

Bank and LTU Agree Improved Severance and Retirement Terms

Whilst we may have our differences on a range of issues, from pay to offshoring, we are pleased to report that following intense negotiations over the last few months LTU and the Bank have agreed to revised severance and retirement terms for those staff leaving through redundancy until 2010.

As a result of further negotiations we are pleased to have agreed the following arrangements:

- From the 1st October 2006 to the 31st December 2008 staff leaving Lloyds TSB through redundancy will have the choice of either taking the 1997 Redundancy terms and for staff aged over 50 drawing an immediate non-actuarially reduced pension or taking the 2006 Redundancy terms with an actuarially reduced pension. Staff covered by previous transition terms will not be able to change their decision or choose different terms.
- Members of the money purchase scheme will also have their pension pot increased.
- The Bank will write to all those staff that have left since the 1st October 2006 to offer them the opportunity to take advantage of the new arrangements.
- From the 1st January 2009 to 1st April 2010 staff leaving through redundancy who choose to take their pension early will have the actuarial reduction limited to 3% per annum rather than 4.75%.

Mark Brown, Assistant General Secretary, of LTU said **“Given the passage of time the Bank could have simply ignored us. However, a more enlightened management team have been directly involved in these negotiations and have listened, reflected on the arguments put forward by the Union's negotiators and have now delivered transition arrangements which are amongst the best in the industry.”**