

21st December 2004

Lloyds TSB Salesforce

# Salesforce Pay & Targets Agreed For 2005

**T**he Bank will announce today the pay and target arrangements for SIA heritage consultants, Black Horse Consultants, Financial Consultants on the new package, Financial Advisers, Financial Planning Consultants, Personal Account Managers, Mortgage Advisers, Premier Managers and Privilege Managers.

Following discussions between the Bank and LTU's Salesforce Negotiating Committee it has been agreed that basic salaries for regulated staff will increase by

3% effective from the 1st January and that targets will increase by 5%. Basic salaries for the non-regulated salesforce will increase by 2% and thresholds for next year will increase by 6% for Privilege Managers and 4% for Personal Account Managers. The thresholds for Mortgage Arrangers will not be increased in 2005.

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## Interim Review Of Targets

To ensure that the new targets for 2005 are being achieved by Financial Consultants, LTU and the Bank will undertake a formal review of both national and individual performance at the end of the second quarter.

The Bank has said that as part of this second phase of target negotiations for Q3 and Q4 it would be looking to demonstrate to LTU's Salesforce Negotiating Committee that its key performance enablers, which include enhancements to products and processes, a clearer focus on sales management and the transfer of best practice across the salesforce, have delivered better performance for the salesforce. If those enablers have not delivered better performance then LTU will be looking for that to be reflected in regulated targets for the second half of the year.

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The Bank has also said that in Q1 it is looking to re-price its protection range to make it more competitive. The rewards payable for the sale of protection policies will change accordingly. When the re-priced products are introduced, which is still subject to further discussion in the case of replacement sales, salespoints will only be generated on the incremental premiums rather than the full amount of the monthly premiums. When we discuss the second phase of targets in July for the remainder of 2005 we will have more detail on the impact of this change on the salesforce. Again, if the impact is greater than the Bank's initial modeling suggests then we will be looking for that to be reflected in targets for the second half of the year.

## Regulated Pay And Targets For 2005

In summary our pay and targets agreement for personal sector Financial Consultants for 2005 is as follows:

### Pay 2005

- Basic salaries for Savings and Investment Advisers (SIAs) and new Financial Consultants will be increased by 3%, effective from 1st January.
- Salaries for Financial Planning Consultants and Financial Advisers will be reviewed as part of Pay 2005 in the normal way.
- For FC's on the heritage BHC package the parameters of their package will need to be changed to ensure that it reflects the new salary and target levels. Details of that package are currently being agreed and will be communicated shortly by the Bank.

### Regulated Targets For 2005

The targets for each of the different regulated roles will increase by 5% as follows:

Level	Annual Salary	Quarterly Target Q1
B	£16,074	11,648
C	£22,963	15,954
D	£29,852	21,191
E	£41,334	28,705
F	£52,814	36,963
G	£64,296	42,803

Those on the FC'99 package will recall that LTU agreed a target reduction of 5% for Q4. The new targets, which will be on a like for like basis to the Q4 2004 target, will effectively mean that targets will remain the same year on year for those on the FC'99 package.

- For SIAs the average monthly regulated points target for 2005 will be 21,129. The average non-regulated target will be 971.
- For Financial Advisers and Financial Planning Consultants the Bank will change the parameters of their schemes to reflect the target increase agreed for the FC Scheme. Details of how that will be achieved will be communicated by the Bank shortly.
- The Financial Consultant Threshold (FCT) will increase by 5% to 13,650.
- The Financial Planning Manager Threshold (FPMT) will also increase by 5%.

# Non-Regulated Pay And Targets For 2005

Our pay and target agreement for personal sector Non-Regulated Sellers for 2005 is as follows:

## Pay 2005

- Basic salaries for Personal Account Managers and Mortgage Arrangers will be increased by 2% effective from 1st January 2005. Personal Account Managers and Mortgage Arrangers will have seen their basic salaries rise by an average 13.5% and 8.8% respectively since October.
- It was agreed that for non-regulated sellers on protected salaries future salary increases would be linked to the average movement in the new package salary levels. Protected salaries for these staff will increase by 2%, effective from 1st January 2005.
- Salaries for Privilege and Premier Managers will be reviewed as part of Pay 2005 in the normal way.
- The new salary levels are as follows:

### Personal Account Managers

Level	Annual Salary
B	£15,300
C	£18,360
D	£22,032

### Mortgage Advisers

Level	Annual Salary
B	£16,400
C	£19,380
D	£22,950

## Non-Regulated Targets For 2005

- To reflect the difference in performance in 2004, non-regulated target thresholds for Personal Account Managers will be increased by 4% and Privilege Managers by 6%. Members will recall that as part of

our agreement on the new reward packages, NPV targets for PAMs, MAs and Privilege Managers were reduced by 5% on a like for like basis in Q4 2004. The target increases for 2005 are based on the Q4 targets which mean that overall the PAM target for 2005 will be 1% less than it was for 2004 and the Privilege target will be 1% more.

## Newsletters by Email

LTU is offering members the opportunity to receive newsletters by Email. We will send all newsletters direct to you on the day they are sent to members by post giving you authoritative, immediate information on the issues that matter.

To join the service all you need do is to email us at [Janet.Gilkison@ltu.co.uk](mailto:Janet.Gilkison@ltu.co.uk) or phone on 01234 262868 with your membership number (your file or payroll number) and your email address. We'll do the rest.

## Contacting LTU

Members with any questions on the new Salesforce Pay and Targets can contact the Union's Bedford Office as follows:

 <p>01234 262868 24 hour advice line</p>	 <p><a href="mailto:24hours@ltu.co.uk">24hours@ltu.co.uk</a></p>	 <p>Fax No: 01234 262821</p>
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**Mark V Brown**  
Assistant General Secretary