

Redundancy
Policy



REDUNDANCY GUIDANCE

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Our Approach



Why do we have a redundancy policy?

We want to help you to develop your skills and career across our business, so that when things change, we can adapt and avoid redundancies wherever possible – we will look at your skills and capabilities and what wider roles are available across the Group, so that redundancy is a last resort for you and us.

1 We try to minimise redundancies by actively encouraging proactive role movement, upskilling and providing reskilling opportunities, but sometimes changing customer needs and demands mean some roles are no longer required and we aren't able to prevent impacts on our people.

2 We have this policy to ensure we treat people fairly. We want to shape our response to changing business needs in a way that considers people's different needs and circumstances. Equally, we want you to feel informed and confident to make decisions about your future.

3 YOU MAY BE IMPACTED BY POTENTIAL REDUNDANCY WHEN;

- Changes in demand mean a role is no longer required
- Roles are no longer required at the specific location, where this work has to be done from an office or branch
- We need fewer people to do the work, or are needed to do the work at a specific location

Things we will explore to try to avoid redundancies;

- Supporting people to stay with us through our Redeployment offering
- Offering Suitable Alternative and / or Reasonable Alternative roles
- Reskilling and providing support to retrain people for new roles
- Releasing contractors or agency employees or limiting our temp-to-perm arrangements
- External recruitment freezes and reviewing vacancies
- Reviewing working patterns and assessing overtime being worked
- Ending current secondments into impacted teams
- Reviewing whether impacted secondees could be made permanent where these are outside of impacted teams

We will always consult with you on any impacts, ensuring we meet any legal requirements on timescales and approach;

Union Consultation

- As representatives of our people, we commit to full and meaningful consultation with Accord and Unite.
- We do this in good faith and at the earliest opportunity.
- We'll discuss the overall number of people within the scope of the change and a breakdown of the potential impacts on our people. This will include details on selection pools and criteria and proposed redeployment activity.
- We will look to reach agreement and will share detailed information on the proposed changes.

Individual Consultation

- If you are personally impacted we will discuss the changes with you on a 1-2-1 basis.
- If you are not placed in a role immediately, we will discuss with you your work preferences and individual circumstances and how these impact potential alternative roles - discussions will focus on suitability and any concerns over reasonableness.
- If we do need to place you at risk of redundancy we will confirm this in writing and put in place support to help you look for suitable alternative roles.

AS WE PROGRESS, WE'LL DISCUSS;

- Background on why there is a need for the business restructure
- What the proposals are, including what this means in terms of the number of roles available, any changes in roles and any impacts on the skills and capabilities required
- If we need to select people into roles, what the criteria will be and what evidence we consider
- Plans for redeployment and likely options for alternatives roles to avoid potential redundancies
- Details on timelines



Selection & appointment to roles



Ringfencing & Mapping

As long as there isn't a reduction in the number of roles, to minimise impacts on our people we will;



Ringfence roles, and those in them, where there is no change to the existing role.



Map people to new roles in the structure where there are only small changes, like adding or removing some responsibilities or where someone is already doing the majority of the new role and it's a clear fit.



Selection Pools

If there are fewer roles and selection is needed, Selection Pools are created;

- Pools can cover more than one role.
- Usually, people at the same grade or those doing the same or a similar role within a team or those with a specialist skillset are pooled together.
- Others can be brought into a selection pool if some of the tasks or technical skills are the same or similar - sometimes this can result in mixed grade pools. For example, where we have the same responsibilities or activities within a role, but it is the size of the role or the customer scale or complexity that determines the grade, such as a branch manager.
- If you are out of the business absent or on short or long leave of any kind you will still be included.
- If you are in the impacted team on secondment or a temporary assignment, you won't be included if you have a permanent role to go back to.
- If you don't have a permanent role to return to and have been on secondment or assignment in the team for more than 12 months, you will be included. If it's been less than 12 months, you'll be considered for any unfilled roles after the initial selection has been completed.
- If you aren't employed directly by the Group, so you might be employed by an agency or be a third-party contractor, you won't be included in the selection process.

Selection Criteria



JOB RELATED

The selection criteria you'll be assessed against are job related and focus on the required skills and capabilities, to help make them objective.



SKILLS

There will be a clear description of what evidence or demonstration of the specific skill or capability is expected to help with scoring.



SCORING

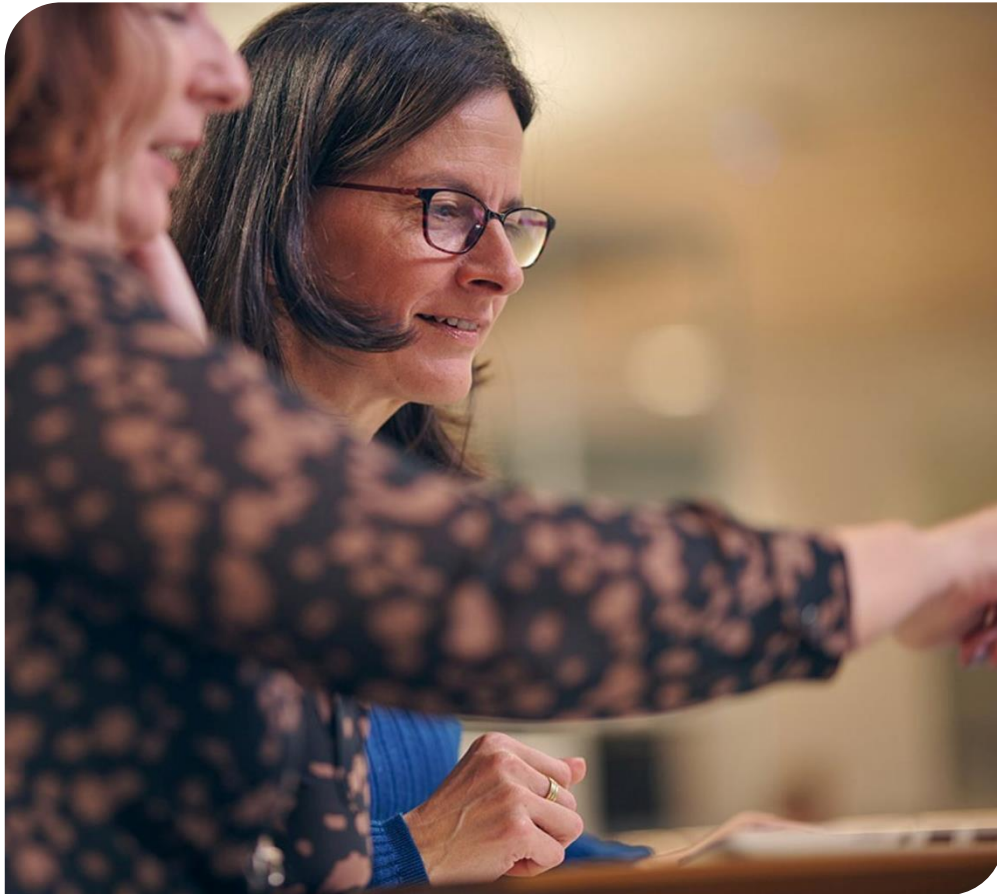
There is normally a 5-point scoring scale, which allows assessment against the evidence and ensures decisions are not just based on opinion.



CAPABILITIES

Weighting skills and capabilities is common to help differentiate, so for example; a number of people may have the same overall score, but those that score higher in the 'critical' skills and capabilities, which carry a higher weighting, would be appointed.

Evidence that will be used



1 If available, notes from performance check-ins, development and career conversations and from 121 meetings on successes or challenges and any goals set

2 Evidence that someone's behaviours are aligned to our Values and evident in their performance

3 Any direct feedback – this could be from within the team, peers, previous line managers or other key stakeholders

4 Evidence someone is proactive in building their skills and capabilities

5 If there is opportunity for individual inputs, this may provide more information on background and experience



Selection decisions

- Once scoring is complete, there will be a 'wash-up' session to independently review and discuss the outcomes.
- All appointments will be made using the selection criteria – our highest scoring people will be appointed into roles subject to the guidance below.

If you are on maternity, adoption, shared parental leave there are certain protections in place. If your role is impacted, treatment is as follows:

- 1** If the roles within a revised structure remain unchanged, but there will be a fewer number of these roles, then you will be assessed alongside everyone else impacted for the roles available within the structure. If you are unsuccessful in securing one of the reduced number of roles, and are placed at risk of redundancy then you'll be appointed automatically into any suitable alternative roles.
- 2** If there are role reductions which involve the consolidation of roles or where roles are removed and/or replaced with a slightly different role, you will be automatically appointed into one of these new roles as part of the selection process, and ahead of anyone else impacted.
- 3** To support managers in determining whether a role is a suitable alternative, you may be asked to help provide evidence - this may be an updated CV or any other information which demonstrates the necessary skills required for the role.

