



Membership Application

LTU, St John's Terrace, 3-7 Amphil Street, Bedford MK42 9EY Tel 01234 262868 Fax 01234 262821 www.ltu.co.uk 24hours@ltu.co.uk

Title

Surname

Forename(s)

Home address

Postcode

Date of birth

Payroll number

Branch/Office/Dept

Location code

Home telephone

Work telephone

Email address

Job title

Pay band

Date of joining group

Vassar Smith Fund

The Vassar Smith Fund is a registered charity which provides support and financial assistance to current, retired and former members of staff and their dependants.

If you would like to contribute to the Fund tick this box to make a monthly contribution of 10p or, if you would like to donate more simply write the amount you would like us to add to your subscription in the same box.

Subscription Category... 2006

Bands 1, 2, 3 & 4	£10.15 p.m.	<input type="checkbox"/>
Band 5	£9.65 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 over 25	£9.00 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 under 25	£8.10 p.m.	<input type="checkbox"/>
Part time over 15 hrs	£4.90 p.m.	<input type="checkbox"/>
Part time under 15 hrs	£3.80 p.m.	<input type="checkbox"/>

"For the purposes of the Trade Union Act 1984 and other statutory requirements I authorise the Union to use my work address as my "proper address" to which any communications may be sent."

Signature Date

To receive LTU newsletters by email ... tick here



Instructions to your Bank or Building Society to pay by Direct Debit

Please fill in the whole form and send it to:
Lloyds TSB Group Union, St John's Terrace, 3-7 Amphil Street, Bedford MK42 9EY

Originator's Identification Number

8 3 0 2 7 1



1. Name and full postal address of your Bank or Building Society

To: The Manager

Address Bank or Building Society

Postcode

2. Name(s) of account holder(s)

3. Branch sort code

4. Bank or Building Society Account Number

5. Lloyds TSB Group Union reference no.

6. Instructions to your Bank or Building Society. Please pay Lloyds TSB Group Union Direct Debits from the account detailed on this instruction subject to the safeguards assured by The Direct Debit Guarantee. I understand that this instruction may remain with Lloyds TSB Group Union and, if so, details will be passed electronically to my Bank/Building Society.

Signature(s)

Date

The Direct Debit Guarantee This Guarantee should be detached and retained by the Payer.

- This Guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society.
- If an error is made by Lloyds TSB Group Union or your Bank or Building Society you are guaranteed a full and immediate refund from your branch of the amount paid.
- If the amounts to be paid or the payment dates change Lloyds TSB Group Union will notify you 10 working days in advance of your account being debited or as otherwise agreed.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please send a copy of your letter to us.

Wealth Management Tax Service Outsourced to KPMG

For a number of months Wealth Management has been reviewing the tax service it provides to Lloyds TSB customers and how that can be expanded in the future. According to Wealth Management the review has looked at a range of options from redesigning the existing processes and keeping the work in-house to using third party suppliers.

Today Wealth Management will be announcing that the Bank's tax business, which is currently carried out in Exeter and Kings Norton by 54 staff, is being moved to KPMG with effect from the 1st March 2007. That will mean the closure of the Exeter and Kings Norton offices at the end of February 2007.

This announcement involves:

- 3 staff being retained as part of a Tax Support Unit. That Unit will be based in Exeter and will consist of 1 x Band 4, 1 x Band 5 and 1 x Band 6. Band 5 or 6 staff will be able to put their names forward for the two roles.
- Under TUPE Band 5 and 6 staff in the Kings Norton office, of which there are 12, will transfer to the KPMG office in Birmingham to work on the Wealth Management contract. Details of the legal protection afforded by the TUPE regulations are set on page 6 of this Newsletter.
- Whilst all staff in Exeter and Kings Norton have a legal right to transfer to KPMG, for many exercising that right will mean moving to Glasgow or Birmingham where equivalent roles in KPMG are based. KPMG do not have any

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offices within a reasonable travelling distance of Exeter. Wealth Management have said that some voluntary severances will be available but it expects to be able to redeploy the majority of staff either within Wealth Management or in other parts of the Group.

