

28TH OCTOBER 2010

ALL LTSB MEMBERS IN DIRECT CHANNELS

# Occupational Sick Pay: Important News For Direct Channels Staff

**A**t the beginning of 2007 - and in the face of stern opposition from LTU - the Bank introduced Occupational Sick Pay (OSP) arrangements within LTSB Direct Channels, though only after agreeing to a number of important changes to its original plans.

**This OSP Pilot Scheme - which was only introduced in Direct Channels - permitted the business unit to restrict to as little as 10 days a year the amount of Occupational Sick Pay that staff could be entitled to.** It only applied to staff who joined the Bank on or after 1st January 2007.

**A condition of LTU agreeing to drop its outright opposition to the OSP Pilot was that only where staff were either subject to the Persistent Short-Term Absence (PSTA) policy, or had been over the previous six months, could they have their OSP restricted. Otherwise they would have the same entitlement as all other LTSB Staff.**

## Policy Incorrectly Applied

Recently LTU discovered that the OSP Pilot was not being correctly applied in accordance with the agreement reached between the Bank and LTU.

**As a consequence, many Direct Channels Staff who joined the Bank on or after 1st January 2007 had been wrongly restricted to as little as 10 days Occupational Sick Pay in any one year.**

**The Bank has acknowledged that the Pilot has not been managed in accordance with the arrangements agreed with LTU and, accordingly, has agreed to repay any Direct Channels Staff who, over the past three-and-a-half years, were wrongly denied Occupational Sick Pay to which they should have been entitled.**

The Bank agreed to investigate the extent of this issue and has reached the conclusion that over three hundred Telephony Staff may have been underpaid Sick Pay since the beginning of 2007.

## Hundreds Of Staff Due Compensation

### Solution Agreed Between Bank and LTU

LTU and the Bank have agreed arrangements for compensating staff who have wrongly lost out on OSP.

**Any Telephony Staff who have received less than the normal levels of Occupational Sick Pay - and who were neither subject to the Bank's Persistent Short Term Absence (PSTA) policy at the time, within the previous 6 months or during their Initial Period of Service - will be due backdated OSP payments upto their full entitlement.**

**To calculate how much backdated OSP staff may be entitled to, members should refer to the table inside which details what their entitlement should have been.**

Members in this situation should first advise their Sales or Service Manager that these circumstances apply to themselves; contacting LTU's Local Officials or Advice Team on 01234 262868 if they encounter any problems.

## LTU Support For Staff

**LTU was alone in opposing the introduction of the OSP Pilot at the beginning of 2007 and has been the only union involved in agreeing these latest arrangements for compensating staff.**

The Union is also pleased to report that the Bank has now agreed to scrap its OSP Pilot / Local Policy, meaning that in future all Direct Channels Staff will be entitled to exactly the same levels of Occupational Sick Pay as all other LBG Staff.

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# Staff OSP Entitlement Explained

LTU is pleased to report that - after LTU discovered that its agreement with the Bank had been incorrectly applied - Direct Channels has undertaken a full investigation to establish how many staff who joined the Bank since the beginning of 2007 may have received too little Occupational Sick Pay over the past three-and-a-half years.

So far the Bank has identified over 300 Direct Channels Staff to whom this may apply and it has agreed to compensate any staff who wrongly lost out.

## Differences In Entitlement?

The table below shows the amount of Sick Pay most Lloyds TSB Staff have been entitled to and the reduced levels that could - though only under specific circumstances - apply to Direct Channels Staff who joined the Bank on or after 1st January 2007.

*So, for example, someone who was off work sick after working for the Bank for just nine months working would have been entitled to:*

- 33 days full pay followed by 22 days half pay before exhausting their Sick Pay entitlement under the Bank wide arrangements, but just;
- 10 days full pay if affected by Direct Channels' local arrangements

However, as we explain in the following section, the lower levels of payment would apply only in very specific circumstances.