Consideration will then be given to anyone who has a disability where this impacts their ability to do the role, and where there is an equally suitable skills match



Selection decisions

- Absence or disciplinary records won't be used to amend scores – anything like this will already have impacted scoring through the evidence and demonstration of skills and capabilities.
- The location of the role and whether this is flexible will be considered – so, whether it is reasonable to expect someone to work from a particular location, or all the locations the role requires travel to across the working week.
- Any changes to working patterns that are required for roles will be discussed on a 121 basis so that personal circumstances can be considered.
- If a permanent alternative role is proposed and you agree to it, but it is at a lower grade, the Group's Protection Arrangements will apply.
- For anyone not placed after the initial selection, there will be a review of any suitable alternative or reasonable alternative roles from within the wider business structure or in other parts of the Group.
- If reskilling opportunities are available, these will also be explored.

Protection in lower graded roles

- Regardless of whether the role is a suitable alternative or reasonable alternative, if you are offered and accept a role at a lower grade the Group's protection arrangements will apply.
- We wouldn't ordinarily expect this to be more than one grade lower than your current role.
- Your current salary/pay range will impact whether a role is in fact a suitable alternative / reasonable alternative role.
- Any role offered at a lower grade would form part of the usual consultation discussions.



Redeployment



Our tailored redeployment offering

If you become at risk of redundancy, as a Group we are committed to exploring opportunities to redeploy you into either a suitable alternative or **reasonable** alternative role. Our approach to Career Mobility means we are better able to understand our role and skills needs, this insight will help us to know what redeployment and reskilling opportunities might be available. If you become at risk, you'll need to think about what you want from the next stage in your career, whether that is continuing in a similar role with the Group, considering reskilling options, or seeking opportunities externally. Whatever you decide, we'll support you with a redeployment offering tailored to your future career aspirations, through our dedicated [Organisational Change Gateway](#)

If the focus is exploring internal opportunities;

There will be no minimum period of redeployment. We will look at the availability of roles and reskilling opportunities at the time, and this will continue if you are served notice.

You may be offered or seek out yourself:

- A suitable alternative or reasonable alternative role in the Group
- A reskilling opportunity to support a career change
- A temporary role opportunity to provide you with further time to develop skills and experience to secure a more permanent role in the future

You'll be provided with an Organisational Change support recording which will help you understand what to expect and guide you on next steps. You'll also have access to the [Organisational Change Gateway](#) which hosts a range of tools and resources to help you get started, identify and secure roles. This includes a wide variety of information, from help with writing a CV to making your application. In addition to this, if you want to explore a career or lifestyle change outside of the Group, you can register for your bespoke support programme through Right Management, our Career Transition partners.

If the focus is on exploring external opportunities;

- Our priority is still to retain people in our business so we may still offer you suitable alternative or alternative roles where they are available.
- You'll be served your notice and you will be supported with [external Career Transition support](#) through our partners at Right Management, and with reasonable paid time off. Right Management offer access to live learning, on demand events and wider career planning resources.

Through the [Organisational Change Gateway](#) you will find bespoke support if you're;

- Exploring external [job opportunities](#)
- Considering [retirement](#) or
- Starting your own [business](#)

You'll also be able to get connected with Schroders Personal Wealth to review your current and future financial goals, how to access Government funding and support through Right Management.

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What is a suitable alternative role?

- Would be similar to your previous role
- One that would use skills and experience you already have, but may require some short term upskilling on products and channels
- Be on the same or similar terms and conditions of employment
- Could be at a lower grade – but not more than one grade lower
- It's mutually agreed that re-training or reskilling is a viable option

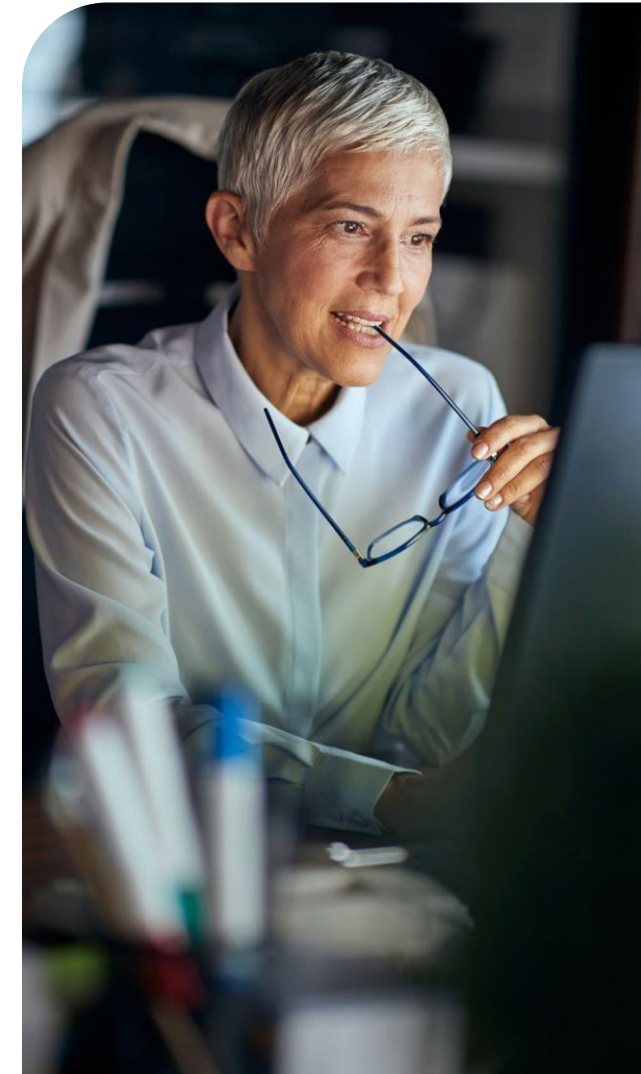
What is a reasonable alternative role?

While not immediately classed as a 'suitable alternative,' it would be achievable and you would be capable of doing it;

- Would look to develop or expand new skills and experience or require extensive upskilling
- Could involve reskilling and following a successful reskill this would then become a suitable alternative role
- Might be on different terms and conditions of employment
- Could be at a lower grade – but not more than one grade lower
- Could be temporary or related to project work



If you become at risk of redundancy and you apply for a new role, as with all recruitment, you will need to have a good skills match and meet any minimum criteria to be shortlisted from the applicants for the role. If following interview you are equally suitable for the role, you should be offered the role ahead of anyone else, with the exception of those with specific legal protection.




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Alternative roles need to be a reasonable option. This is why both an objective and subjective assessment is needed on any roles that are available.

1 In deciding on suitability, an **OBJECTIVE ASSESSMENT** will be made to look at the detail of the role;

	Some of the characteristics of a <u>suitable alternative</u> role;	Some of the characteristics of an <u>alternative</u> role;
How similar is the work?	<ul style="list-style-type: none"> ➤ It is in your current or a similar Job Family ➤ You may have experience of elements of the role which are transferable ➤ The tasks or responsibilities are similar or have been done by you before 	<ul style="list-style-type: none"> ➤ It is a completely different role ➤ It would require substantial upskilling, deepening of existing skills or reskilling
Is there a change to terms and conditions?	<ul style="list-style-type: none"> ➤ The role at the same grade or not more than one grade lower ➤ No change in location, or a change to location is within travel & mobility policy or there is flexibility on the location for the role or it could be done in the hybrid way ➤ Any flexible working arrangements or patterns are the same or similar ➤ Your pay range is not significantly impacted ➤ The role is permanent or longer than 12 months 	<ul style="list-style-type: none"> ➤ The role requires you to work in a different or specific location that isn't the same as your current one (where hybrid working options are restricted) ➤ Any change to a working pattern may impact or require some transition to make the move successful ➤ The role is in a significantly different pay range or grouping ➤ It is a secondment or project role that is likely to last less than 12 months
What are your skills and capabilities relative to the new role?	<ul style="list-style-type: none"> ➤ You would be using an existing skills set, or have up to date transferable skills to enable you to adapt to the new role ➤ Any upskilling or need to adapt exiting skills would be achievable over a short period or through specific training requirements ➤ Your previous experience and current capabilities will support you in the role 	<ul style="list-style-type: none"> ➤ The role is part of a formal reskill programme ➤ You have passed the relevant reskill assessment criteria ➤ You have the capability to do the role successfully with the investment of time and training

 This is not a checklist, but rather things that would be considered in any objective assessment of a role – if it is thought to be a suitable or reasonable alternative role, then your personal circumstances would then be considered

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- 2 While the objective assessment is all about the role, it is equally important to understand if the role works for you as an individual and is a reasonable ask – this is the **SUBJECTIVE ASSESSMENT**

It's important to discuss your personal circumstances and any concerns you may have – any assessment will consider things like;



If location is a factor, how far do you commute now compared with what you will be asked to do?



Would the amount of business related travel in the new role be a problem?



Would any caring responsibilities you have impact your ability to do the working patterns needed?



Do you have a health condition that needs to be considered? Are there any adjustments that need to be taken into account?



Is there an impact on any professional training or qualifications currently being undertaken?