Members with any questions on this Newsletter can either contact the Union's Bedford Office on 01234 262868 or speak to:

**Joe Harrison who will be visiting the
Kings Norton Office on
Friday, 1st December**

**Jamie Hill who will be visiting the
Exeter Office on
Friday, 1st December**

Protecting Wealth Management Staff

Protecting the job security of staff working in Exeter and Kings Norton will be a major priority for LTU over the coming weeks and months.

Opportunities for redeployment into other business units are likely to be few and far between; especially when other functions have already been making severe cut-backs in staff numbers over recent months. LTU will be seeking to ensure that those opportunities that do exist are nevertheless used to the full.

In ensuring that members affected by the restructure receive the fullest possible protection, LTU has two key objectives: avoiding compulsory redundancies and stopping staff being forced into alternative jobs that they consider unsuitable.

Avoiding Compulsory Redundancies

LTU will be insisting that the Bank must take every possible step to find redeployment opportunities for surplus Wealth Management Staff before it contemplates making anyone compulsorily redundant.

The Union believes that if senior management is genuinely committed to working closely with LTU and if proper periods of job search are allowed, there will be little if any need for compulsory redundancies. Whether there are compulsory redundancies will be entirely dependant on the commitment and attitude of top management to its staff.

Avoiding 'Forced Redeployment'

Although potentially the main danger of this outsourcing is that of compulsory

redundancies, especially for staff in Exeter, LTU will be making every effort to ensure that staff are not forced to accept roles they consider unacceptable.

The attitude of Senior Management will be key in deciding whether it will attempt to squeeze 'square pegs into round holes', or offer staff Severance Terms when they really don't wish to accept the alternative roles being offered.

However, it is correct that if members of staff are found genuinely suitable alternative roles, they have no alternative but to accept those roles - unless they are willing to risk forfeiting their Severance Payments. It is equally correct that if a suitable role cannot be found, staff are legally entitled to receive Severance Payments.

Job Security Appeals Procedure

Where staff are made compulsorily redundant, or feel they are being forced to transfer into roles they consider unsuitable, they can appeal against the Bank's decision using the Job Security Appeals Procedure.

Many recent Job Security Appeals have centred on the time the Bank has allowed for making job searches for alternative employment and/or the efforts made by Pathways to find such alternative employment.

LTU Advice & Support

With important change taking place in Lloyds TSB, it is essential that all staff - wherever they work - are members of Lloyds TSB Group Union.

With LTU you can count on:

- **A wealth of experience from our team of Advisers and Individual Representatives. Every single one of these people previously worked for Lloyds TSB, but is now employed direct by LTU; so you can be sure they all have the background, experience and professionalism to provide you with whatever support you need.**
- **Negotiations on your behalf by LTU officials with considerable experience in dealing with reorganisations and closure**

programmes within Lloyds TSB.

- **Regular Newsletters updating members on the issues specific to Wealth Management staff. These ensure that you have all the information you need, when you need it.**

But perhaps the most important service LTU provides at times like these is our 24 Hour Advice Line Service; enabling members to speak direct to an LTU Official at any time; whether during the day, night or weekend. Every one of these LTU Officials is specially trained and experienced at advising on, and tackling problems relating to, reorganisations and closures in the Bank. The number for LTU's Advice Line is 01234 262868.

Mark V Brown
Assistant General Secretary

Legal Protection : TUPE

The Transfer of Undertakings (Protection of Employment) Regulations, more commonly known as TUPE, were introduced in 1981 to help protect the rights of employees where there is a change in their employer. The main objectives of the law are to:

- **Ensure that the recognised unions of staff to be transferred (ie LTU) are informed and consulted on the proposed transfer and its impact on staff.**
- **Ensure that the contracts of employment of staff are transferred automatically between employers and their terms and conditions protected.**

The TUPE Regulations provide the following protection for employees transferred between employers:

- ***Existing contracts of employment transfer to the new employer. Once the transfer is complete these can only be changed by mutual agreement.***
- ***The period of employment with the Bank is treated as continuous service, once staff transfer from the Bank to the new employer. Rights and benefits relating to the period of continuous employment remain; such as for redundancy, unfair dismissal, etc.***
- ***If the employer attempts to impose new terms and conditions by dismissing employees and re-employing them on***

new terms then the dismissal will be unfair.

