



factsheet 10

# Ill Health





## What happens if I have to retire early due to ill health?

If you have at least 3 months total membership or have brought a transfer value into the LGPS, and your employer terminates your employment on the grounds of ill health, you may be entitled to the immediate payment of your retirement benefits unreduced, providing that an approved Independent Registered Medical Practitioner (**IRMP**) qualified in occupational health medicine certifies that:

- you are permanently incapable of carrying out your duties;
- there is a reduced likelihood of obtaining a job elsewhere because of your incapacity.

In addition, your scheme membership may be enhanced to take account of early payment on the grounds of ill health.

## How is my case assessed?

Your case will be referred to the IRMP, who will assess your capacity based on the medical evidence presented by your employer's occupational health unit, your General Practitioner, and any Consultant Physician or Specialist that you may have seen in connection with your incapacity, and any other relevant information. Please note that the IRMP MAY want to make an appointment to assess your condition.

Once assessed, a report and certificate is sent to your employer regarding your rights under the LGPS i.e. the permanency of your incapacity; whether or not there is a reduced likelihood of undertaking any other work; and, if any, which tier of benefits may be appropriate.

## Tier 1

If the IRMP certifies that you have NO reasonable prospect of obtaining gainful employment anywhere before age 65, the enhancement awarded will be 100% of your prospective membership from your date of termination to age 65

If you are part time, the enhancement is scaled down in proportion to your part time hours at your date of leaving.

### Example

Kim retires on ill-health on her 49th birthday with 5 years of wholetime membership. Her final pay is £16,000.

Accrued LGPS Membership: **5 Years**

Prospective Membership from age 49 to age 65: **16 Years**

Enhancement: **16 Years**

Total Membership: **21 Years** (16 + 5)

Annual Pension: **21 ÷ 60 x £16,000 = £5,600**



## Tier 2

If the IRMP certifies that you are unlikely to obtain gainful employment anywhere within three years but it is likely that you will before age 65, the enhancement will be 25% of your prospective membership from your date of termination to age 65.

If you are part time, the enhancement is scaled down in proportion to your part time hours at your date of leaving.

### Example

Graham retires on ill-health on his 53rd birthday with 20 years of whole-time membership. His final pay is £24,000.

Accrued LGPS Membership: **20 Years**  
Prospective Membership from age 53 to age 65: **12 Years**  
Enhancement: **3 Years** (25% x 12 years)  
Total Membership: **23 Years** (3 + 20)  
Annual Pension: **23** ÷ 60 x £24,000 = **£9,200**

## Tier 3

If the IRMP certifies that you are likely to obtain gainful employment within three years, your accrued benefits to your date of termination will be released **WITHOUT** enhancement and payable until either gainful employment is obtained or for a maximum of three years.

Your case will be reviewed by the IRMP after 18 months to assess if your condition has either improved or deteriorated. If your illness has deteriorated you may then qualify for a tier 2 enhancement. However, if your condition has improved the payment of pension will cease immediately.

### Example

Rhian retires on ill health on her 40th birthday with 20 years of whole-time membership. Her final pay is £20,000.

Accrued LGPS Membership: **20 Years**  
Enhancement: **NIL**  
Annual Pension: **20** ÷ 60 x £20,000 = **£6,666.67**

## Appeals

If you are dissatisfied with the decision made by your employer, you have the right of appeal under the Internal Disputes Resolution Procedure. Appeals should be made in writing within 6 months of the date of your employer's decision and be sent to the person specified by your employer.

## Glossary of Terms

**Permanent** means to age 65.

**Gainful Employment** means paid employment for at least 30 hours per week for at least 12 months.

Please note that this is a matter of medical capability and not a matter of availability of employment.

This leaflet gives general guidance only, for more information please contact:

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