Do you have any concerns relating to your current working arrangements and how would these compare to the new role?



Reskilling

To help avoid redundancies, re-skilling opportunities might be considered to help you develop your skills and career across our business. Reskilling offers you development-based opportunities to train in an entirely different skill or career. Before you are offered a reskill, your suitability for the role will be assessed and if successful you will then undertake a reskill training programme.

How are opportunities identified?

This might be led by you – if it’s something that you identify yourself having looked at the opportunities available **OR**
It may be led by the business – if they think there is an opportunity to use your skills and capabilities in a different way.

In either case, you’ll be assessed for suitability for a Reskill Programme which will involve completion of an online survey that looks at your future not current ability. It will look at the skills and capabilities you already have, in addition to those skills that can be learnt to make an overall assessment. You’ll be involved in discussions along the way to carry out an objective and subjective assessment to determine whether this is a reasonable alternative to redundancy.

What if I am offered a reskill opportunity?

If you agree, a start date and the time taken to reskill will be agreed upfront and you’ll move into the role on secondment.

If you successfully complete the programme you’ll be permanently placed into the role, with any changes to terms and conditions effective at this point. If you decide that you don’t want the role having successfully completed the reskill, you will leave the business, but no redundancy payment would be made, as the role you have been reskilling for would now be a suitable alternative role for you.

If you don’t pass the competence level required for the role, you will be supported in finding another alternative role. If no other roles become available, you will be redundant and will leave the business on full redundancy terms.

If you decline at the outset and want to exit, having met the assessment criteria for the role and the objective and subjective assessment of it being an **reasonable** alternative role, you’ll leave on reduced redundancy terms. If however, personal circumstances mean that its not a reasonable option for you, you will leave on full redundancy terms.

What if the reskill opportunity is at a lower grade?

Your terms and conditions won’t change for the duration of the reskill programme.

Once you are permanently appointed into a role at the end, you will have your pay and benefits protected in line with [redeployment protection arrangements](#).



Trial Periods in new roles



Trial periods would normally be used if you are considering an alternative role, and it may take some time to assess if the role is right for you. They would be used by exception for 'suitable alternative roles' or temporary alternative roles as these roles should already be a good fit.



They are not intended to be used if you're reskilling for a new role, as the programme will be designed to ensure you build the skills necessary to do the role. If you take on a re-skilling opportunity you would be committing to the investment in your skills development.



How does a trial period work?

Trial periods allow you to do the role for a short time, and help to trial anything that there could be concern over. If it's a good fit at the outset, it won't be necessary

You and your manager will talk about how long it will last, setting realistic objectives and expectations

Any trial should last for a minimum of four weeks, but anything between one and three months is expected to allow for initial training (if this applies) and for everyone to make a decision on whether the role is a good fit. A reasonable timeframe should be agreed upfront, with a clear end date.

Regular check ins should be booked in, so there is frequent discussion on how things are going – don't store up concerns until the end as wherever possible its important to resolve these and think about solutions. The trial should run for the agreed period to give it the best chance

You should work together to ensure the right support, training and induction is in place

If the role might need a lot of retraining, but there is a good chance it could ultimately be suitable, then the trial period could be extended beyond a three month time frame

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At the end of your trial period;

If it's a success, you would continue in role and your manager would update Workday to ensure the appropriate confirmation is received. Regardless of whether the role is a suitable alternative or alternative, if you are offered and accept a role at a lower grade the Group's protection arrangements will apply once you are confirmed in role.

If it's unsuccessful, you may become at risk of redundancy if there are no other suitable roles available. If you are already at risk this will continue, and you will be supported in the same way through any further redeployment.

What if there is disagreement on whether the role is suitable or not?

You and your manager should meet to discuss why;

- Any concerns your manager has shouldn't come as a surprise if you've been meeting regularly.
- If you have concerns, you will need to explain what aspects aren't suitable and any barriers to taking the role permanently to try work these through. Preferring redundancy is not a valid reason.
- You'll have the opportunity to appeal where there is disagreement.

If no other role becomes available and after any appeal is concluded;

If it's decided that the role is a **suitable alternative role**, and you refuse to do this, you are still redundant but lose your right to any redundancy pay. If it's decided that the role is a reasonable **alternative role** but;

- Personal circumstances mean you are unable to undertake it, you would receive enhanced redundancy pay; or
- You decline it as you would rather leave, you would receive reduced redundancy pay.
- Your notice period will start at this point and if previously served and then withdrawn before your trial period, reissued.



Appeals

Our approach

Our aim is always to try and resolve concerns informally – talk through any concerns you have with your line manager. If talking hasn't worked, you have a formal right to appeal against any decision which results, or could ultimately result, in you leaving by reason of redundancy.

You will continue to be supported by the Redeployment Team to secure a suitable alternative role, irrespective of whether you have raised an appeal or indicated you intend to raise an appeal.



WHAT ARE SUITABLE GROUNDS FOR AN APPEAL?

- The selection criteria were unfair
- The selection criteria were wrongly or unfairly applied
- The role(s) offered as suitable alternatives were not in fact suitable
- The role(s) offered as alternatives were not reasonable due to your skills and / or personal circumstances
- You believe reasonable steps have not been taken to avoid your redundancy and / or reasonable redeployment opportunities have not been exhausted, prior to serving you notice of redundancy



WHAT SHOULD YOUR LETTER INCLUDE?

- You should clearly state the grounds of your appeal and include enough detail to enable the Appeal Manager to have a full understanding of your concerns.
- If the letter is unclear you may be asked for further detail.
- You may also provide further information to the Appeal Manager before or during the appeal meeting.



Steps you need to take

Your appeal should be in writing (electronically if possible) to your line manager.

You have 14 calendar days from either:

- 1 Being advised that you have not been selected for a role in the new structure, or
- 2 Being selected for a role in the new structure you feel is unsuitable, or
- 3 Receiving confirmation from the business that a role is deemed a suitable alternative or reasonable alternative role, or
- 4 Being served notice of redundancy.

Your line manager will let you know when they receive it.



The timing of your appeal is important

You can only appeal once on the same grounds, so think about the right time to submit it:

- 1 If your concern is with a decision made that was part of the selection process, submit it once you have had your outcome, rather than wait until later in the process when you may already have been served your notice.
- 2 If you are undertaking a trial period for an alternative role, formal appeals against the suitability of this alternative employment are usually only appropriate at the end of the trial period, and after you've talked about the nature of the concerns with your manager. You can of course raise concerns about suitability at any point during the trial period and you should work to try to address any concerns you may have.



A few things to remember;

1. The appeal meeting will normally be held within 28 calendar days of receiving your appeal letter. If more time is needed the Appeal Manager will let you know.

2. You'll be given at least seven calendar days' notice of the meeting, unless this minimum timescale is waived by you.

3. All meetings are confidential and details will only be discussed with those involved or anyone supporting.

5. You'll normally be sent the outcome within 14 calendar days of the meeting. If more time is needed the Appeal Manager will let you know within this timeframe and discuss when a decision will be made.

4. You can be accompanied at the appeal – by a union representative, or someone you work with if you prefer. Just let the Appeal Manager know. They can address the meeting and confer with you; to put forward and summarise your case and grounds for appeal. They are not allowed to answer questions on your behalf

The Appeal Manager will be suitably independent from the process and will have the capability to hear the Appeal

How the meeting will work

- **There will be a note taker at the meeting.** This enables the Appeal Manager to concentrate on the conversation and ensure that it is documented accurately.
- **As confidentiality is important,** the meeting will take place in a private room, that is suitable for everyone. If the meeting is virtual, everyone attending will ensure they are in a confidential space.
- **If you are not at work,** the Appeal Manager will talk to you to discuss the best way forward. Please talk about any reasonable adjustments that could be made. If you can't attend a meeting, we might get a view from Occupational Health, but the meeting will go ahead, and a decision made based on the information available.
- **If the date and time proposed doesn't work for you** or the person accompanying you, you should work with the Appeal Manager to rearrange.
- **Any rearranged meeting should be close to the original date.** If a union representative or person you work with can't be available, the Appeal Manager may suggest bringing someone else along.
- **The notes from the meeting will be sent out** after the meeting. The notes are not intended to be a word for word account but will be an accurate reflection of the discussion.



Preparing for the meeting:

Your business area will provide relevant background information in advance and this will be shared with you. This will include;

- The nature and scope of the business change e.g. number of people in scope, the selection process and criteria.
- The specific information on you that was relevant; your grade, performance, summary of previous roles and experience.
- If your appeal relates to the selection process - details of any role preferences (where this was asked for) and rationale for the decision/s regarding your placement / decision not to place you.
- If you've been placed in a suitable alternative or reasonable alternative role - details to allow a comparison between your previous role and the role that has been offered, including details of any trial period and / or training plan.
- Summary of the redeployment options explored and support provided (if this is relevant).

You should take time to reflect on the situation and the information you have been given. Think about what additional information you can provide and what questions the Appeal Manager may have.

