

# OB Pay 2010 - No Agreement

Following a period of negotiations LTU and Offshore Banking have failed to reach agreement on how pay will be managed in 2010. Further negotiations are set to continue over the next few weeks.

## Pay 2010

Offshore Banking is proposing a total pay pot of 2%, with 1.5% being spent in April and a further 0.5% to be spent during the course of the year. Like the mainland the pay pot will be distributed on the basis of performance ratings as follows:

Rating	Increase
Not Met	0%
Part Met	0.5%
Met	1.5%
Exceeded	2.5%
Outstanding	3.5%

In previous years the whole of the pay pot has been used for salary increases in April and we have never had a situation in which payments have been made during the course of the year. **For such a small population holding back so much of the pay pot to be used at the discretion of Line Management is completely unacceptable.**

The fact is that the pay profile for staff in Offshore Banking is very different from staff on the mainland. Historically staff in Offshore Banking started off at lower positions in the salary ranges and consequently more of them are positioned towards the lower end of the 'Market' zone than for equivalent roles on the mainland.

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In previous years Offshore Banking and LTU have sought to remedy that situation by directing Line Managers to use the pay pot to drive staff towards the market rate for their roles. **Using a fixed matrix based on just rating rather than position against the market and compounding that mistake by not using the whole of the pay pot will undermine fundamentally that approach to pay management.**

As an approach to pay management it lacks any kind of finesse or sophistication and assumes that a 'Met' rating should produce the same reward regardless of position in the scale. It's wrongheaded. Line Management know it, we know it and staff know it.

## 2 Steps Backwards

Large numbers of staff in Offshore Banking are going to see their pay going backwards relative to the market. On page 3 of this Newsletter we have published the salary scales and the market movement increases for all the Bands for each of the Islands (see LTSB scales overleaf which reflect

bands pre-harmonisation). The average market movement increase across all three Islands is 2.7% and with a pay pot of just 2% means that on average staff are going to get increases less than the movement in the market. But that tells only part of the story. If we take Jersey for example; at Bands 6,7 and 8 there are 352 members of staff out of a total population of 517 staff. The average market movement for those staff is 2.7%. The vast majority of those staff are going to get a 'Met' performance rating which will give them a salary increase of 1.5%. So relative to the market those Bands 6,7 and 8 staff are going backwards and many of those at the bottom of the 'Market' zone, some 16% of staff across the whole of Offshore Banking, are going to drop in to the 'Primary' zone. At Bands 2-5 there are some 12% of staff just in the 'Market' zone and again we would expect many of those to drop into the 'Primary' zone.

**How does Offshore Banking intend to motivate those staff who drop from the 'Market' zone to the 'Primary' zone when the Bank gave them every expectation that their pay would be managed at or around the market indicator? Moreover, how does Offshore Banking seek to explain to the vast majority of staff on the Islands that the longer they seem to work for the Bank the further they are from the market indicators?**

It would be churlish of us not to accept that one of the consequences of adopting salary increases based purely on rating is that those staff in Offshore Banking who have previously received no salary increases because they are paid above the market rate for the job will get an increase for the first time in many years. Equally there will be some staff who will receive salary increases to take them to the new minimum of the scales. However, the numbers are small and should in no way detract from the bigger issue of salary stagnation for Offshore Banking staff.

## **LTU's eForum- Have Your Say!**

LTU's very own eForum can be accessed online at [www.ltu.co.uk/eforum](http://www.ltu.co.uk/eforum). To use the forum you simply need to register your membership and follow the online instructions.

Large numbers of members are already taking advantage of LTU's forum which allows them

to discuss and debate issues that directly affect them in a safe and secure environment. There is now a section on Offshore Banking Pay 2010 for members to post their views, opinions and questions.

## **Pensions Letters**

Members in the final salary or PIP pension schemes should have received a letter from Angie Risley, Group HR Director, regarding the Bank's proposals to change the pension scheme arrangements.

Under the 2004 Pensions Act, changes to pension scheme arrangements are subject to a 60-day consultation period. Whilst LTU has made its position clear members need to register their feedback individually to the Bank. **The more letters the Bank gets the more realistic and active a posture they will take in the second round of negotiations which are due to take place at the end of the consultation period.** LTU recently sent pre-printed letters to all members for them to sign and send to the Bank. Members who haven't received the letters can now access them on-line at [www.ltu.co.uk/representation/resources](http://www.ltu.co.uk/representation/resources).

There are three letters, one for members of the LTSB Final Salary Pension Schemes, one for the PIP schemes and one for the HBOS Final Salary Pension Scheme. You should print off the one most appropriate to you, complete your home address details and then send it off to the Bank at the address at the top of the letter.

Members with any questions or comments on this newsletter can contact the Union's Bedford Office on 01234 262868 or email us at [24hours@ltu.co.uk](mailto:24hours@ltu.co.uk).

