

Wiltshire Council Human Resources

Ill Health Retirement Procedure

This policy can be made available in other languages and formats such as large print and audio on [request](#).

What is it?

This policy details the procedure for early release of Local Government Pension Scheme (LGPS) benefits due to permanent ill health.

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Who does it apply to?

This policy applies to all Wiltshire Council employees who are members of the LGPS (with the exception of teaching staff employed in locally managed schools).

This is a harmonised policy and applies to both Wiltshire Council and ex-district TUPE employees.

When does it apply?

This policy only applies if your manager has considered all of the options under the [sickness absence management policy and procedure](#) or you have a serious illness and have been referred by your manager. You must meet the strict eligibility criteria for ill health retirement and you must be a member of the LGPS.

When does it not apply?

This policy does not apply where you are not a member of the LGPS and cannot apply for early release of pension.

What are the main points?

Eligibility criteria for ill health retirement

1. Early release of LGPS benefits due to permanent ill health is subject to strict criteria.
2. You must belong to the LGPS and have the required length of membership of at least 3 months pensionable service.
3. Your manager must be able to confirm that all options outlined in the [sickness absence management policy and procedure](#) have been fully considered before referring you to occupational health to commence the ill health retirement referral process to assess your eligibility.
4. An independent medical practitioner will certify whether you:
 - are permanently incapable of discharging efficiently the duties of your current employment because of ill health or infirmity of mind or bodyAND
 - have a reduced likelihood of being capable of obtaining other gainful employment whether in local government or elsewhere
5. If you do not meet the criteria for ill health retirement your case will be treated in line with the [sickness absence management policy and procedure](#).

Tiers of ill health retirement

6. You must have met the criteria stated above before an assessment can be made in relation to the tier awarded for early release of your pension benefit.

Tier 1

7. If there is no reasonable prospect of you being capable of gainful employment before age 65 (the normal retirement age for LGPS purposes) you will be assessed under Tier 1.
8. Pensionable service will be enhanced so that the benefits will be the same as if you had continued in employment until age 65.

Tier 2

9. If there is no reasonable prospect of you being capable of gainful employment within 3 years of leaving employment but you are likely to be capable before age 65 (the normal retirement age for LGPS purposes) you will be assessed under Tier 2.
10. Pensionable service will be enhanced by 25% of the additional benefits of what you would have been entitled to from the date of leaving employment until your 65th birthday.

Tier 3

11. If there is a reasonable prospect of you being capable of gainful employment within 3 years you will be assessed under Tier 3.
12. Pensionable service will not be enhanced and you will receive a short term pension based on your accrued LGPS service at the date of leaving employment.
13. The benefits awarded under Tier 3 will be subject to medical review at 18 months to determine your employment status and medical condition. You will be required to inform Wiltshire Council as soon as possible if you find employment.

Ill health retirement process

14. Your manager will refer you to occupational health either by following the [sickness absence management policy](#) or by completing the ill health retirement referral form.
15. An independent medical practitioner will form an opinion with regards to whether you may be eligible for ill health retirement subject to the eligibility criteria.
16. If the medical physician has already been involved in your case, an external independent medical practitioner will carry out the assessment.
17. The independent medical practitioner will complete an ill health retirement certificate for you and forward this to HR. HR will then notify your manager of the recommendation.
18. On receipt of the ill health retirement certificate from occupational health, your manager (following consultation with HR) will meet with you to discuss the ill health retirement advice received and possible next steps.

19. You have the right of appeal against the ill health medical advice and/or the tier awarded.
20. If ill health retirement has been agreed, your manager will meet with you to confirm the ill health retirement and the effective date of dismissal. You will have the [right to be accompanied](#) at this meeting.
21. The meeting outcome will be confirmed in writing using the template letter.
22. You have the right of appeal against the dismissal.
23. Your manager should complete a [leaver form](#) for your ill health retirement stating the effective date of dismissal and forward to HR payroll administration.

