

Unite Ballots Members on new Terms and Conditions Proposals

Following feedback from members on Lloyds Banking Group's proposed harmonisation of terms and conditions, Unite met with the Company to state the main areas that were not acceptable to you.

These included:

- Overtime proposals – this was a strong message from both Lloyds TSB and HBOS heritages
- Loss of holidays particularly for HBOS staff
- Reduced sick pay for a huge number of staff from both heritages
- Withdrawal of cars

You will recall that the other areas that were also unacceptable were:

- The slashing of the final salary pension scheme
- The 2010 pay offer

Members and staff will know that the Company imposed both the pay and pensions proposals in March – this did not make either pay or pensions any more acceptable, it just angered colleagues and made everyone feel underrated.

The Offer

Follow numerous negotiating meetings with the Company over the past few months, the revised proposals were cascaded to you today.

These include:

- Re-introduction of overtime at premium rates of time and a half
- Protection of holiday entitlement until start of 2013
- Retention of car scheme

Whilst it is recognised that these improvements will be beneficial for a significant number of staff, Unite is very disappointed that there was not improvements in other areas.

What the new terms & conditions means for you

Below is an outline which highlights the losses and gains for staff across the bands/grades/levels.

Lloyds TSB

LTSB	Loss	Gain
8	<ul style="list-style-type: none"> • Loss 0.5 Overtime Sundays/7th day • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • 1,547 employees brought to new minimums averaging £435 pa • Higher pay range maximum • 2.5% additional Group bonus • 3-4 years service gain 1 days holiday • 5 years + gain 2 days holidays • Extra Bank Holiday Scotland/Ireland
7	<ul style="list-style-type: none"> • Loss 0.5 Overtime Sundays/7th day • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • 2,432 employees brought to new salary minimums averaging £676pa • Higher pay range maximum • 2.5% additional Group Bonus • 3-4 years service gain 1 days holiday • 5 years + gain 2 days holidays • Extra Bank Holiday in Scotland/Ireland
6	<ul style="list-style-type: none"> • Loss 0.5 Overtime Sundays/7th day • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • 1,775 employees brought to new salary minimum averaging £1,209pa • 2.5% additional Group bonus • Less than 3 years service gain 2 days holiday • 3-4 years service gain 3 days holiday • 5 years + gain 3 days holiday • Extra Bank Holiday in Scotland/Ireland
5	<ul style="list-style-type: none"> • Less than 3 years service lose 2 days holiday • 3-4 years service lose 1 days holiday • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • 935 employees brought to new salary minimums averaging £2,178 • Higher pay range maximum • 7.5% additional Group Bonus • Extra Bank holiday Scotland/Ireland
4	<ul style="list-style-type: none"> • Aged 50+ lose Bi-annual health screening • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • 638 employees brought to new salary minimums averaging £2,534 • Higher pay range maximum • 12.5% additional Group Bonus • Extra Bank holiday in Scotland/Ireland
3	<ul style="list-style-type: none"> • Bi-annual health screening • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • 5% additional Group Bonus • Extra Bank holiday • Scotland/Ireland
2	<ul style="list-style-type: none"> • Bi-annual health screening • Life Event Leave • OSP reduced for those with less than 4 years service 	<ul style="list-style-type: none"> • Extra Bank holiday Scotland/Ireland

In addition, the proposals will mean that Lloyds TSB staff will lose contract flexibility and the protected PMI family cover for c3,000 staff.

For those LTSB staff who are essential car users, the mileage qualification will be reduced from 18,000 to 12,000 pa.

HBOS

HBOS	Loss	Gain
1.1-1.3	<ul style="list-style-type: none"> • Lose 5% Group Bonus • 3-4 years service lose 1 days holiday from January 2013 • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 1,356 employees brought to new salary minimums averaging £692pa • 4% flex pot • Additional overtime 0.5 Time • Enhanced Maternity Pay
1.4	<ul style="list-style-type: none"> • Lose 5% Group Bonus • 3-4 years service lose 1 days holiday from January 2013 • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 190 employees brought to new salary minimum averaging £1,101pa • 4% flex pot • Additional overtime 0.5 Time • Enhanced Maternity Pay
2.1-2.2	<ul style="list-style-type: none"> • Lose 5% Group Bonus • Less than 4 years lose 2 days holiday from January 2013 • 5 years + lose 1 days holiday • PMI single cover from January 2013 • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 998 employees brought to new salary minimum averaging £890pa • 4% flex pot • Additional overtime 0.5 Time • Enhanced Maternity Pay
3.1-3.2	<ul style="list-style-type: none"> • Lose overtime • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 453 employees brought to new salary minimum averaging £1,586pa • 4% flex pot • Enhanced Maternity Pay
3.3	<ul style="list-style-type: none"> • Lose overtime • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 572 employees brought to new salary minimum averaging £1,717pa • 5% additional bonus • 4% flex pot • £4,080 car allowance • Enhanced Maternity Pay
4.1	<ul style="list-style-type: none"> • Lose PMI family cover • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 5% additional bonus • 4% flex pot • £500 on car allowance • Enhanced Maternity Pay
4.2	<ul style="list-style-type: none"> • Lose PMI family cover • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 10% additional bonus • 4% flex pot • £1,200 on car allowance • Enhanced Maternity Pay
5.1	<ul style="list-style-type: none"> • Lose PMI family cover • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 2.5% additional bonus • 4% flex pot • £800 on car allowance
5.2	<ul style="list-style-type: none"> • Lose PMI family cover • Shopping day in England & Wales • OSP reduced 	<ul style="list-style-type: none"> • 7.5% additional bonus • 4% flex pot • £1,900 on car allowance

In addition there will be a further loss of 2 days additional leave for those in Scotland with protection.

Car allowance increase for members in HBOS non-contributory DC pension as follows:

6.1	-	£4,128
5.2	-	£2,988
5.1	-	£2,988
4.2	-	£2,700
3.3/4.1	-	£2,700

Equality?

Whilst for a significant number of employees, the proposals could be seen as favourable, Unite is extremely concerned that they have not been equality proofed which means that there is no sight as to who really benefits.

Unite is calling on the Company to share any analysis that has been undertaken to show that these proposals are fair and equal across the whole population, including all diversity strands. It would be unacceptable that Lloyds Banking Group has appointed members of Group Executive to promote and sponsor each of the strands but at the same time these same populations be disadvantaged with these proposals.

Out of Scope

There are a number of areas such as Retail Direct Channels who are out of scope with regards to reward proposals. Members and colleagues should have been informed if you fall into this population. Local communications will be issued to the affected populations.

What Next?

Unite will be balloting members on the latest proposals along with the imposition of the pension and pay imposition. The ballot will be independently undertaken by the Electoral Reform Society. Ballot papers will be issued to members' home addresses from 1 June with a return date of 16 June.

Unite is asking members to endorse the previous survey result with regards to the unacceptable pay and pensions imposition and calls on the Company to get back round the negotiating table to get to a more acceptable outcome.

Unite is also seeking our members' views on the improved terms and conditions proposals. Whilst we do not believe the Company has gone far enough, there are winners as well as losers therefore we are not recommending acceptance or rejection.

Members are encouraged to make sure your home address details are up to date. If you have not received any Unite communications to your home address in 2010, please contact your local regional office who will be happy to help.

Further updates will be provided over the next few weeks. For further information on Unite go to www.unitetheunion.org

Remember – only Unite members can vote in this ballot. To make your voice heard, join Unite at www.unitetheunion.org