

## **Career Break Policy**

### **Policy Statement**

This policy allows all employees with sufficient service to request a period of Career Break for any reason and at any stage of their career. The minimum break is six months and the maximum is a total of six years. Employees have the flexibility to apply for either one single break or two breaks totaling six years, providing there is at least two year's continuous employment between each break.

There is no guaranteed right to return to TSB following each period of Career Break. However, where employees do return, their service before and after Career Break is linked for the accrual of certain key benefits.

There is no statutory right to Career Break. This scheme is offered entirely at the Bank's discretion with the aim of re-employing valued employees who have consistently delivered positive standards of performance.

In all subsequent sections of this policy, TSB is referred as the 'Bank'.

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### **Who the policy covers**

This policy covers all employees. For clarification, this policy does not apply to agency workers or self employed contractors.

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### **Policy Principles**

- The aim of this policy is to re-engage employees who wish to take a break in employment and who have consistently delivered positive performance results. Typically this includes individuals rated 'Good' or above over at least the last twelve months before they apply. However, line managers may also consider employees with a past record of high performance who are currently rated as 'Developing Performers' – this may be because they have recently changed roles or gained promotion.
- While there is no automatic entitlement to Career Break, all employees with sufficient service can apply and this policy provides equal access to a consistent process for making requests.
- Applications for Career Break can be made for any reason other than to take up alternative primary employment. Reasons could include anything from caring responsibilities to personal development, professional study, charity work, extended travel and so on.
- While line managers have discretion to accept or decline requests for Career Break, all applications should be considered on objective business grounds and should not be influenced by the individual's personal reasons for applying.
- Line managers should only offer Career Break where they believe there is potential for the Bank to re-employ the individual when the Career Break ends.

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## **Policy Provisions**

### **Eligibility criteria**

In order to apply for Career Break, employees must have:

- At least one year's continuous service with the Bank before the first period of Career Break begins.
- At least two year's continuous service with the Bank between their first period of Career Break and the date they wish any second period of Career Break to begin.
- A positive performance record. This typically includes employees rated 'Good' or above over at least the last twelve months before they apply. However, it may also include individuals with a previous record of high performance who are currently rated as 'Developing Performers' – for example, because they have recently changed roles or gained promotion.

Career Break cannot be offered to employees who:

- Have received an 'Under Performer' performance rating over the last twelve months before they apply.
- Are subject to performance improvement or disciplinary action.
- Wish to resign purely to take up alternative primary employment.
- Are under notice to leave their employment with the Bank for any other reason including redundancy, retirement or dismissal.
- Have already taken the maximum amount of Career Break available.

### **Duration of Career Break**

Career Break can be anything from six months up to a total of six years. Employees can apply for either one single break or two breaks totalling six years, providing they have at least two year's continuous service between the end of the first and the beginning of the second break. Requests for shorter periods of absence should either be covered by holiday entitlement or through one of the following Bank policies:

- [Sabbatical Leave Policy](#) – for employees wishing to apply for between one and six months unpaid leave, with the guaranteed right to return to the Bank following the absence period.
- [Compassionate and Emergency Leave Policy](#) – for employees requiring sudden, unplanned absence for urgent or serious situations affecting their family or dependants, or where leave is needed for compassionate reasons.
- [Special Leave Policy](#) – for employees requiring a short period of paid or unpaid leave for public duties or other specific events.
- [Parental Leave Policy](#) – for employees with parental responsibility who wish to take a period of unpaid leave for the development or general welfare of their children.

There is no entitlement to Career Break for longer periods of absence beyond six years.

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## **Key terms and conditions for Career Break**

Employees wishing to apply for Career Break should submit a Career Break Request to their line manager giving as much notice as possible. This should reflect, as a minimum, the notice period stated in the individual's contract of employment, subject to a minimum of one month – refer to the Bank's Notice Period Policy for further details.

Employees taking Career Break resign and there is no guaranteed right to return to the Bank following the break in employment. However, where employees do wish to return, their application should receive positive, proactive consideration and if a suitable vacancy is found, the individual's service before and after Career Break will be linked for the accrual of specific key benefits – see impact on pay and benefits later in this policy.

