

To join call 01234 262868... today!



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... 2010

Bands 1, 2, 3 & 4	£11.75 p.m.	<input type="checkbox"/>
Band 5	£11.05 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 (25 and over)	£10.25 p.m.	<input type="checkbox"/>
Bands 6, 7 & 8 (under 25)	£9.25 p.m.	<input type="checkbox"/>
Part time (15 hrs and over)	£5.65 p.m.	<input type="checkbox"/>
Part time (under 15 hrs)	£4.30 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

Please tick if you do Not wish to receive marketing information from LTU and LTU's insurance partner Holiday Choice Ltd.

To receive LTU newsletters by email ... tick here

Email address preference (please tick) Personal Work



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 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.
- 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.

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Managers React Angrily To T&C's

LTU has rejected the Bank's new harmonised terms and conditions of employment and will be recommending that members do the same in our ballot which will be going out next week.

The reaction we have received from Managers has been one of utter amazement that at a time when morale is at rock bottom and confidence in Senior Management at an all time low the Bank should seek to propose, let alone implement, such swingeing cuts in the benefit packages of hard-working members of staff.

If the Bank proposals are implemented without any further significant changes, then Managers and their families are going to be severely disadvantaged for the rest of their lives. **LTU will do whatever it takes to stop that from happening.**

The Group's proposals are as follows:

- To issue new contracts the result of which will be to limit pensionable pay increases for Managers each year by 2%, or inflation if less, or your pay increase whichever is the **lowest** with effect from April 2010. LTU asked Lane, Clark and Peacock, a leading firm of Actuarial advisers, to look at ten typical jobs across the Group to determine the potential loss in pension benefits members would suffer if the Bank's proposals were implemented. A Local Director for example aged 52 with 31 years service would lose £191,000 in pension benefits. The results of LTU's research are discussed overleaf.
- To manage the basic salaries of thousands of Managers downwards over the next few years as

Inside The New Pay System Pensions Losses Family Medical Cover Status Cars Removed

a result of Bank plans to remove the 'upper' and 'lower' levels for Bands 2 and 3.

- To remove Status Cars for Managers who do fewer than 12,000 business miles per year and to force them to take the cash allowance instead.
- To withdraw life event leave, the holiday banking scheme and out of season holidays from implementation of the new terms and conditions.
- To withdraw family private medical cover for 3,000 Managers. And to add insult to injury the Bank also plans to withdraw free health screening for 6,000 Managers in Bands 2-4.

LTU will be balloting members next week on the Bank's proposals with a clear recommendation from the Union's General Council that they should be rejected.

Members with any questions on this Newsletter can contact the Union's Bedford Office on 01234 262868.

Mark V Brown
Assistant General Secretary

The New Pay System

The Bank is proposing to remove the 'upper' and 'lower' levels at Bands 2 and 3 with pay being managed by Line Management with the guidance of HR on market positions for the different functional markets.

As many Managers have already highlighted, the problem with this approach is that those towards the top of the 'upper' levels will see their pay managed progressively downwards over the next few years. That at a time when pensionable pay increases are going to be limited to 2%, or inflation if less, or your pay increase whichever is the lowest with effect from April 2010.

Pensions - Losses Will Hurt Everyone

Some Unions have tried to soften the blow of the proposed pension changes by implying that their threat of an industrial action ballot stopped the Bank from closing the Pension Schemes altogether. That's absolute rubbish and they know it. Closing down the Pension Schemes was never on the agenda at all and to imply that it was is being disingenuous.

What the Bank is doing is simply trying to save money. That's it, nothing more and nothing less. The actual amount of money it will save from the decision to limit pensionable pay increases is not very much in the grand scheme of things. However, the consequences of that decision for Managers, staff and their families are quite devastating.

We asked Lane, Clark and Peacock, one of the leading firm of Actuaries in Europe, to estimate based on a number of assumptions the potential loss in value that members will suffer should the Bank implement its proposal to restrict pensionable pay. We asked them to look at ten typical roles across the Group and the results of that research are set out in Table 1 opposite. The average loss for this group of ten typical individuals would be £116,300. The Local Director and Senior Manager Commercial Banking who are coming towards the end of their careers in the Bank would lose pension benefits of £191,000 and £133,000 respectively. Managers who expect promotions in the future are going to be hit particularly hard by the Bank's proposals.

