

# PBIFA Targets Update

In March I reported on our negotiations with the Bank over PBIFA targets for Q2 2004. These took place against a backdrop of the Bank saying that it believed there was overwhelming evidence to justify significant increases in targets and that if the business was to achieve its targets for the year PBIFA targets needed to be increased by over 40%.

LTU's position throughout has been that there should be no increases in targets until it could be properly demonstrated that the expected levels of business were actually being delivered. The Bank accepted this position at the end of last year and Q1 targets were carried over without any increase from 2003.

For Q2 targets LTU successfully argued that with actual levels of business still massively below expectation there was little justification for increases of anything like the 40% the Bank wanted. Instead, as I reported to members in my last Newsletter, the Bank restored the original 2003 targets (before the 15% reduction) and in recognition of our concerns extended the salary protection guarantee for a further quarter. This meant that salary levels would be protected until October 2004.

**Key to our negotiations for what should happen to Q3 targets therefore has been whether the**

**evidence of actual business written suggests the Bank's overall business targets, based as they are on assumptions of what leads should produce rather than experience, justify any change in PBIFA targets.**

**I am pleased to report that the Bank accepts that with the majority of PBIFAs still so far behind target it would be undesirable to make any more changes to targets this year. In addition, the Bank has again agreed to extend the salary protection guarantee for a further quarter, until the end of the year, so as to avoid the double whammy affect of staff not earning any bonuses and having their salary level cut. This means that salary levels will now be protected until January 2005.**

**What is more we have agreed with the Bank that for this year only the threshold for reductions in salary levels will be reduced from 90% to 50% of target and that performance will be assessed against the full year and not just the last two quarters.**

**On current figures these changes should reduce considerably the number of PBIFAs facing the prospect of a salary reduction and represent an important change in the Bank's stance which LTU welcomes.**

**NICK HOLT**  
Assistant General Secretary