## Circumstances Triggering Lower Payment Levels

Under the terms agreed between the Bank and LTU when these arrangements were first introduced,

Direct Channels Staff would continue to receive the higher, Bank-wide levels of payment in **all but the following specific circumstances:**

- **Where they were being formally managed under the Bank's Persistent Short-Term Absence (PSTA) policy at the time of the absence, or;**
- **Had previously been formally managed under the Bank's PSTA policy no more than six months before the latest absence, or;**
- **Were in their Initial Period of Service (IPOS) and being managed through the PSTA process for new starters.**

**Only if one of these very specific circumstances applied should staff have been restricted to the lower levels of Occupational Sick Pay detailed in the last column of the table below.**

## What Went Wrong?

LTU discovered that rather than restricting Sick Pay to the lower levels of entitlement only in circumstances where one of the three qualifications detailed above applied, in most cases Direct Channels Staff who joined the Bank after 1st January 2007 were automatically limited to receiving the reduced levels of Sick Pay Entitlement.

Length of Service	Guaranteed Sick Pay		
	LTSB Arrangements Full Pay	Half Pay	Telephony Full Pay
Up to 6 months	22 days	0	5 days
6-12 months	33 days	22 days	10 days
1-2 years	44 days	44 days	10 days
2-3 years	66 days	66 days	10 days
3-4 years	100 days	100 days	20 days
Over 4 years	130 days	130 days	25 days

*So, using the earlier example, someone who was not on - and had not over the past six months been on - formal PSTA arrangements, should have received up to 33 days full pay and 22 days half pay, rather than just 10 days full pay. In other words, they would have lost out up to the equivalent of 34 days sick pay.*

***Under the arrangements agreed between the Bank and LTU, such an individual would now be entitled to 34 days compensation!***

## Are You Entitled To Compensation?

Over recent weeks since LTU first identified this problem and agreed arrangements with the Bank for remedying it, Direct Channels has been undertaking a project to identify which staff have been underpaid. It has done this by:

- **Firstly, identifying all those Direct Channels Staff who joined the Bank since 1st January 2007 who received less than the full, Bank-wide Occupational Sick Pay entitlement. This applies to over 300 staff.**
- **Secondly, determining whether restricted payment was justified under the policy because the individuals concerned had been managed under the formal PSTA policy, as detailed on the previous page.**

This second phase is currently taking place and once the Bank has identified all the staff who it believes were underpaid, it will be compensating staff fully for their loss of entitlement. There will be no

compensation other than the specific amount staff lost out on.

## A Satisfactory Solution

LTU was always opposed to Direct Channels' OSP Pilot and has also had concerns in the past over how the PSTA Policy has been managed in Direct Channels.

**The Union is therefore pleased that the Bank has agreed to scrap this Local Policy all together, meaning that Direct Channels Staff will be treated exactly the same as all other Lloyds Staff.**

**LTU is also very pleased that, having established that the Bank had been misapplying the arrangements agreed with LTU, it has agreed without hesitation to compensate staff fully for their loss.**

Any members with questions or concerns about these arrangements should contact LTU's 24 Hour Advice Line Service on 01234 262868.

# LTU Alone In Standing Up For Direct Channels Staff

Once more, LTU has presented Direct Channels Staff with real, compelling evidence of the substantial difference in quality of service provided by LTU compared to Unite.

**Unlike LTU, Unite *never* campaigned against the introduction of Direct Channels' Sick Pay Pilot over three years ago.**

**And now, like then, Unite has had no involvement at all in firstly identifying that the policy had not been applied correctly and secondly agreeing arrangements with the Bank to ensure that staff who wrongly lost out are entitled to be fully compensated. This is entirely down to LTU.**

## Terms & Conditions ... More Of The Same!

Just as LTU has been alone in standing up for Direct Channels Staff on this issue, it has also been alone

in opposing the Bank's new Terms and Conditions of Employment.

**Whilst LTU has been campaigning on behalf of staff, Unite had arranged for its Representatives to have extra time away from their normal work duties, after Unite gave up on the issue at ACAS following very little improvement on the Bank's earlier proposals.**

**Unite must therefore accept full responsibility when Staff who agreed to sign the new Contracts of Employment discover that their Working Hours Rights have been dismantled, enabling the Bank to change their Working Patterns with as little as a month's notice.**

LTU continues to oppose the Bank's new Contracts of Employment and is encouraging staff to exercise their rights not to remain on their current contractual terms.

**STEVE TATLOW**  
Assistant General Secretary

To join call 01234 262868... today!