However, where employees do not receive an offer of re-employment before their agreed Career Break period ends, they will lose the opportunity to re-join the Bank with linked service. This applies even if the agreed period of Career Break was less than six years.

### **Impact on pay and benefits**

Career Break represents a break in employment and all pay and benefits provided by the Bank will therefore cease when Career Break commences. However, where employees work any periods of temporary employment during Career Break, they will receive payment at the appropriate rate for the role they are undertaking – see Temporary work during Career Break later in this policy.

Where employees re-join the Bank following Career Break, service will be linked for the accrual of specific benefits, as outlined below.

### **Flexible benefits**

Flex cash payments and any existing benefit selections will cease when Career Break commences. Where employees return following Career Break, they will be invited to re-join the flexible benefits scheme straight away and Flex cash payments will re-commence from the date of return – refer to the flexible benefit scheme rules for further details.

### **Private medical benefit**

Private medical benefit for eligible employees will cease at the end of the month in which Career Break begins. However, arrangements have been made with BUPA to allow continuation of cover at the individual's own cost. For further details and a personalised quote, employees should contact BUPA on 01506 472 600. Although a discounted rate will be offered to individuals taking Career Break, higher premiums may apply as these will depend on personal circumstances.

Where employees return following Career Break, they will receive benefits in line with the grade and role they are appointed to. Single cover, company paid private medical benefit currently applies to the majority of employees in Grade D and above – refer to the scheme policy for further details. Employees can also select extra cover for their family through the flexible benefits scheme.

### **Holidays**

Holiday entitlement will cease to accrue during Career Break. The amount of holiday entitlement due before Career Break commences (including any additional holidays purchased through flexible benefits) will be pro-rated to reflect the number of contracted hours already worked in the holiday year.

Where the full pro-rata entitlement has not been taken before Career Break begins, employees have the following options, subject to agreement with their line manager:

- Some or all the outstanding entitlement may be taken before Career Break begins and/or
- Some or all the outstanding entitlement may be received with final salary as payment in lieu.

Where more than the full pro-rata entitlement has been taken before Career Break begins, any overpayment will be deducted from the employees final salary before their Career Break begins.

Please note: Due to the nature of term time working, employees on Term Time contracts may only receive their outstanding holiday entitlement as payment in lieu.

Where employees return from Career Break, their service before their break began will count towards the accrual of a higher holiday entitlement. For example, if an individual with two year's service before Career Break subsequently returns to a Grade C role, s/he will move from a holiday entitlement of 24 to 26 days after a further year's service with the Bank – refer to the [Bank Holiday Policy](#) for further details.

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### **Employee products**

Employees should advise their bank manager that they will be taking a period of Career Break and that remuneration from the Bank will cease during this time. All employee bank accounts and products will revert to customer terms when Career Break begins. However, any personal loans may continue on existing terms for the remaining term of the facility.

Where employees return following Career Break, they will be able to participate in any employee bank accounts and products available at the time, subject to meeting any eligibility criteria for these schemes. Any new borrowing will be at the lending manager's discretion.

### **TSB Pension Schemes**

Defined contribution pension scheme

Employees will be included automatically in TSB Pension Scheme on rejoining the Bank. Separate funds will be maintained in respect of different periods of service.

### **Share Plans**

**Please note: Subject to existing Lloyds Banking Group scheme rules, TSB colleagues are currently still eligible to participate in LBG share plans. The content of this section is**

**unchanged from the LBG Interchange pages but will be updated to reflect any change in the position as a result of the Initial Public Offering (IPO).**

### **Sharesave scheme**

Employees who participate in ‘Sharesave’ and who start a Career Break before the end of the savings period will lose their option to buy shares. However, they have the option to withdraw their savings as cash or to continue saving, on a savings only basis. Individuals will not be eligible to participate in any ‘Sharesave’ offers during their period of Career Break.

