

Staff Anger At Pension Scandal

The reaction from staff to the fact that two Executive Directors, Eric Daniels and Archie Kane, the only two members of the GEC who are in final salary pension schemes, will not be subject to the same 2% cap which they propose to impose on everyone else has been one of sheer amazement. The fact that the Bank thought it would be somehow acceptable to treat their staff less favourably whilst looking after Messrs Daniels and Kane is bewildering. You don't need to be a philosopher to appreciate the moral bankruptcy of such a position.

Angie Risley, Group HR Director said of the Bank's terms and conditions proposals "that we act as one and succeed together". The fact is though that although all staff are equal, when it comes to Executive Directors some are more equal than others!

LTU wrote to Dr Wolfgang Berndt, who was until recently Chairman of the Bank's Remuneration Committee, asking him why he felt that the differential and preferential treatment for Messrs Daniels and Kane was justifiable. We have had no response to date. Now it may be because Dr Berndt has already cleared his desk and so we will be sending a copy of the same letter to the new Chairman of the Remuneration Board, Anthony Watson. We have also written to Sir Christopher Cooksey, Chairman of UKFI, which currently owns 41% of the Group's shares on behalf of the taxpayer, and asked him the following questions:

- Do UKFI accept the principle that any changes to the definition of pensionable pay should apply to all members of the Final Salary Pension Scheme regardless of position?
- When did the Bank first advise UKFI that a 2% cap was being imposed on pensionable pay for staff but that no such cap applied to Messrs Daniels and Kane?
- When did Lloyds Banking Group first advise UKFI that they were considering extending the pension cap to Messrs Daniels and Kane?
- Do UKFI agree that Messrs Daniels and Kane should be exempt from the 2% pensions cap?
- In respect of your answers to the above, does the UKFI believe that this differential and highly preferential treatment of two people is justifiable?

Terms & Conditions Update

Our terms and conditions negotiations with the Bank, covering key issues such as overtime payments, working hours, the managers car scheme, medical cover, consolidation of London Allowances, holidays, sick pay and the new pay and grading structure, including the pensions cap, are nearing the position where we expect to be able to communicate with members in the next few weeks. Members with any questions on terms and conditions issues can contact the Union's Bedford Office on 01234 262868 or email us at Mark.Brown@ltu.co.uk.

Mark V Brown
Assistant General Secretary

To join call 01234 262868... today!