Access to pension benefits

24. HR will forward the ill health retirement certificate to the pensions team to calculate the benefits to which you are entitled.
25. On receipt of the certificate, the pensions team will quote you an indication of the benefits available based upon your estimated leaving date. Until this notification is received an estimate of the benefit cannot be made.
26. On receipt of the retirement form from HR payroll administration and confirmation of your final dismissal date, the pensions team will calculate your pension benefit entitlement.
27. You have the right of appeal against the administration or calculation of the Local Government Pension Scheme (LGPS) in accordance with the [Internal Dispute Resolution Procedure \(IDRP\)](#).
28. Further information can be obtained from the [Wiltshire Pension Fund](#) website.

Tier 3 medical review process

29. If you are dismissed on the grounds of ill health under Tier 3, a review date will be set for 18 months to consider your medical condition, employment status and capability of employment.

30. The pensions team will be responsible for monitoring Tier 3 review date reminders and will notify HR when your 18 months medical review is due.
31. An HR advisor responsible for your case will write to you to request details of your employment status.
32. Following this, HR will complete an ill health retirement referral form and forward to occupational health to action and arrange for an assessment.
33. If you obtain employment at any point during the period you must notify Wiltshire Council as soon as possible.
34. An independent medical practitioner will advise HR whether you meet the ill health retirement criteria and whether:
 - you have obtained gainful employment
 - you are still able to obtain gainful employment within 3 years of your leaving date
 - you are unable to obtain gainful employment within 3 years of your leaving date of employment but are likely to before age 65
35. HR will confirm the decision whether you are still entitled to ill health retirement benefits in writing using the template letter and notify pensions of the outcome. You will have the right of appeal against this decision.
36. There are several outcomes of the medical review process. If it is deemed that:
 - you have obtained gainful employment then payments will cease. You will be informed in writing by the pensions team if payments will be stopped and the effective date.
 - gainful employment had been found some time before the medical review at 18 months and that you have failed to notify Wiltshire Council of this, the overpayment of pension benefits will be recovered.
 - you are still able to gain employment within 3 years of your leaving date, Tier 3 payments will continue for the remainder of the short term pension period of 3 years.
 - you are unable to obtain gainful employment within 3 years of your date of leaving employment, Tier 2 may be awarded and payments will commence from the effective date of this decision.

- it is appropriate at the 18 month review in light of the medical assessment, your case may be scheduled for an additional review at a later date within the short term pension period of 3 years.
37. If you do not respond to requests to undertake the 18 month review, it may be appropriate to cease pension payments until your employment status and medical condition can be determined.

Appeals

38. You should submit your appeal in writing using the ill health retirement appeals form within 10 working days of being informed of the decision. You should state the grounds for your appeal.
39. Appeals will be considered on the following grounds:
- Against the occupational health advice of ill health retirement
 - Against the tier of ill health retirement awarded
 - Against the dismissal on the grounds of ill health
 - Against the Tier 3 medical review outcome
40. Your manager will consider any reasonable adjustments (on a case by case basis) if you require assistance in your appeal.
41. You also have the right to appeal against the administration and calculation of the Local Government Pension Scheme (LGPS) benefits awarded in accordance with the [Internal Dispute Resolution Procedure \(IDRP\)](#).

Funding ill health retirement assessments

42. Any costs associated with the ill health retirement process such as occupational health appointments, assessments and medical reports will be funded by your service area and department.
43. Your manager will be responsible for accounting for these costs.
44. If you have been dismissed on the grounds of ill health under tier 3 which is subject to a medical review at 18 months your manager will be responsible for budgeting for any costs associated with this review. If any costs beyond this review such as further reviews or assessments are required, these will be funded by occupational health.

Roles and responsibilities

Employee responsibilities

45. To co-operate with the procedures within this policy and to engage with the process at all times including:
 - maintaining regular contact with your manager whilst absent and advising them of any changes to your condition and attending meetings as and when required
 - attending for occupational health assessments as required to do so
 - informing the employer as soon as alternative employment has been obtained

Line manager responsibilities

46. To follow the [sickness absence management policy and procedure](#) in the first instance, having fully considered all other options.
47. To follow this procedure and apply it in a fair and consistent way, seeking advice from HR when required.
48. To understand and manage the procedure and ensure that it is clearly communicated (in a suitable format) to the employee.
49. To involve HR and occupational health when required to ensure consistency and to act upon advice.