- You may wish to spend some time with your union representative or person from work accompanying you.
- Think through some of the practicalities and allow yourself plenty of time - where are you meeting, is it face to face or virtually?





During the meeting

- At the meeting the Appeal Manager will talk through the agenda and make sure you understand the format for the meeting.
- You might feel unsettled, but try and answer the questions as objectively as you can, being open and honest.
- You can ask for breaks if you feel that you need them.
- Refer to any notes if you have them.
- At the end make sure you have covered all you wanted to – check against any list you prepared beforehand.
- By the end of the meeting the Appeal Manager will look to ensure they understand exactly what the concerns and challenges are related to your grounds for appeal, and how you think the matter could be resolved.
- You'll be advised of the next steps and any timescales for receiving an outcome. If there might be a delay, for example if more detailed investigations are needed, the Appeal Manager will talk to you to agree a timescale for the decision.

After the meeting

- Consider if on reflection you have missed anything and let the Appeal Manager know as soon as possible.
- The Appeal Manager will reflect on the information provided and investigate any further points if required.
- You'll receive the notes from the meeting - take the time to review them. They should reflect the key discussion points of the meeting. You may wish to do this with your union representative.
- The outcome of the meeting is final and there is no further right of appeal.



Your responsibilities;

Once the selection outcomes have been communicated and you sense that someone has some concerns, you play an important role in discussing these;

- You need to have a good understanding of the business change in order to help someone to understand the journey the business is taking.
- You'll need to get underneath the scoring rationale to help them understand why a decision was made.
- Don't forget there is material to help you resolve disagreements, take a look at the [Let's Talk](#) resources to help you with these discussions.

If a someone makes a formal appeal;

- This must be made in writing to you, clearly setting out the individual's grounds - take a look at the colleague guidance for what is expected. Someone may appeal after an outcome, but also later in the process; challenging the suitability of a role or against the decision to serve them notice of redundancy.
- Once received, you need to let them know you have it.
- If the appeal is not already in an electronic format, ask for this, as you'll need to submit this alongside an [HR Enquiry](#) to the Resolution team, who will source an appropriate Appeal Manager.



You'll need to provide information yourself

Ideally a week before the appeal meeting you'll need to provide relevant information to the Resolution Team:

- Details of the nature and scope of the business change that created the redundancy situation i.e. number of people in scope for the change, the selection process and criteria – the union consultation slide pack that was used is suggested as a minimum, plus any other supporting information which influenced the scope of the business change
- Background information about the colleague – grade, performance information, career aspirations, development goals and a brief summary of previous roles and experience
- Details of role preferences and decision/s regarding their placement / not being placed – this should include scores and rationale, comparison scores for those who were placed (anonymised) if they have not been offered a role
- If they have been placed in a suitable alternative role or reasonable alternative role, details should be provided to allow comparison between their previous role and the role that has been offered – including factors such as skills match, re-training considerations, location, grade, line management responsibilities. Details of any trial period and / or training plan offered should also be included.

- **Provide the Appeal Manager** with any other relevant information and background context relating to the particular grounds for appeal that would support them in making a decision.
- **The Appeal Manager** may need to discuss details with you ahead of and after the meeting to clarify their understanding and to help with responses to particular questions or information introduced.
- **You will be advised** of the appeal outcome and will have a role to play in supporting the colleague after this has been communicated, whatever the outcome.



Benefits



Concessionary Mortgages

The following is applicable for the treatment of benefits in a redundancy situation.

<p>Asset Finance / Commercial Finance / anyone employed on or after 1st January 2012</p>	<ul style="list-style-type: none"> ➤ If you leave the Group, any concessionary mortgage arrangements will end after your last date of employment.
<p>Lloyds / Scottish Widows Staff House Purchase Scheme</p>	<ul style="list-style-type: none"> ➤ If you leave the Group and become a deferred pensioner, mortgage benefits in place will continue for 12 months following your last date of employment, or to the end of the mortgage (whichever is earlier). At the end of the 12 month period the interest charged will revert to the homeowner variable rate. This benefit will continue to be reported to HMRC for P11D purposes during this period. ➤ If you leave the Group and take your pension immediately, becoming an active pensioner, you may continue with the mortgage arrangement whilst you remain within that property.
<p>C&G</p>	<ul style="list-style-type: none"> ➤ Concessionary mortgage arrangements in place on your last date of employment will continue on the existing account and balance for six months. After this period the interest charged will revert to the applicable homeowner variable rate. This benefit will continue to be reported to HMRC for P11D purposes during this period.
<p>HBOS</p>	<ul style="list-style-type: none"> ➤ Concessionary mortgage arrangements in place on your last date of employment will continue for 12 months. After this period the interest charged will revert to the applicable homeowner variable rate. This benefit will continue to be reported to HMRC for P11D purposes during this period. ➤ If you have concessionary mortgage arrangements with certain schemes of the former Bank of Scotland / Halifax, and are eligible for and start receiving retirement benefits after you leave the Group (in whole or in part, and whether directly from a Lloyds Banking Group pension scheme or indirectly via another pension scheme to which the Lloyds Banking Group retirement benefit has been transferred), will continue with the mortgage arrangement whilst you remain within that property.



Concessionary Mortgages

The following is applicable for the treatment of benefits in a redundancy situation.

Offshore

- ▶ If you leave the Group and become a deferred pensioner, mortgage benefits in place will continue for 12 months following your last date of employment, or to the end of the mortgage (whichever is earlier). At the end of the 12-month period the interest charged will revert to the homeowner variable rate. This benefit will continue to be reported to HMRC for P11D purposes during this period.
- ▶ If you leave the Group and take your pension immediately, becoming an active pensioner, you will continue with your mortgage arrangement to the earlier of normal retirement date or maturity.



Entitlements

The following is applicable for the treatment of benefits in a redundancy situation.

	FLEX	<ul style="list-style-type: none">▶ If you are based in the UK, there is the option to continue if you have Critical Illness, Life Assurance or Dental Plan. All other products will cease at the end of the month in which you leave..
	HOLIDAYS	<ul style="list-style-type: none">▶ Holiday entitlement will be pro rated for the period January to the leave date. Any outstanding holiday should be taken before this date, but where for operational reasons the business cannot accommodate, payment will be made in lieu with your final salary. If more holiday has been taken than accrued, this will be deducted from your final salary.
	CARS	<ul style="list-style-type: none">▶ Company Cars: If you still have a company car you can either purchase this, or alternatively return the car before you leave. Any outstanding personal use contributions (PUCs) will be paid by the Group.▶ Colleague Cars: You have the option to purchase your car, or continue with any arrangements direct with Lex Autolease before you leave. You will not be liable for payment of an early termination charge.
	PRIVATE MEDICAL	<ul style="list-style-type: none">▶ Any private medical benefit entitlement will stop at the end of the month in which you leave. You have the option to take out a continuation option with Bupa at a discounted rate.
	FINANCIAL PRODUCTS	<ul style="list-style-type: none">▶ All financial products, excluding a staff mortgage and Personal Loans, will end on your date of leaving.



Share Plans

The following is applicable for the treatment of benefits in a redundancy situation.

Share Save

- ▶ If you are a participant of a Sharesave plan, which matures after your leave date, you may exercise your option to purchase shares at the relevant option price within six months of your leave date.
- ▶ During the six month period, you may continue to make monthly contributions. The maximum extent to which any option may be exercised will be limited to the contributions made at that time, together with any interest or bonus due under the terms of the relevant Sharesave contract.

Sharematch

- ▶ Shares purchased by you under Sharematch and held in the trust will be released to you as soon as practicable after your leave date. No income tax and National Insurance will be payable on the shares.

Free Shares

- ▶ Free shares held by you are held in the trust and will be released to you as soon as practical after your leave date. No income tax and National Insurance is payable on the shares.

05 | TREATMENT OF BENEFITS: PENSION



The following is applicable for the treatment of pensions in a redundancy situation. The guidance provided will be subject to change where there are changes to legislation or the relevant Pension Scheme Trustee advises a change in the Pension Scheme rules.

LBG

If you are employed on or after 1st January 2012

- Your pension entitlement will be determined in accordance with the deed and rules of the Your Tomorrow Scheme. Early payment of pension benefits is permitted from age 55 and the Your Tomorrow scheme guide gives details of how to apply for early payment or visit the [Group Pensions site](#).
- Pension benefits are based on the value of your pension account in Your Tomorrow at retirement date. You should note that if you take your pension benefits at an earlier age then contributions have not been invested for as long as they would otherwise have been and the benefits received may be lower than those you would have received at normal retirement date.
- If you are an active member of the Scheme on the date you leave, you may have the opportunity for the Group to pay some of their redundancy payment into Your Tomorrow to increase your pension account. Any such payment is treated as an employer contribution to the pension scheme. The extent to which this option is available or is beneficial from a tax perspective depends on individual circumstances.
- In particular, you need to be aware that the government imposes a tax charge on pension savings of more than their Annual Allowance in any tax year. An Individuals Annual Allowance can vary between £10,000 and £40,000 depending on their earnings.
- For more information on the Annual Allowance please visit the Group Pensions Reward Pages.

