Lloyds Trade Union
NEWS

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Yet More Redundancies

The Bank announced that there will be a further 1,090 job reductions covering 12 different areas of the Bank (Commercial Banking, Customer products and Marketing, Group Operations, Consumer Finance, Insurance, Group Finance, Group Risk, People, Legal and Strategy and PAs). Details of those job reductions will be covered in a separate Newsletter. What's clear when you look at some of these areas of the Bank is that this will be the 4th or 5th reorganisation they have been through in the last few years. As we said in a previous Newsletter we are aware of some members who have gone through the stresses of the selection process following previous announcements and secured new roles. Those same staff will now be told that they must go through the whole process again and spend the next few months waiting to find out whether they have got jobs or not. That's unacceptable.

The Retail Bank has delayed distributing the Colleague Engagement Survey by a month to allow for the announcement of further job reductions in the next few weeks. In the past the Retail Bank has been criticised for waiting until the Colleague Engagement Survey has closed before announcing a major round of redundancies. Staff can expect a call from Mr Bulloch, Managing Director of Lloyds and Bank of Scotland Community Banks, very soon. That said, it's common knowledge that the Bank is going to reduce the number of Regions and the number of Local Director Groups from 58 to about 40. On the back of those changes we will also see further reductions in the number of Senior Managers and Branch Managers. We are aware that many LDs have already been told which areas they will be managing.

We have said it before but "cost reduction through shrinkage is largely a one-way street. It's the easy route to short-term profitability but there is a serious risk that a smaller community footprint, with reduced visibility, will cause damage that will be difficult to reverse. The current management team won't be around when any chickens come home to roost but those staff that are left will be". It seems that reorganisation after reorganisation is now the new reality of working in Lloyds Banking Group. When the Bank announces the results of its next Group Strategic Review, later this year, it seems that staff can expect more of the same.

Members with any questions on the latest announcements should contact the Union's Bedford Office by emailing 24hours@ltu.co.uk.

Redundancy Terms

Whether staff choose to leave the Bank through Voluntary Severance or are forced out by Compulsory Redundancy, the Redundancy Terms they receive will be exactly the same irrespective of the circumstances.

Your Relevant Earnings

The first stage of calculating entitlement involves working out an individual's weekly earnings upon which Redundancy Payments would be based.

Weekly Pay would include:

Continued overleaf

Basic Salary.

Car Allowance Limit.

The total pay figure is then divided by 52 to arrive at a weekly figure.

Redundancy Terms 2006

Under the 2006 Redundancy Terms, the formula for calculating Severance Pay is set out in the box below.

LLOYDS 2006 REDUNDANCY TERMS

2 weeks' pay for every year of service under age 22

4 weeks' pay for ever year of service aged 22 to 40

6 weeks' pay for every year of service aged 41 and over

Only the last 20 years service is used in the calculation and payment is capped at a maximum of 104 weeks' pay. The first £30,000 of any Redundancy Payment is paid tax-free. Severance payments apply to all staff aged between 16 and 65.

Payment is based on each individual's length of service in the Bank, up to the date of termination and are rounded up to whole years based on age at last birthday. For example, service of 12 years 1 month at date of leaving would be rounded up to next whole year - 13 years.

Pensions

Under these terms, there is no augmentation of pension for early retirement – either in the form of payment of a non-actuarially reduced pension for staff in the Defined Benefit Schemes or extra pension payments for staff in the Defined Contribution Schemes.

The actuarial factors that apply for pensions drawn early are a 4.5% per annum reduction for deferred pensioners and those retiring from active service.

Lloyds-heritage staff aged 55 or over - and TSB-heritage staff over 50 - taking severance therefore have the choice of:

- **taking their full severance payment and leaving their pension to be drawn at age 60;**
- **drawing immediate pensions and sacrificing some or all of their severance payment to mitigate the actuarial reduction (if part or all of a severance payment is waived in this way there is no tax liability).**
- **taking their full severance payment and drawing an immediate actuarially reduced pension.**

Members with any questions on this Newsletter can contact the Union's Advice Team by emailing us at 24hours@ltu.co.uk.

Mark V Brown
General Secretary