

# 5% Pension Payments Agreed

Following the decision to insource the provision of the Workplace & Infrastructure Services from Fujitsu Services to Lloyds Banking Group on the 1st May 2010, LTU, the Bank and representatives from Fujitsu have been discussing the details of the transfer of terms. Members will be aware that under the TUPE Regulations they will transfer to LBG on their existing terms and conditions of employment and with continuity of employment for all statutory and contractual purposes. The actual details of the terms and conditions being transferred for the different heritage groups and the policies which will apply from the 1st May have been published today.

Members who transferred from Lloyds TSB to Fujitsu Services joined a final salary pension scheme. The Fujitsu scheme required ex-LTSB staff to make a contribution of 5% of basic salary. However, to reflect the fact that heritage LTSB staff would be moving from a non-contributory to a contributory scheme, we agreed with Fujitsu that staff would receive a 5% allowance to salary to cover their contributions. One of the main issues we have been discussing with the Bank over the last few weeks is what would happen to that 5% allowance when staff transferred back to LTSB. Members will be aware that the protection of pension rights following a TUPE transfer is limited to offering a money purchase scheme which meets a number of minimum standards. The Bank's existing money purchase schemes meets those standards. In respect of the 5% pension supplement, the Bank could have said that there was no requirement to go beyond the legal requirements of TUPE. **However, the Bank representatives never adopted that approach and have shown a willingness to work with LTU to find a solution. LTU and the Bank have now agreed that the 5% pension supplement will be consolidated into basic salary for staff following the transfer. We have also agreed that the 5% consolidation will apply to staff on the Service Desk who find alternative roles in the Group. The Bank deserves credit for the constructive approach it has adopted to our proposals.**

## Harmonised Terms and Conditions

As you know the Bank is introducing a new set of harmonised terms and conditions for all heritage LTSB and HBOS staff. Details of the new terms and conditions, which have not been agreed with LTU, are subject to further negotiations. However, members need to understand that many of the terms and conditions set out in the matrix, which you should have already received, will change materially following harmonisation. So for example everyone is currently entitled to medical cover but post harmonisation single cover medical insurance will only be provided to staff at LBG Grade D and above. Under the transition arrangements your existing medical cover will continue until the end of 2010 but will cease thereafter.

Given that Fujitsu staff have only just seen the 'One Bank' document and will not have had the same opportunity to be part of the consultation process, negotiations could be finished before they transfer, we are pushing the Bank to ensure that this group of staff receive the same consultation rights as everyone else in the Group.

Members with any questions on this Newsletter can either contact me on 01234 262868 or they can email me at [Mark.Brown@ltu.co.uk](mailto:Mark.Brown@ltu.co.uk).

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