05 | TREATMENT OF BENEFITS: PENSION

The following is applicable for the treatment of pensions in a redundancy situation. The guidance provided will be subject to change where there are changes to legislation or the relevant Pension Scheme Trustee advises a change in the Pension Scheme rules.

HBOS

Pension entitlement will be determined in accordance with the deed and rules of your pension scheme. Early payment of pension benefits can be granted from age 55 (or age 50 in certain circumstances) and the relevant pension scheme guides will give details of how to apply for early payment – [Group Pensions](#)

Defined Benefit

- Pension benefits in a Defined Benefit pension scheme are based on pensionable service and final pensionable pay (subject to the pensionable pay cap) at or near retirement, or the date that they leave the pension scheme. If you are aged 55 and over (or age 50 in certain circumstances) at date of leaving, you may request early payment of pension benefits, however you should note that an early retirement reduction factor will be applied to your accrued pension for each day for which the pension is payable before your normal retirement age.

- If you are under the age of 55 (or age 50 where appropriate) at date of leaving, you will be entitled to your accrued pension benefits payable at your normal retirement age. Early payment of pension is permitted although you should be aware that an early retirement reduction will be applied and that this may not be the same as the reduction that would apply on taking benefits and retiring directly from employment.
- If you retain the right to retire from age 50, this will have been expressly confirmed to you by the Trustee of your Pension Scheme.

HBOS

Defined Contribution

- Pension benefits in a Defined Contribution (or Money Purchase) Scheme like Your Tomorrow are based on the value of the your pension account at retirement date. If you are aged 55 and over (or age 50 and over in certain circumstances) at date of leaving, you may request early payment of pension benefits however you should note that if you take your pension benefits at an earlier age then contributions have not been invested for as long as they would otherwise have been and the benefits received may be lower than those they would have received at normal retirement date.

- If you are under the age of 55 (or age 50 where appropriate) at the date of leaving, you will receive a pension at normal retirement age based on the value of your contributions and the Group's accrued contributions which will remain invested until that date. Early payment of pension is permitted and the relevant scheme guide gives details of how to apply for early payment.
- If you retain the right to retire from age 50 this will have been expressly confirmed to you by the Trustee of your Pension Scheme.

Payments to Pension Schemes

If you are an active member of your pension scheme on the date you leave, you may have the opportunity for the Group to pay some of your severance payment into your pension scheme to provide additional pension scheme benefits. Any such payment is treated as an employer contribution to your pension scheme.

The extent to which this option is available or is beneficial from a tax perspective depends on individual circumstances.

In particular, you need to be aware that the government imposes a tax charge on pension savings of more than their Annual Allowance in any tax year. An Individuals Annual Allowance can vary between £10,000 and £40,000 depending on their earnings.

For more information on the Annual Allowance please visit the Group Pensions Reward Pages.

05 | TREATMENT OF BENEFITS: PENSION

The following is applicable for the treatment of pensions in a redundancy situation. The guidance provided will be subject to change where there are changes to legislation or the relevant Pension Scheme Trustee advises a change in the Pension Scheme rules.

Lloyds Asset Finance Commercial Finance C&G

Your pension entitlement will be determined in accordance with the deed and rules of your pension scheme. Early payment of pension benefits is permitted from age 55 (or age 50 in certain circumstances) and the relevant pension scheme guides will give details of how to apply for early payment – [Group Pensions](#).

Defined Benefit

- Pension benefits in a Defined Benefit pension scheme are based on pensionable service and final pensionable pay (subject to the pensionable pay cap) at or near retirement or the date that they leave the pension scheme. If you are aged 55 and over (or age 50 in certain circumstances) at date of leaving, you may request early payment of pension benefits however you should note that an early retirement reduction factor will be applied to your accrued pension for each day for which the pension is payable before normal retirement age.

- If you are under the age of 55 (or age 50 where appropriate) at date of leaving, you will be entitled to your accrued pension benefits payable at normal retirement age. Early payment of pension is permitted although they should be aware that an early retirement reduction will be applied.
- If you retain the right to retire from age 50 this will have been expressly confirmed to you by the Trustee of your Pension Scheme.

Lloyds / Asset Finance / Commercial Finance / C&G

Defined Contribution

- Pension benefits in a Defined Contribution (or Money Purchase) Scheme like Your Tomorrow are based on the value of your pension account at retirement date. If you are aged 55 and over (or age 50 and over in certain circumstances) at date of leaving, you may request early payment of pension benefits however you should note that if you take your pension benefits at an earlier age then contributions have not been invested for as long as they would otherwise have been and the benefits received may be lower than those you would have received at normal retirement date.

- If you are under the age of 55 (or age 50 where appropriate) at the date of leaving, you will receive a pension at normal retirement age based on the value of your contributions and the Group's accrued contributions which will remain invested until that date. Early payment of pension is permitted and the relevant scheme guide gives details of how to apply for early payment.
- If you retain the right to retire from age 50 this will have been expressly confirmed to you by the Trustee of your Pension Scheme.

Payments to Pension Schemes

If you are an active member of your pension scheme on the date you leave, you may have the opportunity for the Group to pay some of your severance payment into your pension scheme to provide additional pension scheme benefits. Any such payment is treated as an employer contribution to their pension scheme. The extent to which this option is available or is beneficial from a tax perspective depends on individual circumstances.

In particular, you need to be aware that the government imposes a tax charge on pension savings of more than their Annual Allowance in any tax year. An Individuals Annual Allowance can vary between £10,000 and £40,000 depending on their earnings.

For more information on the Annual Allowance please visit the Group Pensions Reward Pages.

05 | TREATMENT OF BENEFITS: PENSION

The following is applicable for the treatment of pensions in a redundancy situation. The guidance provided will be subject to change where there are changes to legislation or the relevant Pension Scheme Trustee advises a change in the Pension Scheme rules.

Offshore

Pension entitlements on redundancy will vary according to the date you joined the Bank and whether you are a member of the Final Salary (or “defined benefit”) scheme or Your Tomorrow (“money purchase” benefits).

Defined Benefit

- ▶ If you are a member of the final salary pension scheme, you will be entitled to either an immediate pension or a deferred pension payable from normal retirement age. Willis Towers Watson, the pension scheme administrator, will set out the leaving or retirement details and options when writing to you within two months of leaving.
 - ▶ Pension entitlements are all based on pensionable pay (subject to the pensionable pay cap) and pensionable service to the date of redundancy. Pensionable service will include any service purchased to the date of leaving by additional voluntary contributions, and any transferred-in service from a previous pension arrangement.
 - ▶ If you have completed less than 30 days service you will receive a full refund on any contributions you have made. If you completed more than 30 days service your investment fund will remain in the scheme until you take your benefits or transfer to a new scheme. Any fund retained within Your Tomorrow will be available from your normal retirement age to buy pension for you. It may be possible to draw pension before normal retirement age.
- ▶ If you are entitled to an immediate pension, it will not be reduced for payment before the scheme normal retirement age (with the exception of any pension arising from voluntary contributions or transfers-in).
 - ▶ If your entitlement is to a deferred pension not payable immediately, the pension will be increased annually up to normal retirement age in line with price inflation. You may be able to draw a deferred pension before normal retirement age, but it will be reduced to take account of the early payment. The rate of reduction is liable to change from time to time.
 - ▶ You may have the opportunity for the Bank to pay some or all of the redundancy payment into the pension scheme to increase the pension entitlement on your date of leaving. Any redundancy given up is treated as an employer contribution. For those who are under the age of 50 at the redundancy date, only redundancy in excess of £30,000 may be used. The rate at which redundancy pay is converted to pension will be in accordance with actuarial advice and is liable to change from time to time.

Offshore

➤ Defined Contribution

The entitlement to benefits will depend on length of service within the pension scheme and your island of residence. The entitlement will be set out in the information issued by the administrator, Willis Towers Watson.

➤ The following sets out the position for most members:

Any fund retained within Your Tomorrow will be available from your normal retirement age to buy pension for you. It may be possible to draw pension before normal retirement age.

- The fund available when you decide to take pension will be used to buy an annuity with an insurance company.
- It may be possible to use some or all of your redundancy monies to enhance the fund within the scheme. There are potential tax implications for topping-up the fund in this way, since the relevant Government authority may impose a tax charge on pension savings more than someone's Annual Allowance in any tax year. An individual's Annual Allowance can vary between £10,000 and £40,000 depending on their earnings.
- For more information on the Annual Allowance please visit the Group Pensions Reward Pages.

MBNA

Your pension entitlement will be determined in accordance with and rules of the relevant Scheme. You will be provided with information about your pension options directly from the Pensions Provider.

05 | TREATMENT OF BENEFITS: PENSION

The following is applicable for the treatment of pensions in a redundancy situation. The guidance provided will be subject to change where there are changes to legislation or the relevant Pension Scheme Trustee advises a change in the Pension Scheme rules.

