



04/2011

6th June 2011

Working for you in LP & I Q & A for Members in Investment Accounting

On 25th May LBG announced their decision to outsource the majority of the Investment Accounting Operation to State Street, with a small Oversight team being retained by LBG.

Accord has been consulted on LBG's plans and we have had an initial introductory meeting with State Street. Further discussions with LBG and State Street will take place in June to consult on the terms & conditions for colleagues who transfer. We'll also be working with LBG to ensure that all members are treated with dignity and respect throughout the change process.

Members have raised a number of questions about the transfer. The first section of this document includes those questions for which we can provide a response whilst the second section shows the questions that will be subject to further discussions with LBG & State Street. We'll provide updates as soon as we can but please bear with us as no information can be released until the relevant consultations are completed.

If you have a question that we haven't included here then do please contact us.

Section 1 – Q & A

TUPE to State Street

1) What are the TUPE rules regarding reasonable travelling distance/time, if we are asked to transfer to a different site?

The TUPE regulations don't define what constitutes a reasonable travelling distance (or travel time) but we would always expect that your personal circumstances would be taken into account in making any decision.

We understand that many members who work in Aylesbury don't feel that they could commute to the London office every day as it is located in Canary Wharf. We're currently discussing with LBG and State Street what this would mean for members.

2) If I can't work at a State Street office after the Data Migration, because it is too far away for me to travel, will I be made redundant? And what redundancy payment would I receive?

This would be a redundancy situation.

The redundancy terms are currently under discussion. We've set the expectation of State Street and LBG that they will protect the enhanced redundancy terms in the Security of Employment Agreement (B324) so that anyone who can't transfer to London or Edinburgh gets the same terms as if LBG had made them redundant. It isn't a done deal yet but we'll let you know as soon as we can what the final position will be.

A copy of B324 can be accessed by following the attached link:

[http://hww.intranetpub.hx-online.hxgroup.com/intranet/sites/site257.nsf/All/051DC2ED4B1C8CFB802574720039496D/\\$File/B324+Job+Security+Agreement.pdf](http://hww.intranetpub.hx-online.hxgroup.com/intranet/sites/site257.nsf/All/051DC2ED4B1C8CFB802574720039496D/$File/B324+Job+Security+Agreement.pdf)

It should be noted that the early retirement options outlined in Appendix 1 section 3 would not be available.

3) Which of my Terms & Conditions (T & Cs) is protected by the TUPE regulations?

TUPE regulations protect your contractual terms on transfer to a new employer.

The Joint agreement on Outsourcing (B221) confirms what benefits are treated as contractual. The joint bulletin can be accessed via the link below:

[http://hww.intranetpub.hx-online.hxgroup.com/intranet/sites/site257.nsf/All/C5552756E50CD5FE802574180051488C/\\$File/B221+-+Outsourcing+and+Insourcing.pdf](http://hww.intranetpub.hx-online.hxgroup.com/intranet/sites/site257.nsf/All/C5552756E50CD5FE802574180051488C/$File/B221+-+Outsourcing+and+Insourcing.pdf)

The non-contractual T & Cs will be subject to consultation and details of the LBG/State Street proposals will be released as soon as possible. See section 2 for a list of questions that members have asked us to raise.

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

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

5) What is State Street's policy on part time staff, flexi working etc?

Your T&C's include hours of work so these should be honoured. Flexible working is covered by flexible working regulations.

Further information is available at http://www.direct.gov.uk/en/Employment/Employees/Flexibleworking/DG_10029491

We will also be discussing State Street's approach to flexible working etc. during consultations.

- 6) How will those of us with staff mortgages be affected if we TUPE transfer to State Street?*
- What happens to existing LBG share schemes?*
- What will happen to our LBG share save/schemes?*
- What will happen to our flex benefit scheme when we move to State Street?*
- Will we still get a LBG 2011 Bonus? Will it get pro-rated?*

Colleagues who TUPE transfer will be treated in the same way as if LBG had made them redundant with the TUPE date being treated as the leaving date. Details are captured in the h-HBOS Leavers guide available via the link below:

http://lbg.intranet.group/colleague_support/crest/vr.shtm

Flex is non contractual so it won't continue but there are arrangements in place so that colleagues can arrange to continue with certain benefits on a personal basis. See the Flex website for details.

7) What happens to my existing LBG pension scheme if I transfer to State Street?

You will become a deferred member of your pension scheme.

