

# Bank Supports LTU's Loans For Bonuses Campaign

Members will be aware that following the announcement of the Bank's participation in the Government's Asset Protection Scheme LTU proposed 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.

**The Bank has now said that it has "made the decision in principle to offer loans to staff impacted by the deferral and claw back of bonus schemes...." Whilst we are pleased that the Bank has accepted our proposal that it should offer loans, the basis on which those loans will be offered and the impact of any claw back arrangements on the size of the loans are issues which we will be discussing with the Bank over the next few weeks. Members wishing to provide input into how such a scheme could work should email [Mark.Brown@ltu.co.uk](mailto:Mark.Brown@ltu.co.uk).**

## LTU Meeting With UKFI

LTU are meeting with the UKFI Representatives this Friday to continue our discussion of the terms of the Bank's participation in the Government's Asset Protection Scheme. As the major shareholder in the Lloyds Banking Group, UKFI need to understand the reaction of our members to the restrictions imposed on their bonuses and pay for 2008/9 and beyond. We will also be seeking clarity on why they sought the withdrawal of Free Shares when that was not part of our original discussions.

## Where's The Money?

The Bank has said that the decision to withdraw from the Free Share Scheme was because of pressure from UKFI. The Bank has said that it had no choice in the matter and wanted to continue with the Scheme. **Free Shares are worth 3% of basic salaries for Lloyds TSB staff and that money, which the Bank had budgeted to spend, is still available and there is no reason why it can't be given to staff in the form of a one-off cash payment now. Members with any questions can contact the Union on 01234 262868.**

**Mark V Brown**  
Assistant General Secretary