Scottish Widows Retirement Benefits Scheme

On the date you leave Scottish Widows, you will be entitled to a preserved pension payable from normal retirement date. If you are **aged between 55 and 59 years**, you may elect to draw an immediate pension. Your pension will be actuarially reduced for each year that it is paid before your normal retirement age under the Scheme Rules.

If you are **aged between 55 and 59 years and have more than 10 years service and are an active member of the Scheme at the date you leave Scottish Widows**, you will be entitled to an early retirement pension on the following basis:

- Any pension in respect of service accrued before 1 February 2007 will be paid on a non-actuarially reduced basis
- Any pension in respect of service from 1 February 2007 will be paid on an actuarially-reduced basis.

The redundancy payment you receive will be made up of two elements:

- That part of the payment in respect of service **before 1 February 2007 will be reduced by 50%.**
- That part of the payment in respect of service **from 1 February 2007 will be paid in full.**

If you are **aged between 55 and 59 years at your leave date, and have more than 20 years service at 1 February 2007** and are active members of the Scheme at the date you leave Scottish Widows, you will receive an additional two years' service for pension calculation purposes, provided this does not increase the entitlement beyond what would have been earned to age 60.

The overall benefit will be subject to any legal restrictions on such benefits that may be applicable at the date of redundancy. You may elect to have a preserved pension payable from normal retirement date.

If you are **aged 60 years or over** you will be entitled to an immediate pension. The pension, including any entitlement from AVCs or transferred in service will not be actuarially reduced for early payment.



Redundancy Pay



Redundancy pay explained

The redundancy pay you receive when you leave us will depend on the alternative roles opportunities that are available and whether these are a reasonable option for you. We have a tiered approach which is outlined below:

You'll leave on full enhanced terms if:

- 1 No Redeployment or Reskill opportunity (where you meet the assessment criteria) is identified.
- 2 A suitable alternative role is identified, but after an agreed trial period, it is unsuccessful or you believe the role is not suitable, you appeal and this is upheld.
- 3 You accept a reskill opportunity, after meeting the assessment criteria, but on completion, it's agreed that role is not working for both you and the business.
- 4 You are offered a potential reskill opportunity or alternative role, but your personal circumstances mean it isn't a reasonable option.

You'll leave on **reduced terms*** if:

- 1 An alternative role is identified and you unreasonably decline it and choose to leave – reasonability of any refusal would be tested at an appeal.
- 2 A reskill opportunity is identified and you meet the assessment criteria, but you decline it.

You'll leave with **no redundancy payment** if:

- 1 You accept a reskill opportunity and following successful completion of the programme you decide you do not want the job, despite this now being a suitable alternative role – reasonability of any refusal would be tested at an appeal.
- 2 A suitable alternative role identified, you decline it and an appeal determines the role is suitable and refusal would be unreasonable.

** See Reduced Redundancy Pay section for details on calculation*

How your redundancy pay is made up;

Enhanced Redundancy Pay

- There are a number of sets of enhanced redundancy terms in place across the Group.
- Your redundancy pay will be determined by who your employer is and when you started with us – please look at the relevant pay section for details.
- To give you an indication of any payment you might receive you can use the calculator in Workday to help.

Statutory Redundancy Pay

- If you are made redundant you have an entitlement to statutory redundancy pay if you have been employed for at least 2 years.
- If eligible this entitlement is included in the enhanced redundancy pay that you will receive from the Group – it is not paid as a separate amount.



Enhanced Redundancy Pay



INCLUDES



Statutory Redundancy Pay



If you joined as part of a TUPE transfer or integration, how any enhanced redundancy pay is calculated may differ – you will be eligible for LBG enhanced terms if these were more favourable, if not you will have retained your heritage terms. This will have been agreed as part of the transfer/integration process and you will need to refer to the information you were provided at that time



LBG Redundancy Terms: Notice Periods

- These notice periods apply to everyone (with the exception of Offshore), who started with Lloyds Banking Group on or after 1st January 2012 and anyone heritage MBNA with a start date on or after 1st January 2019.
- Anyone heritage Lloyds Bank based in the Channel Islands or Isle of Man should refer to the Lloyds Offshore terms.
- They apply to anyone who has TUPE'd into the Group on statutory or less advantageous redundancy terms prior to 1st July 2021.



Notice Periods

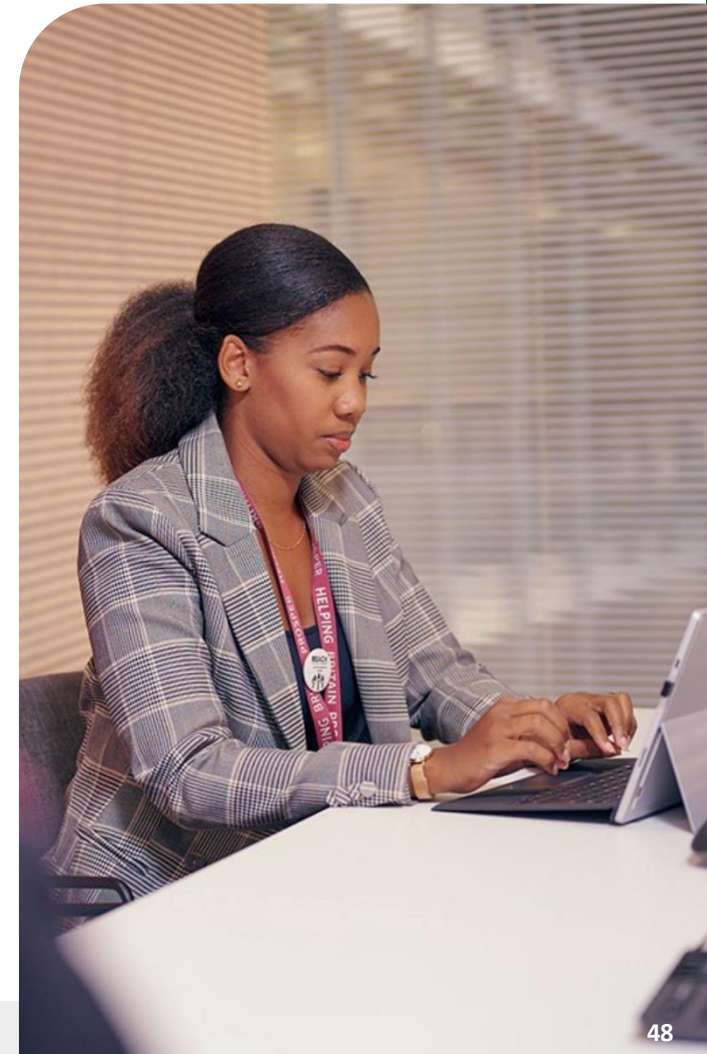
- 1** If you are made redundant, your employment end date will be determined by the Group.
- 2** You will be given a notice based on your employer and start date - please see tables (right).
- 3** You will normally work your notice period, although in certain circumstances, the Group reserves the right to make a payment in lieu of notice (PILON), either in part, or for the full period.

GRADE / LENGTH OF SERVICE	NOTICE PERIOD
A-E / <6 months	1 week
A-E / 6 months- 4yrs	1 month
A-E / 4yrs-8yrs	2 months
A-E / >8yrs	3 months
F-G	3 months

LBG Redundancy Pay Calculation – Enhanced Terms

- The Enhanced Terms are non-contractual
- Enhanced terms apply for both compulsory and voluntary redundancy
- Reduced terms may apply in specific circumstances – see ‘Redundancy Pay Explained’
- If you choose to resign, rather than remain in a suitable alternative role, you will not be entitled to receive a redundancy payment
- Payments are based on a **2.75 times multiplier of the statutory** redundancy formula;

AGE	ENTITLEMENT
For each year of service, up to and including age 40	2.75 weeks’ pay per year of service
For each year of service, aged 41 and over	4.125 weeks’ pay per year of service



LBG Redundancy Pay Calculation – Enhanced Terms

- ▶ Payments will be based on continuous service at the leave date, rounded down to the nearest whole number of years and age as at last birthday. If you have less than one year's service this will be rounded up to a year.
- ▶ The payments are a maximum of 104 weeks pay and this is based on the most recent 20 years' service only.
- ▶ Redundancy payments are capped at £165,000.
- ▶ The salary used for the calculation is basic salary before any salary sacrifices for flexible benefits – the following will be included, as appropriate, in the calculation of a week's pay, based on values at date of leaving:
 - ▶ Basic salary
 - ▶ Car Allowance (where not consolidated)
 - ▶ Shift Allowance, but excluding any Unsocial Hours, Standby or related Callout Payments
- ▶ A week's pay is the annual figures outlined above added together and divided by 52.
- ▶ If you have been on half or nil pay, or receiving statutory pay at your leave date for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount.
- ▶ The redundancy payment you receive from the Group will include any entitlement to a statutory redundancy payment.