Sharematch & Free Shares (jointly known as ‘the Lloyds Banking Group Share Incentive Plan’)

Employees are unable to continue participating in this plan during any period of Career Break and the shares will be released from the trust. Any shares held for less than five years will have income tax and NI to pay on them. Employees can choose to:

- Keep all the shares and pay the income tax/NI due upfront.
- Sell sufficient shares to cover the income tax/NI cost and have the balance of shares released, or
- Sell all shares some of the proceeds will be used to cover the income tax and NI, with the balance being paid to the employee.

If the shares have been held for five years or more they will be transferred to the employee with no income tax or NI to pay.

### **Cars and car allowances**

Eligibility for a company car or car allowance ceases during Career Break. Employees in receipt of a company car must return their vehicle before Career Break begins.

Where employees return following Career Break, they will receive benefits in line with the grade and role they are appointed to. The Bank’s company car scheme currently applies to the majority of employees in Grade E and above – refer to the [scheme policy](#) for further details.

### **Essential user cars**

Employees in receipt of an essential user car must return the vehicle before Career Break begins. Employees returning from Career Break will receive an essential user car if this forms part of the terms and conditions of the role they return to.

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### **Bonus schemes**

#### **Bank Annual Bonus Scheme**

Please see the [Annual Bonus Scheme](#) for information on how your bonus will be treated when [leaving on Career Break](#).

## **Business specific bonus schemes**

Other bonus plans outside the Bank Scheme will generally follow the same principle as that for the [Bank Annual Bonus Scheme](#). However, employees who are eligible to participate in any separate bonus or incentive plans should check the terms of their local scheme before their Career Break begins.

## **Sick Pay**

Entitlement to the Bank's Occupational Sick Pay scheme will cease when Career Break begins. However, where employees return from Career Break, their service before their break began will count towards the accrual of a higher Occupational Sick Pay entitlement. For example, an individual returning with three year's service before Career Break will move from a sick pay entitlement of 80 days full pay plus 40 days half pay to an entitlement of 130 days full pay plus 130 days half pay after a further year's service with the Bank – refer to the [Bank's Sick Pay Policy](#) for further details.

## **Severance Payments**

Entitlement to any severance payments will cease when Career Break begins as employees resign and leave the Bank's employment. However, where employees return from Career Break within the agreed period, their service before their Career Break began will count towards any severance payments due in the event of redundancy.

## **Long Service Awards**

Entitlement to any Long Service Awards will cease when Career Break begins as employees resign and leave the Bank's employment. However, where employees return from Career Break within the agreed period, their service before their Career Break began will count towards the accrual of any Long Service Awards.

Employees who have returned from Career Break under heritage terms should notify their line manager where they become eligible for an award. In turn line managers should notify HR Essentials.

## **Sabbatical Leave**

Where employees return from Career Break within the agreed period, their employment before Career Break began will also count towards the service required to apply for Sabbatical Leave.

## **Other payments and allowances**

All payments and allowances such as Deputation, Additional Travel Costs and/or London Allowance will cease when Career Break begins. As for other employees, individuals returning from Career Break may then be eligible for additional payments or allowances depending on the role and location they return to.

## **Office equipment**

All office equipment including laptop computers and mobile phones should be returned before starting Career Break. Employees returning from Career Break will then be provided with any new office equipment as appropriate for their role.

### **Applying for Career Break**

Employees wishing to apply for Career Break should submit Career Break Request Form to their line manager, (minimum Grade D), giving as much notice as possible. This should at least reflect the notice period stated in the individual's contract of employment, subject to a minimum of one month. Section A of the request form has three parts to mirror the application process laid out in the Career Break Procedure:

- Part One – for employees to provide the proposed start date and duration of Career Break, including any flexibility they have to consider any alternative dates.
- Part Two – for the employee's line manager, (minimum grade D), to record their decision after meeting the applicant to discuss their request. Line managers must include reasons if the request is declined and must confirm their decision within 21 days of receiving the request.
- Part Three – for employees to confirm they have been advised of the outcome of their application.

### **Considering applications for Career Break**

Line managers should only make their decision about an application for Career Break after meeting individuals to discuss their request. During the meeting, line managers should explore whether a complete break is required or whether alternative working arrangements would retain employees and meet their immediate needs – refer to the [Bank's Flexible Working Policy](#).

