



Every day we campaign for **Security of Employment, Fair Reward and Dignity at Work.**

01/2011

February 2011

PLATFORM EFFICIENCIES – Note to Accord Members Impacted by TUPE Transfer to HCL

You have now been briefed that you are ring-fenced to TUPE transfer to HCL by the 1st of May or have been told you are on the first reserves list.

ACCORD has been in consultation with LBG and HCL about the transfer arrangements and the proposed terms and conditions have been communicated to you. It is clear members can't keep all their benefits on transfer but we believe we have maximised the compensation available given the current economic climate. However we are pressing to see if HCL will make retention payments after the transfer and hope to have further information on this in due course.

I am sure you have lots of things to think about and will have questions about how you personally will be impacted. A Q&A document is attached and our reps are on-site to help you. We will arrange 121 sessions with ACCORD officers in both Bristol and Aylesbury so please get in touch.

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SC&IT ACCORD Members Q & As

Platform Efficiencies Project – TUPE transfer to HCL

These Q & As are applicable to members who have been told they have been selected, or who are on the reserve list, for transfer to HCL as part of the Platform Efficiencies project. The transfer is scheduled to take place between mid April and 1 May 2011.

Ring-Fencing

1) *Am I ring-fenced now? Do I have to transfer to HCL?*

If you have been selected for one of the HCL roles then as part of the TUPE process you are now ring-fenced and HCL would expect you to transfer. Therefore any application for other roles within LBG is unlikely to be sanctioned. Anyone refusing to transfer would need to consider resigning. If that looked a real possibility LBG would need to talk to HCL about whether to substitute the transferee with someone from the reserve list or whether further Knowledge Transfer would be acceptable.

After the transfer

1) *Will I still be subject to UK employment laws?*

You will be employed by a UK part of the HCL business and you will remain covered by UK Employment Law.

2) *Do HCL currently recognise any unions?*

HCL have confirmed that they don't recognise any unions. However we can confirm that you can remain an Associate Member of Accord once you transfer.

3) *Where will we be based?*

HCL have confirmed that they will retain colleagues in Aylesbury although cannot be specific about the location yet. Bristol colleagues will remain in Harbourside. There are no plans to change this currently.

4) *If I am made redundant after the transfer what redundancy terms will I get?*

It has been agreed that the terms that are in place at the transfer date will apply up until 31st December 2012 should any transferring colleague subsequently be made redundant by HCL.

B324, the Security of Employment Joint bulletin contains details of the current terms.

Please see the link below for a copy of the agreement:

<http://hwww.intranetpub.hx-online.hxgroup.com/intranet/sites/site257.nsf/All/7D7B9E0692D7FB96802574160061963A?OpenDocument>

Proposed Terms and Conditions

1) *What terms and conditions transfer unchanged?*

The following will continue to apply after the transfer

- Base Pay
- Overtime, callout and standby
- Holidays
- Sick Pay
- Notice Periods
- No normal retirement age
- Maternity/Paternity/Adoption and Parental pay and leave
- Long service awards
- Death in Service cover
- Relocation arrangements

2) *How long does TUPE protect our term and conditions for?*

There is no specified period under TUPE legislation, however HCL must have a reason for changing your T&C's that is not connected with the transfer.

3) What is the policy on part time staff, flexi working etc?

Your hours of work will not be changed. There are no plans to change and any future requests would be discussed with a view to reaching agreement with you individually.

4) What benefits will be altered?

The following will be available under HCL terms:

- Bonus
- Pension
- BUPA
- Grading (12 months after the transfer)
- Business Expenses
- Pay date

Bonuses

1) What will happen with bonuses in the next couple of years?

Bonus Earned up until transfer in 2011 and paid in 2012 – colleagues will be treated as ‘good leavers’ for tax purposes and if LBG bonus is payable then a pro-rated amount will be paid based on the colleague’s performance rating at the date of transfer.

Bonus Earned since transfer in 2011 and paid in 2012 – HCL may pay a discretionary bonus for the period after the transfer.

In addition, for colleagues remaining with HCL in March 2012, a pro-rated amount will be paid for the rest of 2011 equivalent to the LBG bonuses being paid, if any. Any bonus amount will be based on HCL’s assessment of your performance using the 5 LBG performance ratings.

Any bonuses earned for 2012 onwards will be based on HCL's arrangements.

2) What happens to the deferred bonus payments I am entitled to?

Colleagues will still receive any deferred bonus payments for bonuses paid in 2009, 2010 and 2011 in line with the published details, subject to any clawback being applied.

Pensions

1) What will happen to my pension when I transfer to HCL?

Pensions are not protected under TUPE legislation .

Therefore your membership of your ELAS or HBOS pension scheme will cease at the date of transfer and you will become a member with deferred scheme benefits. You will have the option to join the HCL Money Purchase scheme.

