

GEC Ignore Staff On Pensions

Today the Bank will announce that it intends to impose the changes to the pension schemes which it proposed last December. The Bank has said that from 1st April 2010 it intends to limit pensionable pay increases to 2%, or RPI if lower, for those staff in the defined benefit or 'final salary' schemes. For the vast majority of staff the impact of this imposition will not be felt immediately and there will be no requirement to sign new contracts at this stage. However, members of staff promoted after 1st April 2010 will be offered salary increases on the strict understanding that anything over 2%, or RPI if lower, will be non-pensionable.

Cynical Consultation Process

In her letter to members of the pension schemes in December announcing the details of the proposed changes Angie Risley, Group HR Director, said "These changes are important to you and we welcome your feedback". She went on to say "We will consider all feedback". The reality is the consultation process has been a cynical sham from start to finish. The GEC never had any intentions of listening to the views of their staff or changing its position regardless of the level of feedback. So arrogant are they that having asked staff for their views on the pension changes through the 'Have Your Say' button on the intranet the Bank has concealed the results of its own feedback. The Bank recently said that "Colleagues are our most valuable resource" and "Creating a great place to work is a core priority...". Those are just meaningless words. It's actions that are important and today's announcement tells staff all they need to know about the organisation for which they work.

Impact Of Changes

The impact of the Bank's opportunism on pensions for you and your families will range from bad to devastating. The Bank's own benefit projections show that:

- **A member of staff earning £20k per annum with 25 years left to retirement will see his/her pension benefits reduced by £5k per annum. If that person lives until 80 he or she will lose at least £100k.**
- **Using the same calculations, someone earning £40k will see his/her pension benefits reduced by £200k.**
- **Even the pension benefits of a member of staff earning £40k with 5 years left to retirement will be cut by £2k per annum and if he/she lives until 80, total benefits will be reduced by £40k.**

Terms and Conditions

The Bank was set to introduce new terms and conditions, including new salary scales, with effect from 1st April 2010. The Bank has said that there will be further discussions on the terms and conditions and those will now be implemented at a later date. The Bank's actions today show that it is trying to separate the two issues, pensions and terms and conditions, in the hope that staff will have forgotten about the pension changes when the time comes to signing new contracts. They won't.

LTU's Executive Committee will be meeting shortly to discuss the Union's response to today's announcement. Members with any questions can contact the Union's Bedford Office on 01234 262868 or they can email us at 24hours@ltu.co.uk.

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