


Pay In Lieu Of Notice For Sellers

In my last Newsletter I said that the Bank had agreed to offer full salary and benefits protection to displaced Financial Consultants who had secured, either for themselves or with the help of Pathways, alternative roles within Lloyds TSB. The full protection we secured covers salary and the car allowance and also offered the safety net of a trial period for FC's should that be necessary. LTU's agreement will have benefited up to 70 Financial Consultants who would otherwise have had to accept roles with lower salaries and the loss of benefits.

The one outstanding issue which we have been discussing with the Bank is the pay in lieu of notice (PILON) payments which sellers are entitled to under their contracts of employment. For FC's the length of their notice period can either be 8 weeks or 12 weeks depending on the terms of their contracts of employment. When an employment relationship is terminated, the employer, in this case Lloyds TSB, can say to the employee "You are now dismissed for reasons of redundancy, here is a payment instead of (or in lieu of) the notice you would normally have received. You need not work your notice.". The issue which we have been discussing with the Bank is what should be included in any payment in lieu of notice. LTU's position, which is supported by the Union's legal advisers, Thompson's, is that any PILON compensation must include the following elements:

- Basic salary to the end of the notice period;
- Loss of fringe benefits, for example pension, car benefit, medical insurance cover, free petrol card etc;
- Contractual bonuses under the PSRP scheme;
- Any holiday pay entitlement.

The Bank, which originally planned to pay sellers just their basic salary until LTU pointed out that it would be acting unlawfully if it refused to reimburse sellers for the loss of their total pay package, has agreed to compensate sellers for the loss of all elements of their remuneration packages apart from the fuel card. Whilst the loss of compensation for the fuel card may seem trivial to some people the fact is that for displaced BHC's and SIA's it was a benefit which they were contractually entitled to and they should be compensated accordingly. If we allow the Bank to get away with this then what next? Financial Consultants with any questions should contact the Union on 01234 262868 immediately.

 <p>24 Hours Advice Line</p>	 <p>Mark.Brown@ltu.co.uk</p>	 <p>Fax No: 01234 262821</p>
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