £6,250 + severance payment £786

EXAMPLE 4**Staff member age 58 - 32 years Service**
salary £17000

Old Terms from 1997

Severance payment £6,277

Immediate Pension £9,067

New Terms imposed in 2006

- i) Severance payment £34,000 + deferred pension £9,067 (payable from age 60) or
- ii) Severance payment £34,000 + immediate pension £8,223 per annum
- iii) Severance payment £19,809 + immediate pension £9,067 per annum

Lloyds TSB main bank old arrangements –

Further arrangements that were agreed in 1997 as part of the Old Terms' should have come into place on 1st January 2007 for all staff. Broadly speaking, The Post 1997 Terms are based on the following: Staff under 40, four weeks pay per year of service. 40-49 - four weeks pay per year of service, plus an additional two weeks for each year of service between 40 and 49 inclusive. 50+, three weeks pay per year of services (max 104 weeks) reduced by 10% for each year of service over 50.

In addition, staff age 50+ at the redundancy date, and who are members of the pension scheme, will be entitled to an immediate pension. The basic scheme pension will not be actuarially reduced for early payment. For those staff in a Pension Investment Plan, the accumulated fund will remain invested in accordance with the members chosen investment options. For staff aged 50 or more, an additional employer payment will be made into the fund, subject to any revenue restrictions. The payment will be calculated by taking the portion of the fund arising from the banks basic, and the members own basic contributions, and multiplying by the following factors - Age 50 - .25, 51 - .23, 52 - .20, 53 - .18, 54 - .15, 55 - .13, 56 - .10, 57 - .08, 58 - .05, 59 - .03, 60 - .00. Staff aged 50 or more may request that the fund be used to purchase a pension before aged 60.

Examples for C&G are unavailable however see below for old and new terms –**SEVERANCE TERMS PRIOR TO OCTOBER 2006 - OLD ARRANGEMENTS**

Age	Weeks
17-35	2
36-45	3
46-55	5
56-60	6

SEVERANCE TERMS - NEW ARRANGEMENTS

Age	Weeks
Under 22	2
22-40	4
41 & over	6



If you work in C&G and would like further details on how the new and old arrangements affect you contact Unite/Amicus C&G on ph. 01452 375386

C&G

Don't forget the terms for staff in C&G prior to October 2006 were different to those in the rest of the bank, please ensure you use the correct comparator.

Asset Finance

At the moment you need not do anything as we will write to you further, following negotiations.

Benefit or Detriment?

Obviously the terms for redundancy and pensions affect people in different ways depending on age and length of service. You will need to work out your current entitlements based on the Old Terms, including the further arrangements that should have been introduced in 2007 and compare these entitlements with those you could receive under the New Terms. It should be remembered that the under the Old Terms the old Lloyds and TSB heritage terms would have disappeared with effect from 1st January 2007.

It should also be remembered that nothing stands still and there could be further proposed changes in the future, which could mean that if you are made redundant, your redundancy may happen until an unknown date in the future by which time further changes to the terms may have been made and/or your entitlements could have changed..

The Choice

Unite members basically have a choice. Firstly they can accept the offer put forward by the bank. Alternatively members can continue to object to the whole of the New Terms. If the bank still insists that the New Terms are imposed then the member can challenge this through the employment tribunals if they are made redundant at some time in the future.

LTSB Questions

If you have any questions relating to the current offer or anything else to do with redundancy and pension terms then you can contact the unique Unite/Amicus section helpline by ringing 08081 449595.

History

This new offer from Lloyds TSB has only come about because Unite/Amicus section has continued to pursue this issue.

Members will recall that we did not agree to the imposition of the New Terms and since the end of last year we have advised members on an individual basis at their home addresses what they need to do if they wish to object to the New Terms being imposed.

A number of Unite/Amicus section members did this. Unite/Amicus section represented these members and the process was taken through the banks individual grievance procedure.

Stage 1 hearings were held individually and Unite/Amicus section took forward a collective stage 2 grievance on behalf of these members. It was at this stage that Unite/Amicus section invited the bank to get back around the negotiating table to see if we could find a possible settlement that would benefit Unite/Amicus section members.

What to Do

Unite/Amicus section is legally obliged to consult with its members over this improved offer. At the bottom of this newsletter you will find a tear off slip so that you can register your response to the offer. It is the membership that will decide on this issue, we urge all Unite/Amicus section members to vote.



Unite/Amicus Section Working for You

Once again through the sheer determination and support of Unite/Amicus section in Lloyds TSB and its members we have succeeded in obtaining an improved offer on redundancy terms and conditions. This development would not have been made possible without the support of Unite Amicus members.

Deadline

In order that we can move this situation forward quickly could you please return your slip to Unite/Amicus section, Lloyds TSB section, 33-37 Moreland Street, London EC1V 8HA by 16th August 2007.

Not a member?

Being part of a TUC affiliated independent trade union that has over two million members allows us the opportunity to offer you an unbeatable discounted rate on your membership. Membership subscriptions are £5.77 per month for full time staff and £3.17 for part time staff. In addition, you will receive the first three months of your membership completely free. To join visit our website on www.amicustheunion.org

Email Updates

If you would like to get Amicus updates via email, please contact us on LTSB@amicustheunion.org

I SUPPORT THE BANKS REVISED OFFER ON
REDUNDANCY AND PENSIONS TERMS.
UNITE/AMICUS SECTION

YES NO

WHO DO YOU WORK FOR?

LLOYDS TSB C&G

LLOYDS TSB SECTION
33-37 MORELAND STREET
LONDON EC1V 8HA