

21st June 2017

All Members Newsletter

The Worst Deal Ever

The outsourcing and then offshoring of 500 permanent IT staff to IBM may be cost neutral for the Bank but it certainly isn't cost neutral for those staff who are being forced to move to IBM. And you can bet that those Senior Managers who have been at the forefront of pushing for this outsourcing/offshoring model will be justly rewarded when bonuses are being distributed at the end of the year.

The compensation payments, and we use those words loosely, agreed by the Bank, the HR approved unions and IBM, are derisory both in respect of the huge financial losses IT staff face and compared to the terms that LTU has negotiated previously on behalf of staff.

No Compensation For Pensions

Staff in one of the Bank's Defined Benefit Pension Schemes are being offered no compensation for the loss of this valuable benefit.

When the transfer was announced, the General Secretary of Accord said:

"We've been working hard to ensure that they have secure futures with IBM and that their terms and conditions of employment are appropriate and commensurate."

Apparently not hard enough because we have never been involved in an outsourcing where staff have not been compensated for the loss of their final salary pension.

He then says, and we are not making this up:

"We'll now be taking members' feedback on the proposals and what they want us to do to support them in the transition."

Accord should be able to work out for itself that the Bank/IBM proposals are rubbish and shouldn't have to wait for staff to point that out. The DB pension benefit alone is worth up to 33% per annum for each member of staff, because that's what the Bank puts into the pension schemes every year for every member of staff, and Accord should be trying to match that figure.

The Bank's current position of offering no compensation for this valuable benefit is untenable and revised proposals should be put forward immediately.

Whilst it goes without saying that some employers will always try and screw their employees into the ground, what is absolutely scandalous is that Accord and Unite have helped the Bank/IBM by agreeing to the worst transfer terms ever, without so much as a murmur.

27.5% For TSB Staff

When LBG staff transferred to TSB all DB Pension Scheme members received a compensation payment worth 27.5% of basic salary for the loss of the final salary pension scheme benefit. That compensation payment was made without deductions for tax and national insurance. The Bank/IBM are offering nothing.

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In the past LTU has negotiated compensation payments of up to 61% for Clearings staff and 30% for Facilities staff being forced to TUPE Transfer.

Staff were transferred by Group Property with compensation payments of 22% for those in the Direct Benefits schemes and 13% for those in the Direct Contribution scheme (irrespective of level of staff contribution), whilst continuing to pay on an ongoing basis the full value of the 4% Flex Allowance, providing better DC

pension scheme arrangements, offering their own Staff Share Schemes and a more robust annual bonus scheme.

In the next Newsletter we will deal with the rest of the proposals agreed by the Bank, IBM and Accord. In the meantime, members with any questions about this should email us at 24hours@ltu.co.uk.

**Mark V Brown
General Secretary**

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