

5th April 2017

All Members Newsletter

Branch Closures & Redundancies

The Bank has responded to LTU's Newsletter last week in which we said: ".....we are aware that many LDs have already been told which areas they will be covering. It's common knowledge that the Bank is going to reduce the number of Regions and the number of Local Director Groups. Given it's common knowledge the Bank should announce it now rather than waiting until next month".

In an announcement today the Bank has said:

- **There will be a further 198 role reductions including Local Directors, Local Director Assistants, Branch Managers, Local and Regional Customer Managers. The Bank has said that it will be creating 96 new roles.**
- **The number of Local Director Groups will be reduced from 58 to 49 with effect from 1st July. This is a stopgap, we expect to see a further reorganisation of LD Groups and Regions later this year.**
- **245 branches will move to become link or sub-branches.**
- **A further 100 branches will be closed (54 from Lloyds, 24 Bank of Scotland and 22 Halifax).**
- **The Bank will open up a number of 'bumping registers' for the different populations.**

For staff working in the retail bank this will not be

the last reorganisation. 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, staff in the Lloyds, Bank of Scotland and Halifax Community Banks can expect more of the same.

Members with any questions on the latest announcements should email us at 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:

Basic Salary.

Car Allowance Limit.

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

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Redundancy Terms 2006

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

<p style="text-align: center;"><u>LLOYDS 2006</u> <u>REDUNDANCY</u> <u>TERMS</u></p> <p style="text-align: center;">2 weeks' pay for every year of service under age 22</p> <p style="text-align: center;">4 weeks' pay for every year of service aged 22 to 40</p> <p style="text-align: center;">6 weeks' pay for every year of service aged 41 and over</p>
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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 is rounded up to whole years based on their age at last birthday. For example, service of 12 years 1 month at date of leaving would be rounded up to 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.**

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Mark V Brown
General Secretary

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