**Mark V Brown**  
Assistant General Secretary

Jersey						
	Primary Zone		Market Zone		Market Plus Zone	
Band	From	To	From	To	From	To
8	£21,244	£22,424	£22,425	£24,784	£24,785	£28,325
7	£23,707	£25,024	£25,025	£27,658	£27,659	£31,609
6	£28,519	£30,104	£30,105	£33,272	£33,273	£38,026
5L	£31,789	£35,529	£35,530	£39,269	£39,270	£44,879
5U	£35,465	£39,637	£39,638	£43,809	£43,810	£50,068
4L	£40,220	£44,952	£44,953	£49,684	£49,685	£56,782
4U	£49,726	£55,576	£55,577	£61,426	£61,427	£70,201
3L	£56,736	£63,411	£63,412	£70,085	£70,086	£80,098
3U	£66,552	£74,381	£74,382	£82,211	£82,212	£93,955
2L	£78,461	£87,692	£87,693	£96,922	£96,923	£110,768
2U	£89,837	£100,406	£100,407	£110,975	£110,976	£126,828

Jersey			
Comparison of Current and Proposed MIs			
Band	2009 MI	2010 Proposed MI	Market-Movement Increase
8	£22,896	£23,604	3.1%
7	£25,559	£26,344	3.1%
6	£31,071	£31,688	2.0%
5L	£35,999	£37,399	3.9%
5U	£40,774	£41,723	2.3%
4L	£45,798	£47,318	3.3%
4U	£56,540	£58,501	3.5%
3L	£66,748	£66,748	0%
3U	£75,795	£78,296	3.3%
2L	£89,358	£92,307	3.3%
2U	£102,314	£105,690	3.3%

Guernsey						
	Primary Zone		Market Zone		Market Plus Zone	
Band	From	To	From	To	From	To
8	£19,709	£20,804	£20,805	£22,994	£22,995	£26,279
7	£22,971	£24,247	£24,248	£26,799	£26,800	£30,628
6	£27,243	£28,757	£28,758	£31,784	£31,785	£36,324
5U	£33,949	£37,943	£37,944	£41,937	£41,938	£47,928
4L	£38,790	£43,353	£43,354	£47,917	£47,918	£54,762
4U	£46,909	£52,428	£52,429	£57,946	£57,947	£66,224
3L	£54,344	£60,737	£60,738	£67,131	£67,132	£76,721
3U	£66,441	£74,258	£74,259	£82,074	£82,075	£93,799
2L	£76,930	£85,981	£85,982	£95,031	£95,032	£108,607
2U	£92,510	£103,393	£103,394	£114,277	£114,278	£130,602

Guernsey			
Comparison of Current and Proposed MIs			
Band	2009 MI	2010 Proposed MI	Market Movement Increase
8	£21,385	£21,899	2.4%
7	£25,015	£25,523	2.0%
6	£29,549	£30,270	2.4%
5U	£38,665	£39,940	3.3%
4L	£44,041	£45,635	3.6%
4U	£53,133	£55,187	3.9%
3L	£62,618	£63,934	2.1%
3U	£75,508	£78,166	3.5%
2L	£87,429	£90,506	3.5%
2U	£105,135	£108,835	3.5%

Isle of Man						
	Primary Zone		Market Zone		Market Plus Zone	
Band	From	To	From	To	From	To
8	£15,998	£16,886	£16,887	£18,664	£18,665	£21,330
7	£18,443	£19,467	£19,468	£21,517	£21,518	£24,590
6	£22,396	£23,640	£23,641	£26,128	£26,129	£29,861
5L	£24,865	£27,790	£27,791	£30,716	£30,717	£35,104
5U	£29,055	£32,473	£32,474	£35,891	£35,892	£41,018
4L	£31,753	£35,488	£35,489	£39,224	£39,225	£44,827
4U	£39,492	£44,138	£44,139	£48,784	£48,785	£55,753
3L	£44,430	£49,657	£49,658	£54,885	£54,886	£62,725
3U	£55,022	£61,495	£61,496	£67,969	£69,970	£77,678
2L	£66,667	£74,510	£74,511	£82,354	£82,355	£94,188
2U	£81,444	£91,026	£91,027	£100,608	£100,609	£114,980

Isle of Man			
Comparison of Current and Proposed MIs			
Band	2009 MI	2010 Proposed MI	Market Movement Increase
8	£17,720	£17,775	0.3%
7	£20,045	£20,492	2.2%
6	£23,960	£24,884	3.9%
5L	£28,146	£29,253	3.9%
5U	£32,753	£34,182	4.4%
4L	£36,464	£37,356	2.4%
4U	£45,026	£46,461	3.2%
3L	£52,271	£52,271	0%
3U	£63,204	£64,372	1.8%
2L	£75,415	£78,432	4.0%
2U	£93,093	£95,817	2.9%



# 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 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.