



# Ill-health retirement process

# *Process covered by LGPS Regulations*

## *Active Members*

- LGPS Regulations 2013 (35)

## *Deferred Members*

- LGPS Regulations 2013 (38)
- LGPS (Benefits, Membership and Contributions) Regulations 2007 (31)
- LGPS Regulations 1997 (31)

# Employer Requirements



- All employers required to have an independent registered medical practitioner (IRMP) who is:
  - *Registered with the General Medical Council*
  - *Diploma in Occupational Health Medicine or an equivalent qualification*
  - *Associate, Member or fellow of Faculty of Occupational Medicine*

# *Active Members – Employer Process*

- Refer employee to the medical practitioner
- Ask to assess suitability for ill-health retirement and completion of LGPS certificate
- Estimate of employer costs can be requested from Pensions
- Medical practitioner will send report and certificate to you
- Employer needs to make the decision

# Employer Decision

- *LGPS Regulations 2013 (36) dictate:*

*‘A decision as to whether a member is entitled...to early payment of retirement pension on grounds of ill-health or infirmity of mind or body, and if so which tier of benefits the member qualifies for, shall be made by the members Scheme employer after that authority has obtained a certificate from an IRMP...’*

# Criteria to Assess



- *36 (a) – whether the member satisfies the conditions in regulation 35 (3) and (4)*
  - *(3) ‘...permanently incapable of discharging efficiently the duties of the employment the member was engaged in’*
  - *(4) ‘...not immediately capable of undertaking any gainful employment’*
- *How long the member is unlikely to be capable of undertaking gainful employment, and*
- *Where a member has been working reduced contractual hours and had reduced pay as a consequence of the reduction in contractual hours, whether that member was in part time service wholly or partly as a result of the condition that caused or contributed to the members ill-health retirement*

# *Gainful employment*

Definition in the LGPS 2013 regulations...

*‘paid employment for not less than 30 hours in each week for a period of not less than 12 months’*

# *Employer Decision*



- Who makes the decision? Individual or Panel?
- Are any clarifications needed?
- Is the medical evidence consistent with the certificate?
- Decision on ill-health retirement/tier of ill-health retirement needs to be made
- Decision documented and communicated – member/pensions



# Active Members – Ill-health tiers



- Tier 1
  - *if the member is unlikely to be capable of undertaking gainful employment before normal pension age*
- Tier 2
  - *if a member is not entitled to Tier 1 benefits*
  - *Unlikely to be capable of undertaking any gainful employment within 3 years of leaving employment*
  - *Is likely to be able to undertake gainful employment before reaching pension age*

# Active Members – Ill-health tiers

- Tier 3

- *if the member is likely to be capable of undertaking gainful employment within three years of leaving the employment, or before normal pension age if earlier*
- *Providing the member is not in gainful employment*
- *Up to a maximum of 3 years from the date the member left employment*
- *Employer must review after 18 months (includes referral to Independent Registered Medical Practitioner and new Employer decision)*

# Notifying Pensions



- E-mail to [pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk)
- *E-mail to include:*
  - leavers form (with retirement on health grounds and relevant tier ticked)
  - Medical certificate from the Independent Registered Medical Practitioner

# *Capital costs/ill-health insurance*

- Capital costs can be high depending on profile of member and tier
- Ill-health insurance can be purchased



# *Deferred Members – Process*

- Deferred member must make an application in writing to their former scheme employer
- Refer member to the medical practitioner
- Ask to assess suitability for ill health retirement and completion of LGPS certificate
- Medical practitioner will send report and certificate to you
- Employer needs to make the decision – no tiers

# *Deferred Pension on ill-health grounds*

- Referral to IRMP will determine if the deferred member is:
  - *permanently incapable of discharging efficiently the duties of the employment that member was engaged in because of ill-health or infirmity of mind or body and if so,*
  - *Is unlikely to be capable of undertaking gainful employment before normal pension age, or for at least three years, whichever is the sooner*

# *Internal Dispute Resolution Process (IDRP)*

- Formal complaints process
- Commonly used by members unhappy with employer decision regarding ill-health award
- Two stages:-
  - Stage 1 – Reviewed by nominated person (not involved in original decision) by Employer
  - Stage 2 – If not satisfied with stage 1 response, or lack of response, can write to nominated person at Suffolk County Council to review

# *Internal Dispute Resolution Process (IDRP)*

## *Stage 1 – Ill-health considerations:*

- Was the correct process followed?
- Was the medical evidence consistent?
- Has the employer documented their decision clearly?
- Has the medical evidence been taken into account in the decision?
- Was everything provided to the independent medical practitioner to enable them to make an accurate assessment?
- Is there anything that should have been clarified further?



# Internal Dispute Resolution Process (IDRP)

## *Employer Stage 1 decision:*

- Required to give decision within 2 months
- Decision may support original decision or differ
- If differs employer will be required to handle case in accordance with this
- If any discrepancy between medical evidence and members evidence a 2<sup>nd</sup> opinion can be requested



# Any Questions ?