Members of the final salary pension schemes will also see their pensions exposed to inflation for the first time. At the moment we are in a period of low inflation but that's not going to last forever.

The Bank of England publish an implied inflation curve which suggests that inflation

will be 3.1% over the next 10 years and 3.7% over the next 20 years. Table 2 opposite shows some inflation projections for the next few years and also shows inflation rising. If inflation is higher than the 2% pensionable cap proposed by the Bank then the value of pensions at retirement will be significantly eroded. **If the Bank of England are right and inflation averages 3.7% then the real value of pensions for Lloyds Banking Group Managers will be dramatically reduced.**

The Bank has always carried the inflation risk and the value of your pension at retirement was protected as long as pay kept pace with inflation rises. However, in future because your pensionable pay is capped at 2% then any salary or promotional increases above that figure will be lost.

As our figures show the sting in the tail is that not content with damaging pensions for future service the Bank's proposals will seriously damage pensions for past service as well. They didn't explain that in their glossy brochure did they?

Family Medical Cover

There are currently 3,000 Lloyds TSB Managers who receive family medical cover; this will cease from 1st January 2011. Thereafter, they will be entitled to individual cover only. There are currently 530 staff in C&G who receive protected individual cover and that will also cease on 1st January 2011.

Lloyds TSB Managers, who are aged 50+ and in Bands 2-4, are entitled to receive free health screening biannually. This benefit is currently available to 6,000 Managers. The Bank is proposing to remove this benefit from 1st January 2012. Managers will be entitled to receive one more screening before the benefit is removed.

Status Cars - Removed

Managers who do fewer than 12,000 business miles a year will lose their entitlement to status cars and will instead be forced to take a cash allowance following the transition period. Managers who do more than 12,000 business miles will be able to keep their status car but it will be from a restricted list of manufacturers.

There are currently 530 LTSB Managers who work reduced hours but are entitled to a full time equivalent benefit regardless of whether they take the cash or car. That will be removed. A Band 3

Table 1: Impact Analysis: Capping of Pensionable Pay

Member	Current Salary	Estimated "loss" in respect of capping pensionable salary for pension benefits already accrued	Estimated "loss" in respect of capping pensionable salary for pension benefits in the future	Total "loss"
IT Project Manager	£46,500	£89,000	£48,000	£137,000
HR Business Partner	£59,200	£89,000	£89,000	£178,000
Local Director	£89,000	£152,000	£39,000	£191,000
Customer Assistant	£15,000	£17,000	£30,000	£47,000
Senior Personal Banking Manager	£24,500	£35,000	£41,000	£76,000
Senior Manager Commercial Banking	£71,500	£113,000	£20,000	£133,000
Branch Manager	£35,000	£56,000	£48,000	£104,000
Financial Consultant	£32,000	£59,000	£31,000	£90,000
Mortgage Specialist	£23,000	£33,000	£26,000	£59,000
Senior Manager Projects	£62,000	£103,000	£45,000	£148,000

manager working 2.5 days per week would lose £200 per month or £2,400 per year.

Under the terms of the transition arrangements, some Managers will be able to keep their status cars until they come up for renewal. There will, however, be a number of changes to the way the car scheme operates. For the first time, Managers in Lloyds TSB will have to pay £250 for 'own fault' incidents.

The Bank will also require all those who drive on Bank business, even if they are using their own car, to obtain a 'permit to drive'. That assessment will involve the Bank scrutinising your licence to check on your penalty points and a check on the road worthiness and age of your vehicle. The assumption here is that if you've decided to buy a cheap car for business use,

Table 2: RPI Inflation Forecast

COMPANY				
City Forecasters	2010	2011	2012	2013
Barclays Capital	3.5	*	*	*
Capital Economics	1.6	0.5	*	*
Citigroup	4.0	2.1	2.6	2.9
Commerzbank	3.1	2.9	3.4	3.0
Daiwa Institute of Research	2.3	4.2	4.3	3.3
Goldman Sachs	0.8	2.5	2.5	*
HSBC	4.1	3.0	*	*
RBS Global Banking & Markets	2.6	3.0	*	*
Schroders Investment Management	2.0	1.5	3.3	3.7
Average	2.6	2.5	3.2	3.2
Highest	4.1	4.2	4.3	3.7
* indicates no data provided				

and use the remainder of the cash allowance to cover the loss of your final salary pension, then the Bank could determine that the said car does not give the right impression and force you to change it for a better model or ultimately lose your job if you don't.