- ***Where worse terms and conditions are offered by the new employer at the time of transfer, staff may resign and claim constructive dismissal.***
- ***If the new employer attempts to impose new terms and conditions by dismissing employees and re-employing them on new terms then the dismissal will be unfair.***

It is particularly important that staff bear in mind that the Bank has previously argued that, in terms of remuneration, only basic salary is transferred to the new employer.

The Bank may seek to argue that staff are not entitled to an amount equal to the new Flavours scheme or participation in the Sharesave Scheme. In other words, staff transferred from Lloyds TSB to another employer could, unless LTU successfully negotiated proper compensation, suffer cuts in their spendable income. We hope, however, that it will be possible to avoid this during negotiations.

The Bank has a legal obligation to negotiate genuinely with LTU on the transfer terms "with a view to reaching an agreement."

Negotiations on the transfer terms are due to commence shortly and LTU will be seeking full input from staff affected, and providing detailed feedback, throughout our discussions.

Suitable Alternative Employment Explained

Members should be aware that during any reorganisation such as this they have a number of legal rights and other employment rights under the Bank's Job Security Policy.

In particular, staff whose jobs are redundant have a legal right to be offered 'suitable alternative employment' if it is available. If suitable alternative employment is not available they must be offered the Bank's Voluntary Severance Terms as an alternative.

'Suitable Alternative Employment' would be:

- **A position at the same Band or level of seniority (see 'Transfer To A Lower Grade')**
- **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**
- **Within recognised mobility parameters.**

It may be that staff are offered temporary secondments or projects, but these would be treated as 'suitable alternative employment' only if there was a real prospect of the individual continuing in the post for the foreseeable future.

Where members of staff are offered genuinely 'suitable alternative employment' they cannot unreasonably decline the alternative jobs.

Travel & Mobility

In many cases WM staff will be concerned that they could be offered alternative jobs that are some considerable distance from where they live.

The guidelines agreed between LTU and the Bank, specify that normally staff should not be expected to transfer where;

- **The journey from home is more than 25 miles, or;**
- **The journey time for staff travelling by public transport is more than 1 hour 15 minutes.**

Of course, each case needs to be judged on its own merits. In some circumstances (such as quick driving routes) a longer journey may be reasonable; whilst in other cases 25 miles may be too great a distance a (i.e. congested or cross-country journeys).

The Bank must also take into account the "personal and domestic circumstances" of staff, for instance their child or family care responsibilities, when considering asking them to transfer.

Trial Periods

Members accepting new jobs or agreeing to consider positions that are not deemed 'Suitable Alternatives' by the Bank, should be offered trial periods of between four and twelve weeks before they confirm final acceptance of any new positions. It is essential that members establish the right to trial periods in advance of taking up new positions and get it clearly understood in writing that if they deem a job to be unsuitable and no further job is offered, they can take Severance. This decision can be made at any time during the trial period.

Job Size & Duties

Any members considering accepting an alternative job should:

- **Ask for the Hay Job Units score for the new job. Members must remember that the fact that two jobs are in the same Band doesn't mean that the salaries attached to them will be managed around the same Market Indicators. This can and will affect the salaries actually paid. Members must check the job sizes of alternative jobs to establish whether the same Market Indicators apply.**

- **Ask for a clear description of the responsibilities and tasks of the new job and, where necessary, find out what training will be provided by the Bank.**

Transfer To A Lower Grade

Under certain circumstances you might be asked to accept a lower grade. It is important to note, however, that:

- **This must be no more than one Band lower than your current job.**
- **Your current salary will be protected and managed using the Band and Pay Zones applicable to your new job.**

- **If you are above the mid-point of the market zone for your job you can expect to be managed at your current level (adjusted for general market movement) for a period of three years, subject to satisfactory performance.**
- **Anyone downgraded from Band 3 to Band 4, Band 4 to Band 5 or Band 5 to Band 6 must be offered Voluntary Severance as an alternative.**

It is important that any staff facing the prospect of being downgraded should discuss their circumstances with LTU's Advice Team.