HR responsibilities

50. To provide advice and guidance on the ill health retirement procedure and to support the line manager where appropriate.
51. To manage the documents associated with the ill health retirement process ensuring that accurate records are maintained.

Occupational health responsibilities

52. Occupational health has a responsibility for providing a professional assessment of the physical and psychological health or state of employees and their ability to carry out the tasks required of the job.
53. To complete and maintain occupational health documents in relation to ill health retirement accordingly, ensuring accurate records and providing suitable reports.
54. To provide professional independent advice in relation to an individual's medical condition and their eligibility for ill health retirement.

Pension responsibilities

55. To act upon receipt of the ill health retirement certificate to provide an indication of the benefits available to the employee in a timely manner.
56. To provide a final notification of the benefits available to the employee upon receipt of the retirement form and confirmation of the dismissal date.
57. To flag up any ill health retirement medical review dates for employees dismissed under Tier 3 so that HR can arrange for an assessment to be carried out.

Frequently asked questions

58. Who is responsible for carrying out an ill health assessment?

An independent medical practitioner will certify as to whether or not you meet the ill health retirement criteria.

59. What if I gain employment whilst under Tier 3?

You must inform HR in writing that you have obtained gainful employment as soon as possible. HR will complete an ill health retirement referral form and forward to occupational health to arrange for an assessment.

60. What if I reduce my hours just before my employment is terminated on ill health grounds?

If the reduction in hours is a result of your condition no account is taken of the reduction in hours. The independent medical practitioner will need to certify that your reduction in hours is a result of the condition that causes you incapable of carrying out the duties of the post and reduces your likelihood of obtaining gainful employment.

61. It has been determined that I am eligible for ill health retirement. What benefits are available to me?

The benefits to which you are eligible will depend upon the tier that you have been awarded.

62. What if I have a terminal illness? How would my pension benefits be calculated?

If your condition is terminal and you meet the criteria for Tier 1, the pensions team will provide you with two estimates. One will be based

upon death in service and another based upon taking ill health retirement. For further information please contact your manager or HR advisor.

63. I have a medical condition that is covered by the Equality Act 2010. What support is available to me?

You should discuss this with your manager who will consider reasonable adjustments. Reasonable adjustments may include (but are not limited to) providing information in alternative formats and support in submitting an appeal.

64. I have to travel to an appointment with an external independent medical practitioner. What support is available to me?

You will be expected to attend the appointment with the external independent medical practitioner. Your travel costs for attending the appointment may be reimbursed at the discretion of your manager. Only in exceptional circumstances will a home visit be provided based upon an assessment by occupational health of your health condition and ability to attend the appointment.

Definitions

Gainful employment – ability to undertake paid employment for not less than 30 hours in each week for a period of not less than 12 months.

Independent medical practitioner – a qualified physician that has an additional qualification in occupational health to at least diploma level or equivalent, that has been approved by the pension authority and has not previously advised, given an opinion on or otherwise been involved in the case outside of the commencement of ill health retirement proceedings. The same physician is able to give advice within the ill health retirement proceedings such as undertake the 18 month review of individuals on Tier 3 agreements.

Equal Opportunities

This policy has been Equality Impact Assessed ([link to EIA for policy](#)) to identify opportunities to promote equality and mitigate any negative or adverse impacts on particular groups.

Legislation

Local Government Pension Scheme (Amendment) Regulations 2008

Advice and guidance

If you require help in accessing or understanding this policy or completing any of the associated forms you should contact your line manager or trade union representative if you are a member.

If, due to the nature of your query, it is not appropriate to contact your line manager you should contact your head of service who will nominate an appropriate manager or colleague to help you.

See [guidance for managers – giving advice on policies](#).

Further information

There are a number of related policies and procedures that you should be aware of including:

[Sickness absence management policy and procedure](#)

[Equality and diversity policy and procedure](#)

[Dignity at work policy and procedure](#)

There is also a toolkit including template letters to use when following this policy and procedure and guidance for HR on former employees wishing to access their deferred pension benefits.

For further information please speak to your supervisor, manager, service director or contact your [HR advisor](#).

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