



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

06/2011

21st June 2011

P S S: Terms & Conditions Pay Range, Bonus and Overtime

Introduction

The Bank has published its proposals for the second stage of the integration of terms and conditions within Group Operations PSS and members will be working through exactly what the proposals mean for them.

It is important to emphasise that **no agreement has yet been reached with Accord**. What has been published is a set of proposals for consultation. What Accord does next will be determined by members who vote in a ballot to be launched today.

Accord is conducting a ballot by email to run until **NOON on Thursday 30th June 2011**. It is really important that you have your say. Your vote will determine what happens next.

To help you reach a decision on how to vote, please read the briefing below.

Background

In September 2010, the Bank decided to re-evaluate the role level 1 within PSS and communicated a revised job level of 1.2 which mapped across to the new grading structure as Grade A.

All HBOS colleagues moved onto new terms and conditions on 1st October 2010 following extensive negotiations and an acceptance of the T&C's proposals by a majority of Accord members in the union's ballot.

At that time you were part of Direct Channels and along with all Level 1 colleagues in DC, you were moved onto new terms and conditions, with the exception of Pay Ranges, Bonus and Overtime.

In November 2010, Accord balloted its Grade A members in DC on the proposals for these three remaining T&C's and the proposals were rejected. You will have had an opportunity to vote in that ballot.

Permanent PSS colleagues were moved to a new reporting line within Group Operations from 1st March 2011 and seconded PSS colleagues were given the option of ending their secondment or being made permanent within Group Operations. Colleagues who transferred to permanent roles in PSS Group Operations were not included in the revised proposals for DC colleagues which were accepted in a ballot of members in May 2011.

Over the last few weeks Accord has been consulted on the pay range, bonus and overtime proposals for PSS, details of which are set out below.

There remains one contractual term and condition to be agreed and that is unsociable hours payment for the whole of LBG. Current arrangements (Flextra +) within PSS will continue until the final group wide position on USH payments is agreed following separate negotiations with Accord and Unite.

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Proposals

Pay Range:

The pay range proposed is the Service pay range which applies to all Grade A colleagues in Group Operations and it is reproduced below:

Cluster	Mid Point	Primary Zone Min	Primary Zone Max	Market Zone Min	Market Zone Max	Market Plus Zone Min	Market Plus Zone Max
3	Salary	(90% of Midpoint)	(95% of Midpoint)	(95% of Midpoint)	(105% of Midpoint)	(105% of Midpoint)	(120% of Midpoint)
Band A	£16110	£14499	£15304	£15305	£16916	£16917	£19332

No colleague will see a reduction in their current basic salary as a result of the proposals. 2% of PSS colleagues, (3 colleagues) will receive an increase in pay to the Primary Zone Minimum of 90% of the Midpoint Salary from 1st July 2011.

15% of PSS colleagues (19 colleagues) in receipt of the former multi-skill ad hoc payment of £600 per annum will have this consolidated into their base pay from 1st July 2011.

One colleague who benefits from both changes will firstly receive the uplift to 90% of midpoint salary and then have the former multi-skill payment applied.

Overtime

Your current rate of contractual overtime is single time (although there may be some special temporary arrangements in place from time to time within PSS).

From 1st July 2011, the Bank proposes to pay 1.5 x basic hourly rate for all overtime worked Monday – Sunday and double time on Bank Holidays. You will still have to work 15 minutes to qualify for a payment and reduced hours colleagues will get paid single time until they have worked a total of 35 hrs in a week before moving to the premium rate of 1.5 X basic hourly rate.

Relative to your current contractual overtime rate, this proposal will have a positive impact on all Grade A colleagues in PSS.

Bonus

All grade A colleagues will see a reduction in their On Target Earnings (OTE) bonus from 10% to 5%, and a movement away from quarterly payment to annual payment. In 2011, the level of bonus allocated to each colleague in the Annual Bonus Scheme was determined by appraisal rating with a maximum of 10% payable to Top Performers.

Commentary:

Pay Range

It is important that members understand the implications of these proposals on future pay rises.

9% of PSS colleagues (11 colleagues) whose current basic salary places them above the market plus zone maximum of £19332 will have no scope for future pay rises (until the maximum of the market plus zone overtakes their base pay) unless there is a fundamental change in the LBG Pay Progression Policy.

Under the current Group wide pay progression policy, 61% of PSS colleagues (77 colleagues) whose current basic salary places them in the Market Plus Zone, £16916 to £19332, will have limited or reduced scope for future pay rises for a number of years.

Members who are currently below the Salary Midpoint will have uncertainty around when they can get to the rate of pay for the role (midpoint) and will need to rely on strong or top performance ratings to get there in what might be considered a reasonable period of time.

Members who were previously seconded to PSS and who agreed to transfer on a permanent basis to Group Operations back in March 2011 will have seen the loss of their former ARA payment since 31st December 2010 .

Accord has made a strong argument for this group of 90 colleagues, 71% of PSS Grade A colleagues, to have their current salary uplifted to a level it would have been at had they been promoted into the former 1.4 role as opposed to being seconded. LBG has refused to agree to our proposal.

On future pay progression, Group Operations have agreed to review the position of any colleague moved to above the maximum of the new salary range as a result of T&C's harmonisation. The union's intention would be to discuss some form of financial recognition for those colleagues who achieve a "good" or better performance rating for 2011.

In addition to this and as a result of Accord's Group pay negotiations, we have secured agreement to review the pay framework within LBG and the application of the performance management process in advance of the 2012 pay discussions.

Members will need to carefully consider the impact of the proposals on future earnings capacity and vote accordingly.

Overtime

No one loses out on this proposal relative to current contractual terms and for full time colleagues there will be a significant increase in the rate of overtime pay from 1st July 2011. Part time colleagues will benefit from this improvement only when they have worked 35 hours in a week.

Bonus

Generally, this will have a negative impact on all PSS colleagues with only the Top Performers (approx 5% of all colleagues) being capable of earning the current maximum award of 10%.

What happens next?

You should take time to fully understand the proposals and their implications for you.

If you have any questions you can email your queries/concerns to jim.fielding@accordhq.org or contact him on 07786 664119.

To vote, simply reply to this email to jim.fielding@accordhq.org stating either ACCEPT or REJECT by noon on Thursday 30th June 2011.

If you wish to add comments to your email, please feel free to do so. Of particular interest will be the reasons behind your decision to either accept or reject.

If you have problems voting, please contact Jim Fielding on 07786 664119.

Over to you

This is your future and you will decide on whether or not Accord should sign a collective agreement on behalf of PSS colleagues. It is really important that every member votes.

The ballot results will be published soon after the closing date and Accord will act in accordance with members' wishes.

Accord will not commit to any agreement with the Bank which would implement changes unless we have a clear mandate from members to do so.

Only Accord members will be able to vote in our ballot, so if you work with colleagues, who aren't yet members of Accord, now is the time to ask them to join us and have a real say in their future. Our strength is in our numbers, so please do all you can to help to make Accord the biggest and best union in the Lloyds Banking Group.

Non-members can join us at <http://accord-myunion.org/your-union/join-us/> or by ringing 0118 934 7887.

Thank you for your continued membership and support.

PLEASE VOTE.

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.**

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