 People should refer to the [Treatment of Benefits](#) pages for information on what happens to benefits and pension on leaving the Group





Heritage LTSB and C&G Redundancy Terms: Notice Periods

- These redundancy payment terms apply to anyone heritage Lloyds and C&G who started with the Group before 1st January 2012, excluding those based Offshore.
- Anyone heritage Lloyds based in the Channel Islands of Isle of Man should refer to the Lloyds Offshore terms.



Notice Periods

- 1 If you are made redundant, your employment end date will be determined by the Group.
- 2 You will be given a minimum of eight weeks notice, or longer if your contract states this – please see tables (right).
- 3 You will normally work your notice period, although in certain circumstances, the Group reserves the right to make a payment in lieu of notice (PILON), either in part, or for the full period.

Anyone Lloyds / C&G on harmonised contract:

GRADE / LENGTH OF SERVICE	NOTICE PERIOD
A-E / 4yrs - 8yrs	2 months
A-E / >8yrs	3 months
F-G	3 months

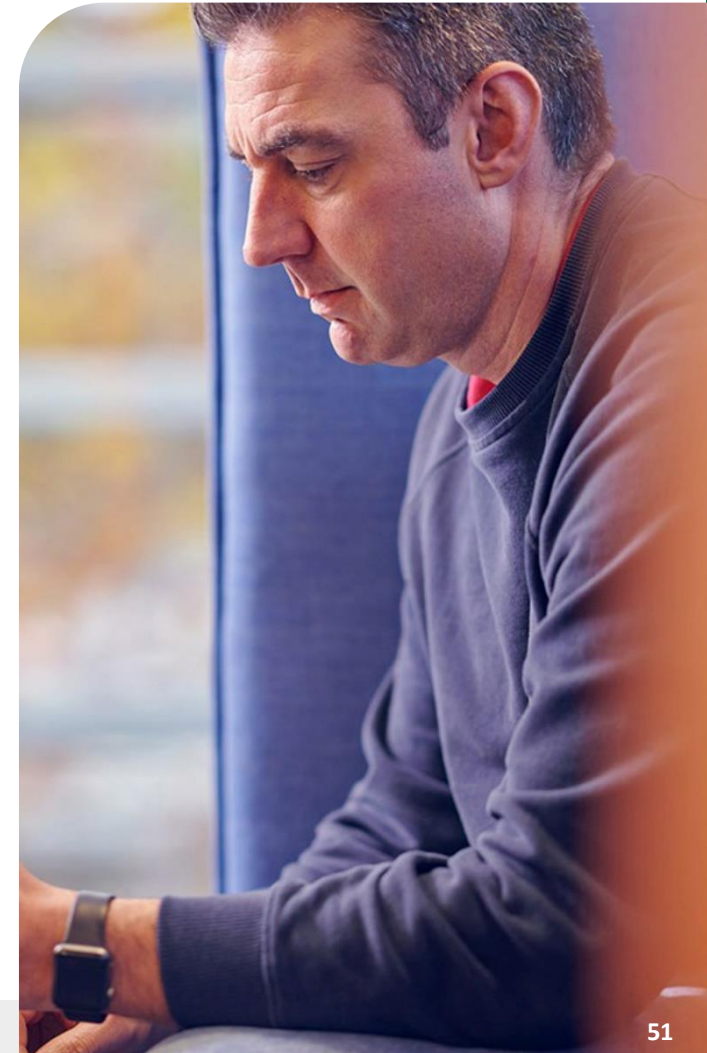
Anyone Lloyds heritage who has NOT signed harmonised contract:

LENGTH OF SERVICE	NOTICE PERIOD
9 / 10 / 11 yrs	9 / 10 /11 weeks respectively
12 yrs +	12 weeks
Grade F and above	3 months

Heritage LTSB and C&G Redundancy Pay Calculation: Enhanced Terms

- Enhanced terms apply for both compulsory and voluntary redundancy
- Reduced terms may apply in specific circumstances – see ‘Redundancy Pay Explained’
- If you choose to resign, rather than remain in a suitable alternative role, you will not be entitled to receive a redundancy payment
- Payments are based on a four times multiplier of the statutory redundancy formula;

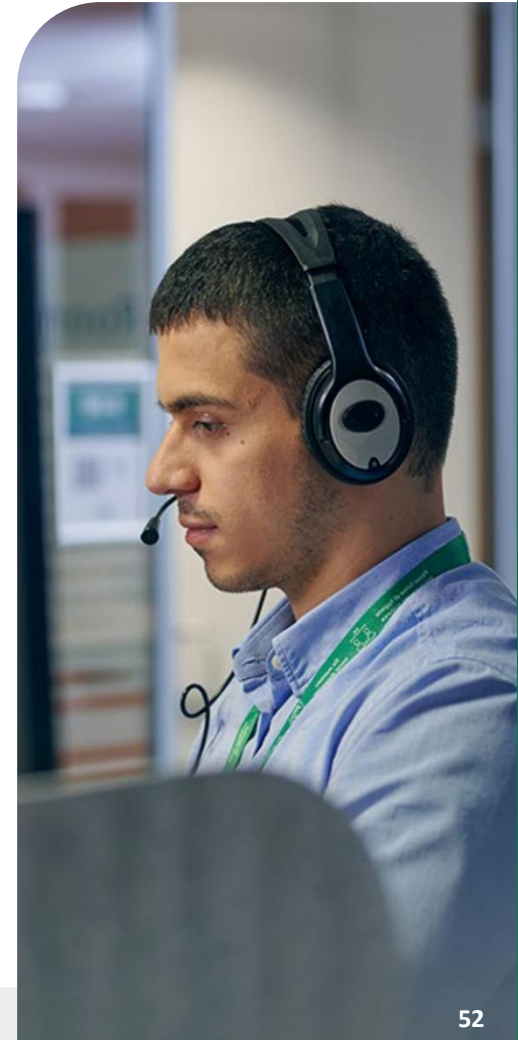
AGE	ENTITLEMENT
For each year of service under the age of 22	2 weeks’ pay per year of service
For each year of service between the ages of 22-40	4 weeks’ pay per year of service
For each year of service, aged 41 and over	6 weeks’ pay per year of service



Heritage LTSB and C&G Redundancy Pay Calculation: Enhanced Terms

- ▶ Payments will be based on actual service to the date of leaving, rounded up to a whole number of years, and age as at last birthday. Please note that where the rounding up of service would cross an increase into additional weeks pay, it is the lower multiplier which will be applied for that rounded up year.
- ▶ The maximum entitlement is 104 weeks pay and this is based on the most recent 20 years' service only.
- ▶ The salary used for the calculation is basic salary before any salary sacrifices for flexible benefits – the following will be included, as appropriate, in the calculation of a week's pay, based on values as at date of leaving:
 - ▶ Basic salary
 - ▶ Car Allowance (where not consolidated)
 - ▶ Shift Allowance, but excluding any Unsocial Hours, Standby or related Callout Payments
- ▶ A week's pay is the annual figures outlined above added together and divided by 52.
- ▶ If you have been on half or nil pay, or receiving statutory pay at your leave date for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount.
- ▶ The redundancy payment you receive from the Group will include any entitlement to a statutory redundancy payment.

 People should refer to the [Treatment of Benefits](#) pages for information on what happens to benefits and pension on leaving the Group





Heritage HBOS Redundancy Terms: Notice Periods

➤ These redundancy payment terms apply to anyone HBOS heritage in UK and Offshore who started with the Group before 1st January 2012.



Notice Periods

- 1 If you are made redundant, your employment end date will be determined by the Group.
- 2 You will be given notice in line with your contract - please see table (right).
- 3 You will normally work your notice period, although in certain circumstances, the Group reserves the right to place you on garden leave or to make a payment in lieu of notice (PILON), either in part, or for the full period.



GRADE / LENGTH OF SERVICE	NOTICE PERIOD
A-E / 4yrs - 8yrs	2 months
A-E / >8yrs	3 months
F-G	3 months



Heritage HBOS Redundancy Pay Calculation: Enhanced Terms

- The Enhanced Terms are non-contractual
- Enhanced terms apply for both compulsory and voluntary redundancy
- Reduced terms may apply in specific circumstances – see ‘Redundancy Pay Explained’
- If you choose to resign, rather than remain in a suitable alternative role, you will not be entitled to receive a redundancy payment
- Payments are based on one month’s pay for each completed year of service, rounded down to nearest whole number of years, at your leave date
- The maximum entitlement is 24 months’ pay and the total value of the redundancy payment is capped at £165,000 (excluding any payment in lieu of notice)
- A month’s pay is based on annual basic salary only, before any salary sacrifices for flexible benefits. Other payments, for example, area or shift allowances, bonus, overtime or any other ‘one-off’ lump sums are not included



People should refer to the Treatment of Benefits pages for information on what happens to benefits and pension on leaving the Group

KEY PRINCIPLES

- **Years of service applies to continuous employment** – if you have taken a career break, the periods of service either side of the break are used to calculate total length of service.
- **If you have been on half or nil pay**, or receiving statutory pay at your leave date for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount.
- **If you have reduced your contracted working hours** within 12 months of your leave date, the group will take this into account when calculating the redundancy payment.
- **The redundancy payment** you receive from the Group will include any entitlement to a statutory redundancy payment.
- **You should refer to the Treatment of Benefit pages** for information on what happens to benefits and pension on leaving the Group.