2) I am in a Defined Benefit scheme – will I still be impacted by the pensions cap on pay?

Both the ELAS Defined Benefits (Final Salary) scheme and the HBOS Final Salary scheme were impacted by this change. The TUPE transfer will take place after the 1st April so you could be impacted by the cap on pensionable earnings.

The ELAS Defined Contribution (Money Purchase) scheme and the HBOS Money Purchase scheme are not affected by the cap on pensionable pay.

3) My ELAS pension benefits are non-contributory so will I be compensated for this?

Yes. A lump sum payment will be paid at the point of transfer. This will be equivalent to 3% of your pensionable salary.

4) How can I work out what this means for me financially?

We do appreciate the changes to the pension arrangements will have a financial impact on retirement particularly if you are still a number of years from retirement and would recommend that you take the time to get advice to understand your position. Our Tax and Pensions Advice Line will be able to help – please call them on 0870 428 1909.

Benefits not transferring

The following are not contractual entitlements and will not be available from HCL:

- 4% Flex cash and Flex benefits
- Share schemes
- Colleague Products

1) How will my non-contractual benefits with LBG e.g. staff mortgage, Sharesave, be treated when I transfer to HCL?

It is our understanding that you would be treated in the same way as if you had been made redundant by LBG. Sections 3, 4 and 5 of the leavers guide available on the CREST website would therefore apply and can be accessed via the link below:

http://teamspace.intranet.group/sites/colleague_support/Guides/Leaving_The_Group_HBOS.pdf

2) Will I be able to get subsidised LBG staff products?

These will no longer be available and HCL do not provide anything similar.

3) I have a car allowance from LBG - will this continue?

Yes - payment of the current cash allowance will continue.

4) Will I be paid any compensation for the loss of my LBG benefits?

The proposals on terms and conditions include a tax-free payment in recognition that not all your current benefits (including pension provision) will transfer to HCL. Different amounts are available because different colleagues face different losses. The total amounts are as follows:

Final Salary scheme members – 15% of basic salary

Money Purchase scheme members – 12% of basic salary

Non contributory pension scheme members – in addition to the above a further tax-free amount equivalent to 3% pensionable salary will be paid.

Next steps

If you have any objections to the transfer you need to talk to your line manager in the first instance. You can register a formal grievance if you feel the selection was unfair and ACCORD can provide further advice.

If you have any feedback on the proposed terms and conditions then please contact us.

HCL will hold 121s with ring-fenced colleagues at the beginning of March.

If you have any queries about this newsletter, please contact Accord Regional Officer, Fran O'Dowd, on:

Have You Switched to Direct Debit? Win £1,000

Your union membership matters. You can stay as an Associate member of ACCORD after the transfer and still have access to our advice, support and range of membership benefits. But we need you to swap to Direct Debit now. All you need to do is ring Union HQ on 01189 341808 and we'll sort it out for you in one quick phone call.

Alternatively, you can change your payment method on-line at www.accord-myunion.org.

Log into the members' section and click on the 'Update Your Details' button. Switch to DD by 31st March 2011 and you'll be entered into a **special prize draw to win £1,000.**

There are some excellent benefits from belonging to ACCORD and these are available to both full members and Associate members.

Legal Helpline All union members and immediate families are entitled to use the legal helpline. This gives you access to a qualified legal adviser on any matter. The advice is completely confidential, **FREE** and easily accessible at all hours of the day or night.

Call 0800 884 0118.

Personal Injury Claim line If you've been injured in an accident, our legal experts can help. Our personal injury claim line is provided by Russell Jones & Walker (RJW), one of the UK's leading law firms. It's a **FREE** service to members and their families. All you need to do is pick up the telephone.

Call 0800 884 0114.

Personal Accident Insurance Your Accord membership automatically provides you with **FREE** personal accident insurance.

For details call **0870 905 0668.**

Accord Travel Club Before you book **ANY** holiday / tour / flight / hotel / car **ANYWHERE**, ring **0800 953 1263** and checkout your Accord Travel Club Discount.

Commission Cashback Scheme The Union's Commission Cashback Scheme specialises in sourcing level and decreasing term assurance, critical illness and income protection policies for Accord members and their families. Members then receive cashback of up to 9 times their monthly premium. The average lump sum cashback paid out this year under the scheme is **£400**. Since its inception, the scheme has paid out over £2.5m. Ring our brokers on:

Lifelink: 01189 349800

Valley: 01706 218719

Tax & Pensions Advice Line For **FREE** confidential access to taxation and financial specialists you can call **0870 428 1909.**

These benefit schemes aim to make your membership value for money, but the most important reason for joining Accord remains the support and advice we provide. We will never leave you alone to tackle a work related problem and will support you to the end to ensure that you are treated fairly and with dignity at work.