

Lloyds Banking Group

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Lloyds in hot water as CEO the only employee to receive final salary pension

Lloyds Banking Group PLC (LON:LLOY) chief executive Antonio Horta-Osorio has come under fire for scrapping a final salary pension for every employee but himself.

The bank stopped paying staff a pension based on final salary in 2014 under Horta-Osorio's leadership.

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Horta-Osorio is now the only person entitled to the benefit with his arrangement dating back to a pension he forfeited when he joined the bank from Santander in 2011, The Times reported.

He also receives payments in lieu of pension contributions, which the bank has said this year will fall from 46% of salary to 33%.

Lloyds said the change will reduce the contribution from £573,000 to £419,000, bringing his pension allowance "closer to that of the majority of colleagues".

The bank contributes about 13% of salary for most employees' pensions.

Affinity, a Lloyds staff group that represents 20,000 employees, has criticised the bank's pension policy.

The group has written to the Investment Association, which has introduced new guidelines that require companies to narrow the gap between the pensions of senior executives and employees.

Mark Brown, general secretary of Affinity, said: "It is a source of massive discontent among those who have lost that element of their pension benefit."

The Investment Association has recommended new executives receive payments at the same percentage rate as staff and incumbents have their payments cut over time to that level.

It has argued that excessive executive pensions are divisive and not in the best interests of shareholders.

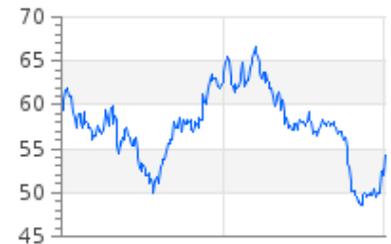
The Investment Association did not comment on Affinity's letter but will review Lloyds' arrangements a few weeks before the annual meeting on May 16 when the bank faces a possible backlash from shareholders over its pension plans.

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Price: £0.54

Market Cap: £37.83 billion

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: LLOY

Listing: LSE

52 week High Low
66.79 48.1559

Sector: Banks

Website: www.lloydsbankinggroup.com

Company Synopsis:

Lloyds Banking Group has many household names like Lloyds Bank, Halifax, Bank of Scotland and Scottish Widows. Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.

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