Where eligible employees are willing to consider a shorter period of absence, line managers may also consider unpaid Sabbatical Leave as an alternative to Career Break – refer to the Bank's Sabbatical Leave Policy. Alternatively, employees requiring time off for the care or welfare of their children, may qualify for unpaid Parental Leave – see the [Bank's Parental Leave Policy](#).

If, after the meeting, employees still wish to take a break in employment, line managers should make a decision based on:

- The employee's performance record – individuals must have a positive performance record. Typically this means a 'Good' or above performance rating over at least the last twelve months. However, line managers may also consider individuals with a previous record of high performance who are currently rated as 'Developing Performers' – for example, because they have recently changed roles or gained promotion.
- The likely potential for the Bank to re-employ individuals when the Career Break ends, based on the skills and competencies they can offer.

Line managers must confirm their decision within 21 days of receiving the request, including specific business reasons if the application is declined.

## **Arrangements before, during and after Career Break**

Meeting before Career Break begins.

Before Career Break begins, employees should meet their line manager to:

- Ensure any outstanding performance reviews are fully discussed and documented.
- Discuss the full terms and conditions of Career Break and the arrangements that will apply if they return to the Bank
- Consider any opportunities for temporary work during Career Break, subject to the conditions outlined in this policy – see below.

Line managers should also ensure that employees register onto the Bank's internal vacancy system before Career Break begins, so they can continue to apply for any suitable roles and potentially gain re-employment with the Bank – refer to the [Career Break procedure pages](#) for further details.

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## **Temporary work with the Bank during Career Break**

Line managers may offer employees short term temporary work during their Career Break. This may be to undertake casual relief work or a short term temporary assignment. It may also be for individuals to complete a training course or to keep their skills and knowledge up to date.

While temporary work during Career Break is a positive way for employees to maintain skills, knowledge and contact with the business, it must only be offered on the following basis:

- All periods of temporary work must be for a fixed term of between four and twelve continuous weeks. A maximum of twelve weeks can be worked in any one year.
- Individuals must take a break of at least four months before starting any temporary work and between each subsequent period of temporary work for the Bank.
- Temporary work during Career Break is entirely optional. Managers have the option to offer temporary work and equally employees may accept or decline.
- Where employees do decide to undertake temporary work, this does not affect any of the terms and conditions of their Career Break, for example:
  - The overall period of Career Break remains unchanged.
  - Temporary work during Career Break does not count as service for the accrual of benefits should individuals gain re-employment when their Career Break ends.
  - Undertaking temporary work in no way gives employees a guaranteed right to return to the Bank when their Career Break ends.

Payment for any periods of temporary work during Career Break should be at the appropriate rate for the job, based on the grade, the type of work and the skills and experience the individual can offer the role. For further information [call HR](#) or refer to [Your Reward](#) intranet site.

Individuals will also receive any additional benefits as appropriate for the grade and duration of their temporary employment. Currently, this includes an entitlement to participate in the Flexible Benefits scheme and receive Flex Cash for the duration of the fixed term contract – for further details, visit the [Career Break procedure pages](#).

#### **Applying to return from Career Break**

All individuals taking Career Break will be invited to register on the Bank's internal vacancy system before their Career Break begins. This will provide ongoing access to internal vacancies, allowing individuals to apply for roles and seek re-employment with the Bank at any point during their agreed Career Break period. Any applications received from individuals on Career Break will be considered alongside other internal applicants.

When reviewing applications from individuals on Career Break, recruiting managers should focus on the skills, competencies, experience and achievements that individuals have demonstrated before, which may equally transfer to the new role. It is important to remember that employees are only offered Career Break if they have a strong performance record. Recruiting managers should not allow lack of recent knowledge to be a barrier where this can clearly be addressed through effective induction or training.

If employees are unable to find a suitable role before their agreed Career Break period ends, they will lose the right to return to the Bank with linked service – see key terms and conditions for Career Break earlier in this policy. However, this does not prevent employees from applying for any externally advertised vacancies at any further point in the future.

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#### **Cross References**

This policy should be read in conjunction with the following Bank policies:

- [Sabbatical Leave](#)
- [Flexible Working](#)
- [Parental Leave](#)

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