

Staff Fury On Bonus Restrictions

Staff reaction to the announcement that the Bank's participation in the Government's Asset Protection Scheme, which has resulted in fundamental and far reaching changes to existing bonus arrangements and the withdrawal of free shares, has been one of absolute anger.

The Union has received literally thousands of letters and emails and our Advice Team took hundreds of calls yesterday and over the weekend from members disgusted that the name of Lloyds TSB, an organisation many of them are still proud to work for, has been dragged through the mud. Not only have the bonuses of many staff been deferred without any justification, or withdrawn altogether for those working in Corporate Banking, but over the last few months they have had to watch in stunned disbelief as the value of their shares have been wiped out, now worth a fraction of what they were worth before the takeover, and suffer the loss of thousands of pounds in dividend income for the foreseeable future.

One member, echoing the views of thousands of staff says:

"Maintain your vehement stance on these matters and ensure active participation from all members. These are unprecedented times & we (frontline staff) are now receiving regular personal derision from friends, customers & public alike in the pub, at the school gate, in the supermarket, in the street etc which is embarrassing and less than desirable to say the least. I am outraged at the commentary published by all media forms & sources, many of whom are uneducated columnist commentators only. The politicians are disgraceful and every night I sit late at night (after the family have gone to bed) watching Newsnight/Panorama/ specials etc on the `Banking crisis` worrying about what tomorrow will bring and watching my family's financial future crumble.

LTU has thousands of similar emails and letters and we'll publish some of those in our next Newsletter.

LTU's Call For Interest Free Loans

LTU has proposed to the Bank that staff whose bonuses are being deferred should have the option of taking interest free loans, equivalent to the value of any deferred bonuses, with the loans being paid back in three equal annual instalments

in June 2010, June 2011 and June 2012. We accept that such loans would be taxed as a benefit in kind but that should be paid by the Bank and added to the original bonus.

Obviously the use of interest free loans is only a palliative to the deferral of bonuses and not a long term solution but it helps deal with the immediate financial issue for those members of staff who, based on their performance, expected to receive bonuses this year but who are now being told that they're being deferred and paid out over the next three years.

LTU Seeks Meeting With UKFI

LTU is seeking a further meeting with the UKFI to discuss the terms of the Bank's participation in the Government's Asset Protection Scheme and to discuss with them the reaction of our members to the restrictions imposed on bonuses and pay. We will also be seeking clarity on why they sought the withdrawal of free shares when that was not part of our original discussions and why all staff in Corporate Banking have been singled out for special, adverse treatment.

UKFI needs to understand and so do their political masters that the issue of pay and bonuses for Lloyds TSB staff is not dead and that we **will be taking our campaign to MP's directly, particularly those opportunists, like Cable, Cameron and Osborne, who have used the issue of bonuses to attack the Government regardless of the impact on ordinary members of staff.**

Stepping Up Our Campaign

Later this week LTU will be launching an addition to our website which will give members an even greater role in our campaign to get all bonuses reinstated.

It will also show which MP's support, and more importantly those who don't support, our campaign for ordinary, innocent members of staff to be treated fairly.

Ian Partridge
General Secretary