

Voluntary Severance Register

Since the announcement of the sale of Registrars to Advent International there has been considerable interest in taking voluntary severance. In response the Company has now decided to open a Voluntary Severance Register to gauge the extent of serious interest and is prepared to allow a number of staff to leave. However, the Register will be limited to Band 7 & 8 and ITG7 staff. The procedure and selection process is outlined below and a severance term ready reckoner is provided overleaf. Members requiring advice or assistance should contact the Union's Advice Team without delay on 01234 262868.

Staff interested in taking severance should complete a Voluntary Severance Application Form available from the intranet - Registrars Today - and it must be submitted no later than Friday 27th July.

Line Managers will then complete a desk top assessment looking at the last two year Balanced Scorecards and the applicants skills and competencies. Line Manager assessments will then be reviewed and grandparented and outcomes decided and communicated by mid-August. Successful applicants will then be given two weeks to confirm their decision following which their notice period will commence. Applicants who have not been granted severance will continue with the company.

How To Calculate Your Severance Terms

In October 2006, the Bank introduced a single set of Severance Terms that now apply to all staff working for the Bank; irrespective of when they joined Lloyds TSB or which of the Bank's they worked for when Lloyds and TSB merged.

The calculation formula for determining how much Severance Pay staff receive is 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 is defined as follows:

- Basic salary
- 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 apply to all staff aged between 16 and 65.

Payments are based on service to date of termination and are 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 table overleaf can be used to determine how many weeks pay you would be entitled to as a Severance Payment.

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.

The actuarial factors that apply for pensions drawn early are 6% per annum reduction for deferred pensioners and 4.75% per annum reduction for retirement from active service.

