

LTU's Campaign Success

Pension Scheme Billions Transferred From Underperforming SWIP To The Legal & General.

Members will recall from our previous Newsletters that LTU has been concerned for a number of years about SWIP's continuing management of the Lloyds TSB Pension Funds despite the fact that they are serial under-performers.

It's been our contention that this serial under-performance has gone unchecked because SWIP is part of the Lloyds TSB Group and that to move the funds elsewhere would be an unpalatable public admission of defeat. The reality is that any other Investment Manager would have been given the boot a long time ago

It was only when LTU started to expose publicly for the first time SWIP's under-performance that the Trustees began to take this issue seriously. In 2004 the Trustees agreed to move 14% of the SWIP investment portfolio to a number of specialist managers to see how they performed against agreed benchmarks. LTU welcomed that move at the time but we argued that the pace of diversification was too slow and that the Trustees should have moved more of the funds away from SWIP along time ago

The last Annual Report 2006 showed that over 5 years the fund return was 4.8% against the scheme benchmark of 5.5%. In a letter to the Chairman of the Trustees we said "...given SWIP's serial under-performance over the last few years, the Lloyds TSB Pension Funds should be moved to better performing funds, be they actively or passively managed."

In a further letter to the Chairman of the Trustees we said "The Trustee Board seem to be delaying making any decision about future investment of the funds hoping that SWIP's serial under-

performance can be turned around before any final decision about their continuing involvement in the management of the funds have to be made."

it now seems that the Trustees have at long last moved the bulk of the return-seeking assets, UK and Overseas equities, from SWIP, who in 2006 managed 77% of the total pension fund, to the Legal and General. Going forward SWIP will only manage 18.4% of the return-seeking assets and the bulk of that will be Property. The fact is that SWIP had more years than they deserved to show that they could outperform agreed benchmarks and they failed continuously. The Trustees made the right decision eventually. We now need to focus our attention on the valuation process and ensure that is carried properly.

Further LTU Successes

Following a series of discussions with the Bank we have agreed:

- **That for staff aged between 25 and 30 who currently take out a PIP AVC the Bank will now match their contributions up to a maximum of 2%.**
- **The cap on pensionable service will be removed. Staff working beyond 60 with 40 years service will now accrue pension benefits until they retire.**
- **If a member of staff aged 60 or over dies when working for the Bank then their dependants will now get the same death in service cover that staff under 60 receive.**

Mark V Brown
Assistant General Secretary



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

Personal Email address

Work 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... 2007

Bands 1, 2, 3 & 4	£10.75 p.m.	<input type="checkbox"/>
Band 5	£10.25 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 over 25	£9.50 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 under 25	£8.60 p.m.	<input type="checkbox"/>
Part time over 15 hrs	£5.20 p.m.	<input type="checkbox"/>
Part time under 15 hrs	£4.00 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

Email address preference (please tick) Personal Work

ltu .co.uk 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.
- 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.
- 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.