

### **Ill Health Retirement Procedure**

#### **Purpose of Report**

1. This report presents the revised ill health retirement procedure for early release of pension benefits.

#### **Background**

2. The current procedure for managing ill health retirement involves a variety of stakeholders such as HR advisors, line managers, occupational health, pensions and HR payroll administration. This procedure aims to bring together all responsibilities for ill health retirement into one clear procedure.
3. Human Resources aims to create policies which are consistent in format, easy to read and understand and are fit for purpose. This procedure is in the new format which supports these aims.

#### **Main Considerations for the Council**

4. The procedure has been created and formatted in line with the new HR policy template.
5. The main points of the ill health retirement procedure include:
  - Details of the criteria that employees must meet in order to be eligible for ill health retirement. An independent medical physician must certify that the employee meets the criteria.
  - The tiers of ill health retirement that may be awarded (tiers 1, 2 or 3) dependent upon the employee's prospect of obtaining gainful employment.
  - A process for medical review at 18 months of pension payments for employees dismissed on the grounds of ill health under tier 3.
  - Links with the pensions team to provide a calculation of the pension benefits available to the employee.

- An appeals process identifying the stages at which an employee can appeal the medical decision, the decision to dismiss or the calculation and administration of the pension benefit.
6. The procedure also includes clarification regarding HR, occupational health, pensions, line manager and employee roles and responsibilities.

### **Consultation**

7. The policy was approved by JCC on 25<sup>th</sup> August 2011 following consultation with HR, union representatives and other key stakeholders.

### **Environmental Impact of the Proposal**

8. None

### **Equalities Impact of the Proposal**

9. No negative impacts have been identified.

### **Risk Assessment**

10. None

### **Financial Implications**

11. The costs associated with the ill health retirement procedure such as occupational health appointments, assessments, medical reports and the cost of the tier 3 medical review (at 18 months) will be funded by the service area. Any costs beyond the medical review such as further medical reviews or assessments for employees wishing to access their deferred pension benefits will be funded by occupational health.

### **Options considered**

12. None

### **Recommendation**

13. To recommend that Staffing Policy Committee approve the amended procedure.

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**The following unpublished documents have been relied on in the preparation of this report:** None