Heritage Asset Finance & Commercial Finance Redundancy Terms

- These redundancy payment terms apply to anyone heritage Asset Finance and Commercial Finance who started with the Group before 1st January 2012, excluding those based Offshore.
- Anyone heritage AF and CF based in the Channel Islands of Isle of Man should refer to the Lloyds Offshore terms.



Notice Periods

- 1** If you are made redundant, your employment end date will be determined by the Group
- 2** You will be given a minimum of three months notice, or longer if your contract states this
- 3** You will normally work your notice period, although in certain circumstances, the Group reserves the right to make a payment in lieu of notice (PILON), either in part, or for the full period



Redundancy Pay Calculation – Enhanced Terms

Payments are based on a three times multiplier of the statutory redundancy formula;

AGE	ENTITLEMENT
For each year of service under the age of 22	1.5 weeks’ pay per year of service
For each year of service between the ages of 22-40	3 weeks’ pay per year of service
For each year of service age 41 and over	4.5 weeks’ pay per year of service

- The Enhanced Terms are non-contractual.
- Enhanced terms apply for both compulsory and voluntary redundancy.
- Reduced terms may apply in specific circumstances: see ‘Redundancy Pay Explained’.
- If you choose to resign, rather than remain in a suitable alternative role, you will not be entitled to receive a redundancy payment.

Heritage Asset Finance & Commercial Finance Redundancy Pay Calculation

- ▶ Payments will be based on complete years of service to the date of leaving and age as at your last birthday.
- ▶ The entitlement is based on the most recent 35 years' service only.
- ▶ The salary used for the calculation is annual basic salary as at the date of leaving.
- ▶ The calculation of a week's pay is annual basic salary, divided by 52.
- ▶ If you have been on half or nil pay, or receiving statutory pay at your leave date for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount.
- ▶ The redundancy payment you receive from the Group will include any entitlement to a statutory redundancy payment.




 People should refer to the [Treatment of Benefits](#) pages for information on what happens to benefits and pension on leaving the Group



Lloyds Offshore Redundancy Terms: Notice Periods

- ▶ These redundancy payment terms apply to anyone who joins offshore, heritage Lloyds Bank, C&G, Asset Finance and Commercial Finance who are based in the Channel Islands or Isle of Man, regardless of their employing company.



Notice Periods

- 1 If you are made redundant, your employment end date will be determined by the Group.
- 2 You will be given notice based on your length of service – please see tables (right).
- 3 You will normally work your notice period, although in certain circumstances, the Group reserves the right to make a payment in lieu of notice (PILON), either in part, or for the full period.

Anyone Offshore with start dates on or after 11th April 2016:

GRADE / LENGTH OF SERVICE	NOTICE PERIOD
A-E / <6 months	1 week
A-E / 6 months- 4yrs	1 month
A-E / 4yrs-8yrs	2 months
A-E / >8yrs	3 months
F-G	3 months

Anyone Offshore with a start date before 11th April 2016:


GRADE / LENGTH OF SERVICE	NOTICE PERIOD
A-E / More than 4 years	Higher of 8 weeks or contractual notice
F-G	3 months

Lloyds Offshore Redundancy Pay Calculation – Enhanced Terms

- The Enhanced Terms are non-contractual
- Enhanced terms apply for both compulsory and voluntary redundancy
- Reduced terms may apply in specific circumstances – see ‘Redundancy Pay Explained’
- If you choose to resign, rather than remain in a suitable alternative role, you will not be entitled to receive a redundancy payment
- Payments are based on length of service;

GRADE / LENGTH OF SERVICE	NOTICE PERIOD
Less than 2 years’ service	Nil
2 – 10 years’ service	2 weeks’ pay per year of service (min of 5 weeks)
11 + years’ service	3 weeks’ pay per year of service

- The maximum entitlement is 104 weeks pay.
- The salary used for the calculation is basic salary before any salary sacrifices for flexible benefits – the following will be included, as appropriate, in the calculation of a week’s pay, based on values as at date of leaving:
 - Basic salary
 - Car Allowance (where not consolidated)
 - Shift Allowance, but excluding any Unsocial Hours, Standby or related Callout Payments
- A week’s pay is the annual figures outlined above added together and divided by 52.
- If you have been on half or nil pay, or receiving statutory pay at your leave date for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount.
- The redundancy payment you receive from the Group will include any entitlement to a statutory redundancy payment.

 People should refer to the Treatment of Benefits pages for information on what happens to benefits and pension on leaving the Group



Heritage MBNA Redundancy Terms: Notice Periods

- These redundancy payment terms apply to anyone heritage MBNA who started with the Group before 1st January 2019.
Anyone heritage MBNA will receive LBG 2012 Terms where these are more favourable



Notice Periods

- If you are made redundant, your employment end date will be determined by the Group.
- You will be given notice in line with your contract: please see table (right).
- If you are in heritage Band H5+ you are entitled to 12 weeks' notice regardless of length of service.
- You will normally work your notice period, although in certain circumstances, the Group reserves the right to place you on garden leave or to make a payment in lieu of notice (PILON), either in part, or for the full period.

Anyone MBNA on harmonised contract:

GRADE / LENGTH OF SERVICE	NOTICE PERIOD
A-E / Up to – 4 years	1 month
A-E / 4 years – 8 years	2 months
A-E / > 8 years	3 months
F-G	3 months

Anyone MBNA who has NOT signed harmonised contract:

GRADE / LENGTH OF SERVICE	NOTICE PERIOD
Up to and inc. 4 years	4 weeks
5/6/7/8/9/10/11 years	5/6/7/8/9/10/11 weeks respectively
12 years +	12 weeks



People should refer to the Treatment of Benefits pages for information on what happens to benefits and pension on leaving the Group



Heritage MBNA Redundancy Pay Calculation – Enhanced Terms

- The Enhanced Terms are non-contractual
- Enhanced terms apply for both compulsory and voluntary redundancy
- Reduced terms may apply in specific circumstances – see ‘Redundancy Pay Explained’
- Payments are based **on one month’s pay for each completed year of service** at leave date, up to a maximum of 12 (minimum of one month)
- There is no minimum length of service to be eligible, but previous work as contractor or temporary employee will not be taken into account
- Years of service means continuous employment with MBNA and/or Bank of America
- For part years’ service in excess of six months, but less than 12 months, an additional half month’s base salary will be applied – so for example, someone with three years and seven months service will receive 3.5 month’s pay
- A month’s pay is based on annual basic salary only, before any salary sacrifices for flexible benefits. Other payments, for example, area or shift allowances, bonus, overtime or any other ‘one-off’ lump sums are not included
- The total value of the redundancy payment is capped at £165,000 (excluding any payment in lieu of notice)
- If you have been on half or nil pay, or receiving statutory pay at your leave date for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount
- Calculation is made based on current working hours – prior working patterns are not taken into account
- The redundancy payment you receive from the Group will include any entitlement to a statutory redundancy payment


Statutory Redundancy Payment

Statutory redundancy terms apply where you are deemed to have unreasonably refused a suitable alternative role and no other alternative employment is available – you will be made compulsorily redundant, subject to your right of appeal.

Statutory redundancy pay is calculated through using a standard formula which is based on age, length of service and capped at the maximum weekly pay rate.

Reduced Redundancy Pay

- **Reduced Terms are non contractual and based on a multiplier of statutory redundancy formula**
- **Terms include any entitlement you have to a statutory redundancy pay**


Please note that the LBG Reduced Redundancy Payment terms apply to all colleagues regardless of employer

AGE	ENTITLEMENT
For each year of service, up to age 40	1.375 week's pay per year of service
For each year of service, aged 41 and over	2.063 week's pay per year of service

- The salary used for the calculation is basic salary before any salary sacrifices for Flex.
 The following will be included, as appropriate, in the calculation of a week's pay, based on values at date of leaving:
 - Basic salary
 - Car Allowance (where not consolidated)
 - Shift Allowance, but excluding any Unsocial Hours, Standby or related Callout Payments
- A week's pay is the annual figures outlined above added together and divided by 52.
- If you have been on half or nil pay, or receiving statutory pay at your leave date, for any part of the 52 week period, basic salary is taken from normal base salary, not the reduced amount.

- Payments will be based on continuous service at the leave date, rounded down to the nearest whole number of years and age as at last birthday.
- The payments are a maximum of 104 weeks pay and this is based on the most recent 20 years' service only and capped at £165,000.



The graphic for the Redundancy Policy consists of a green arrow pointing downwards, with the words "Redundancy" and "Policy" stacked vertically in a white, sans-serif font to its right.