

7th August 2003

Scottish Widows - Chatham

Laptop Helpdesk Moving to Edinburgh

- LTU's Advice and Support
- Severance Terms Explained
- General Rights and Benefits

Scottish Widows yesterday announced that the IT support provided by the Laptop Helpdesk for the LTSB Regulated Sellers, which is currently based in Chatham, will be moved to Edinburgh by the end of the year.

According to Scottish Widows the Edinburgh Service Desk has the capacity to take additional calls because it is open longer than the Helpdesk in Chatham. Currently all reported hardware faults in Chatham, which are running at 600 per month, are dealt with by an outside provider called Computacentre. A move to Edinburgh would reduce that number significantly.

Scottish Widows propose to transfer the first line support to Edinburgh, reducing the number of agency staff in Chatham from 4 to 3. The second stage will be to then transfer the second line support to Edinburgh reducing the number of established staff in Chatham from 5.5 to 2.5.

Those staff in Chatham whose jobs are being moved will be offered the opportunity to relocate Edinburgh if they wish. Scottish Widows have also said that there will be opportunities for some staff to move to the Desktop Support Team and to replace onsite engineers who are currently being provided by an external supplier. Before any member accepts redeployment to another role we would advise them to read this Newsletter and speak to David Vaughan who will be visiting Chatham on Friday, 8th August. David will be available to speak to members all day and will be based in Room 4C.

What Next?

LTU and Scottish Widows have already begun discussions on how affected staff will be treated. The Union will be insisting that every effort is made to reduce staff numbers on a voluntary basis and that every avenue is explored before any member of staff is made compulsorily redundant.

Just as LTU is working to ensure that staff are not made compulsorily redundant, the Union will be focussing upon ensuring that staff are not expected to accept alternative jobs which they might consider unsuitable. Where staff would prefer to leave Scottish Widows, the Union will be pressing Scottish Widows to offer Voluntary Severance rather than force them into unsuitable positions.

LTU's Key Objectives

LTU has two key objectives in protecting the needs and interests of staff during the closure programme:

- To ensure Scottish Widows takes every possible measure to avoid the need for compulsory redundancies. This includes measures enabling staff to be redeployed elsewhere within the Group.
- To ensure that no member of staff is coerced into accepting a role elsewhere in Scottish Widows which they believe to be unsuitable.

The Union is to meet Scottish Widows on a regular basis to develop and discuss job security measures in order that staff are provided with the fullest possible protection.

Suitable Alternative Employment

Staff should note that during any reorganisation such as this they have a number of rights both legally and under the Group's Job Security Policy.

In particular, staff have a legal right to be offered 'suitable alternative employment'. If this is not available then they must be offered the Group's Voluntary Severance Terms as an alternative.

'Suitable Alternative Employment' would be:

- a position at the same band or level of seniority
- within the skills, competencies and experiences of an individual, subject to adequate training
- a 'proper job' rather than one of only a short-term nature
- with similar working patterns

In particular, staff should note that, as a result of this reorganisation, they cannot be forced to accept a job with different work patterns.

It may be possible that staff are offered temporary secondments or projects, but only if there is the prospect of the individual continuing in 'suitable alternative employment' for the foreseeable future.

Lloyds Heritage; Pre-1997

The VS/VER Terms detailed on these pages apply solely to staff who joined on Lloyds contracts on or before 31st December 1996.

Voluntary Severance (VS) applies to staff under 50 and Voluntary Early Retirement (VER) to staff aged 50 or over. Payment will be made in accordance with the table overleaf and calculations below. Exactly the same terms apply for Voluntary Severance and Compulsory Redundancy.

For leavers under VS, a preserved pension based on the length of pensionable service at the date of leaving will be calculated to be taken at age 60.

Leavers under VER will, in addition to the severance payment, receive a non-actuarially reduced pension based on the length of pensionable service at date of leaving.

Points to note when calculating Severance Payments:

- The amount of Territorial Allowance (London and South East) to be added will be that currently payable (including any payments under wind-down schemes).
- Bands 1-4 should add an amount for the Car Benefit they receive based on the value of 12 times the monthly limits set out by the Car Scheme.
- The first £30,000 of payment will not be subject to Income Tax.

Payment in Lieu of Notice:

- The notice period commences from the date the individual signs to accept the Bank's offer.
- A minimum of 8, and a maximum of 12, weeks' salary will be paid on the basis of 1 week for each year's service, and is payable for any period of unexpired notice at the individual's date of leaving.

WORKING OUT YOUR REDUNDANCY PAYMENT

- Step 1 What is your Basic Salary
Add your car benefit
Territorial Allowance
Total A (A)
- Step 2 Divide Total A by 52 (B)
- Step 3 How long have you worked for the Bank?
(round up to next complete year)
- Step 4 How old are you?
- Step 5 Look at the Redundancy Table opposite and find the value where your Service (Step 5) and Age (Step 4) Intersect Multiplier C (C)
- Step 6 Multiply C (Step) by B (Step 2) to find your Redundancy payment

MARK V BROWN
Assistant General Secretary

So when considering redeployment, members should spend a little time thinking about how the new job might change in the future (ie itself be declared surplus, downgraded, etc.).