Severance Terms Transitional Arrangements

It was agreed that there would be transitional arrangements for staff leaving the Bank through Voluntary Severance/Early Retirement after the 1st October until the end of the year. However, these transitional arrangements, which would allow staff to get the better of the new terms or their existing terms, only apply to staff leaving through redundancy on or before the 31st December or staff leaving after the 1st

January who receive formal notice of redundancy by the 30th September 2006. Staff in Exeter and Kings Norton will not be leaving the Bank until March and this falls outside the transitional arrangements. This is extremely harsh for the individuals concerned and we have proposed that staff wanting to take Voluntary severance/Early Retirement should be allowed to go before the end of the year. WM is considering this proposal.

The New Severance Terms

Under the new regulations, Severance Terms must be based on either the statutory redundancy payments formula or be a flat rate amount per year of service regardless of age.

For this reason the statutory route has been chosen as that allows some differentiation for age, a wider definition of a week's pay and can be multiplied by a factor as long as the factor is consistently applied. The proposal is to use a factor of 4.

The severance calculation formula including the multiple will be as follows:

- **Two weeks' pay for every year of service under the age of 22**
- **Four weeks' pay for every year of service aged 22-40 and**
- **Six weeks' pay for every year of service aged 41 and over.**

Only the last 20 years service is used in the calculation and payment is capped at 104 weeks' pay.

A week's pay will be defined as follows:

- **Basic salary (in addition for sales staff, where Personal Sales Related Pay (PSRP) is payable, PSRP will be averaged over the previous 12 months)**
- **Territorial Allowance**
- **Car Limit**
- **Shift Allowance**
- **Contractual Overtime (regular, rostered, pre-determined).**

The calculation of a week's pay is uncapped.

The first £30,000 of any payment remains tax-free.

Severance payments will apply to all staff aged between 16 and 65.

Payments will be based on service to date of termination and will be rounded up to whole years based on age at last birthday. For example, service of 12 years 1 month at date of leaving would be rounded up to next whole year - 13 years.

The new terms will come into effect on after October 2006 although there will be transitional arrangements for staff leaving the Bank through Voluntary Severance/Early Retirement after October.

Early Retirement

Under the new arrangements there is no augmentation of pension for early retirement – either payment of non-actuarially reduced pension for staff in the Defined Benefit Schemes or extra pension payments for staff in the Defined Contribution Schemes.

Whilst it will still be possible to provide non-actuarially reduced pensions as part of an early retirement arrangement for staff in the Defined Benefits Scheme (Final Salary Scheme) it will not be possible to augment pensions by making extra pension payments to staff in the Defined Contribution Schemes. The Bank has said it does not want to treat the two groups of staff differently and therefore has chosen not to do anything for the staff it could help - those in the Defined Benefits Scheme.

New actuarial factors will apply for pensions drawn early. These will be 6% per annum reduction for deferred pensioners and 4.75% per annum reduction for retirement from active service. The current rates are 4.2% and 3% respectively.

NEW LLOYDS TSB SEVERANCE TERMS

2 weeks' pay for every year of service under age 22

4 weeks' pay for every year of service aged 22 to 40

6 weeks' pay for every year of service aged 41 and over

Only the last 20 years' service applies.

Capped at maximum of 104 weeks.

Staff aged 50 taking severance will therefore have the choice of:

- **taking their full severance and leaving their pension to be drawn at age 60**

- **drawing an immediate pension and sacrificing some or all of that severance payment to mitigate the actuarial reduction (if part or all of the severance payment is waived in this way there is no tax liability)**
- **taking their full severance payment and draw an immediate actuarially reduced pension.**

Female staff who joined Lloyds Bank before the July 1974 will retain their rights to retire at age 55 with a non-actuarially reduced pension.