The exact details of what this means for the pension you are likely to receive in retirement depends upon which scheme that you are a member of. If you would like further details please contact your scheme

administrator or ring our Tax and Pensions advice line on 0870 4281909. If calling the helpline then please make sure that you have the details of your scheme to hand.

During the consultations with State Street we will discuss the pension arrangements that they will provide and the related contribution rates.

8) I am in the 'ELAS' money purchase scheme and qualify to go into the Final Salary scheme at age 45. Will I lose this option if I am transferred to State Street?

Our understanding is that this option will be lost on transfer to State Street as you are deemed to have left LBG employment. To qualify to enter the Final Salary scheme you must be in LBG employment as at 1st January following your 45th birthday.

9) Do State Street currently recognise any unions?

State Street have confirmed that they don't have recognition agreements with any unions however they have committed to working with us throughout the transition period i.e. until the end of the data migration period and the withdrawal from LBG sites.

You can remain an Associate Member of Accord once your employment transfers and benefit from our continued support.

Remaining with LBG

1) If I have been mapped to a role in the retained function do I have to take it? What happens if I do not want it?

The position is likely to depend on your circumstances, location and what you want to do as an alternative. Please contact your local rep to discuss your situation.

2) If work is being retained in Leeds or Aylesbury by L P & I, how long will it be there? LP&I have already announced that these are not strategic sites for them and they want to exit?

LP & I have acknowledged to us that the IA roles are an exception in their strategic sites plan but that the exception is a necessary one. Certainly whilst other divisions are utilising both sites it makes the IA presence workable.

3) Have Accord agreed the selection process that will apply for the 42 vacancies in the LBG team?

There is a standard Group selection process that has been agreed with Accord and we have been consulted on how this has been tailored for the IA situation.

If you preference for a role and are not selected and feel that the selection process has been applied to you unfairly then please speak to your local rep who can help you address your concerns with the company.

4) *LBG has not indicated which of the vacancies are available at each site. As this is fundamental to the decision whether to apply is there any way the Union can influence LBG to add these locations on?*

We were advised by LBG that the person is key rather than the location so if there is a job you want to apply for then go for it. If you are the best then they will look to give you the job irrespective of location.

Who should I contact if I want to discuss my personal situation or have questions that aren't covered here?

Aylesbury:

Philip Abbondandolo (x46517)

Cilla Christmas (x45654)

Wayne Jenkins (x44424)

Miriam O'Connor (x45907)

Alison Thoburn - Officer (07826 550398)

Bristol:

Colin Armorgie (x34356)

Tracey Stone (x35321)

Fran O'Dowd - Officer (07973 619238)

Leeds:

Linda Crouch - Officer (07766 518390)

London:

Alison Thoburn - Officer (07826 550398)

Section 2 - Items to be confirmed via consultation with LBG & State Street

- 1) Does State Street have a company car scheme?
- 2) What will happen to my company car?
- 3) How will State Street map Investment Accounting roles to State Street roles?
- 4) What are State Street's pay structures?
- 5) If I move to State Street in London will they pay me more?
- 6) What will State Street support in term of professional training, exams and subscriptions?
- 7) How will Flex Payments that have been deferred to the December 2011 date be affected?
- 8) Does State Street operate a similar balanced scorecard approach?
- 9) Does State Street operate a balance scorecard approach that affects pay and bonus?

- 10) Will we be paid overtime from take over date as I believe State Street do not pay o/time at present?
- 11) What date in the month will we be paid?
- 12) How will the work reduce and what will happen to people if the work reduces? Will they be stuck in Aylesbury with nothing to do?
- 13) What will our jobs look like post transfer if we decide to take a role in either London or Edinburgh?
- 14) My company car is under 12 months old and I make trade up payments. Will I still be liable for 3 years worth of trade up now that LBG has taken this decision?
- 15) What type of pension scheme does State Street provide?
- 16) Will I get outplacement support prior to being made redundant (if I can't transfer to a State Street office)?
- 17) What is State Street's policy on part time staff, flexi working etc?
- 18) Will I be able to continue using the LBG facilities once I transfer to State Street e.g. car park, canteen?

Although Accord's primary aim is to protect your interests at work, we also provide a range of excellent benefits which make membership great value for money.

Legal Helpline All union members and immediate families are entitled to use the legal helpline. 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. It's a **FREE** service to members and their families. **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 specialises in sourcing level and decreasing term assurance, critical illness & income protection policies for Accord members and their families. Ring our brokers on: **Lifelink: 01189349800 or Valley: 01706218719**

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