LTU's Support and Advice

Only LTU has the experience, resources and commitment to provide staff with the support they need, when they need it. LTU's independent and professional Advice Team is available 24 Hours a day, 7 days a week to provide help and guidance to any member whether or not directly affected by this latest announcement. Any members who need help in calculating their severance terms, pension, or who have any other questions should contact the Union's Advice Team on 01234 262868.

Severance Terms Explained

Different severance terms apply depending on 'heritage' and when staff joined the Bank. Each set of terms is outlined below. Further information and advice is available exclusively to members from the Union's 24 Hour Advice Line on 01234 262868.

Staff who Joined The Bank after 1st January 1997

All staff joining the Bank since 1st January 1997 are only entitled to the Severance Terms detailed in this section.

Staff who are made redundant will be entitled to receive a lump sum calculated according to a formula based on age and length of service, as the table beneath shows.

AGE OF EMPLOYEE	ENTITLEMENT
< 40	4 weeks' pay per year of service
40 - 49	4 weeks' pay per year of service plus an additional 2 weeks' pay for each year of service between 40 - 49 inclusive
50+	3 weeks' pay per year of service (max 104 weeks) reduced by 10% for each year of service over 50

Service for the calculation of redundancy payments is actual service for the Bank at the date of termination rounded up to the next whole number of years, and age as at last birthday.

The pay figure used to calculate the redundancy payment will include the following;

- Basic Salary
- Territorial Allowance
- Company Car Limit
- PSRP averaged over 12 months

The total pay figure is then divided by 52 to arrive at a weekly figure. This figure is then multiplied by the factor calculated as above.

The maximum entitlement is 104 weeks pay and the first £30,000 of any payment is free of tax.

TSB Heritage; Pre-1997

TSB 'Heritage' staff who joined the Bank on or before 31st December 1996 are only entitled to the Severance Terms detailed in this section

Severance Terms are based upon the age of the member of staff and the length of their continuous service in the Bank, with different calculations applying to those staff who joined the Bank on or before 31st December 1993, and those who joined between 1st January 1994 and 1st January 1997.

Voluntary Severance (VS) applies to staff under the age of 50. Voluntary Early Retirement (VER) applies to Staff age 50 or over. Exactly the same terms apply for Voluntary Severance and Compulsory Redundancy.

Staff who commenced TSB employment before 31st December 1993

The maximum amount of redundancy payment is £60,000.

- Staff aged 18 - 39 Three weeks' pay for each year of service.
- Staff aged 40 - 49 Three weeks' pay for each year of service, plus two weeks' pay for each completed years' service between the ages of 40 - 49.
- Staff aged 50 - 56 Two weeks' pay for each year of service.
- Staff aged 56 + Two weeks' pay for each year of service, reduced by 1/24 for each completed 2 month period of service over the age of 56.

All payments are made in addition to a basic award of nine weeks' pay, and also in addition to any statutory entitlements under the Redundancy Payment Scheme.

Staff who commenced TSB employment between 1st January 1994 and 1st January 1997

All staff are entitled to a minimum of 6 weeks' pay; the maximum amount of redundancy payment is £60,000.

- Staff aged 18 - 39 Three weeks' pay for each year of service.
- Staff aged 40 - 49 Three weeks' pay for each year of service, plus one weeks' pay for each completed years' service between the ages of 40 - 49.

- Staff aged 50 - 56 Two weeks' pay for each year of service,
- Staff aged 56 + Two weeks' pay for each year of service, reduced by 1/24 for each completed 2 month period of service over the age of 56.

All payments are made inclusive of any statutory entitlements under the Redundancy Payment Scheme.

Points to note when calculating Severance Payments

- Staff who have changed their working hours from full time to part time, or vice-versa, will have their redundancy payments calculated on a pro rata basis.
- Any Territorial Allowance is added to Basic Salary before applying the above calculations.
- Payments are based on actual service at the date of termination rounded to the nearest whole year, and the first £30,000 of payment will not be subject to Income Tax.

General Rights and Benefits

Leavers under VS under the age of 45 may keep their Staff Mortgage at the current rate for a further year from the date of leaving; those between the ages of 45 and 49 inclusive may keep their Staff Mortgage at the current rate for two years from the date of leaving.

For TSB heritage staff, mortgage benefit is paid as a lump sum depending upon date of joining the Bank.

Leavers under VER may keep their Staff Mortgages on the agreed terms until their normal retirement date.

Personal Loans or Educational Loans may be kept on the agreed terms after leaving, until maturity (applies to VS and VER)

Holiday entitlement will be given pro-rata and will normally be expected to be taken before leaving. (If this is not operationally possible then payment in lieu will be made).

Up to five further payments can be made under the SAYE Share Option Scheme in the six months following leaving. Options must be exercised within 6 months of leaving.