**ILL HEALTH RETIREMENT POLICY**

**1 Determination**

* 1. A decision about whether an employee is entitled to early payment of retirement pension on grounds of ill-health or infirmity of mind or body will be made by the council after a certificate has been obtained from an Independent Registered Medical Practitioner (IRMP).
  2. The IRMP certificate will set out:
  + Whether the employee satisfies the conditions in regulation 35(3) and (4) of the Local Government Pension Scheme Regulations 2013
  + How long the employee is unlikely to be capable of undertaking gainful employment; and
  + Where the employee has been working reduced hours and had their pay reduced as a result, whether the employee was working part time either wholly or partly as a result of ill-health or infirmity of mind or body.

1.3 Where the council determines that the employee is entitled to early payment of retirement pension, as set out in paragraph 1.1, the council will also determine the appropriate tier of benefits which the employee qualifies for.

**2 Consideration by Occupational Health**

* 1. The Council will not proceed with any case of ill-health retirement without first exploring a range of options to support employees in returning to work, including redeployment possibilities.
  2. Occupational Health (OH) will review existing medical evidence to assess whether there appears to be a case for ill health retirement. If additional medical information is required, the employee may be requested to attend an appointment to see OH and/or their GP/Consultant may be asked to provide a report.
  3. If there is medical evidence to support the case for ill health retirement, it will be referred to an IRMP who has had no prior involvement with the employee’s case.

**3 Role of the Independent Registered Medical Practitioner**

* 1. The IRMP will review the medical evidence and may request further reports from the employee’s GP/Consultant.
  2. Where the IRMP determines that the employee is permanently incapable of performing the duties of their post on grounds of ill health or infirmity of mind or body, they will also indicate the likelihood of the employee being capable of employment in the future. This will determine the IRMP recommendation over which Tier the employee satisfies, in relation to the ill-health retirement benefits (see section 6).

Ill-Health Retirement Panel

* 1. Where the IRMP recommends that the employee is permanently incapable of performing the duties of their post and is not immediately capable of undertaking any gainful employment, the council’s Ill-Health Retirement Panel will convene to consider the case.
  2. The employee will be informed that the case is proceeding to the panel, where the case will be reviewed and the outcome could be that their employment will be terminated on ill-health grounds.
  3. The Ill-Health Retirement Panel will comprise a representative from Occupational Health, Pensions and HR.
  4. The Ill-Health Retirement Panel will review the ill-health retirement referral. Where it considers that ill-health retirement may be appropriate, it will recommend this to the Assistant Director, Transformation and HR.
  5. On receipt of the Ill-Health Retirement Panel’s recommendation, the AD Transformation and HR will make a determination regarding ill-health retirement in the case of the employee.

**4 Notifying the Employee**

* 1. Where the AD Transformation and HR determines that the employee is permanently incapable of performing the duties of their post and is not immediately capable of undertaking any gainful employment, the employee will be notified in writing. Ideally, the letter will be presented to the employee at a meeting involving the line manager, the HR advisor and the employee. This meeting could take place either at the workplace or, if necessary, at the employee's home. The employee should be informed of their right to be accompanied by a trade union representative or a work colleague.

4.2 The notification to the employee will set out:

(a) the employee that it is the council’s decision that they are to be dismissed on grounds of ill health. The employee should be issued with the notice of dismissal letter at this meeting. The employee will be entitled to the notice due under their contract of employment or the minimum statutory entitlement, whichever is the greater.

(b) provide the employee with an estimate of pension benefits, which HR will have obtained from the Council’s pensions administrator, in advance of the meeting.

(c) inform the employee of their right of appeal against the decision to terminate their contract of employment.

**5 Right of Appeal**

* 1. An employee who wishes to appeal against the Council’s decision, must notify their Chief Officer within 10 working days receiving the notification of termination (paragraph 4.1), attaching their grounds of appeal and a letter from a qualified medical practitioner, disputing the Council’s decision.
  2. The question of the employee’s ability to perform the duties of their post and to undertake gainful employment shall be referred to a Medical Referee nominated by OH.
  3. The Council will take into account the opinion of the medical referee and determine whether or not the original decision to dismiss the employee on grounds of ill health was appropriate.

Outcome of the appeal

5.3 Where Council upholds the employee’s appeal, the notice of dismissal will be withdrawn. Consideration must be given to any action which may need to be taken to support the employee in their continued employment.

5.4 Where the Council’s decision is that the appeal is rejected, the employee will be informed in writing and the previously notified date of termination will apply.

* 1. There is no further right of appeal within the council.

5.6 Employees, who continue to be dissatisfied with the outcome, may be able to make an application for the disagreement between them and the Council to be addressed via the Internal Disputes Resolution Procedure. Full details are available on the LGPS website.

**6 Ill-health retirement benefits**

6.1 An employee will be eligible for early payment of pension benefits, on grounds of ill health, if:

* they have at least two years’ pensionable service in the LGPS, or have equivalent transferred rights from another pension scheme; *and*
* they have been certified by the Council as being permanently incapable of performing the duties of their post on grounds of ill health or infirmity of mind or body and as a result of ill-health or infirmity of mind of mind or body, is not immediately capable of undertaking any gainful employment.

6.2 Where the Council has determined that the employee is permanently incapable of performing their duties due to ill-health and as a result of ill-health or infirmity of mind of mind or body, is not immediately capable of undertaking any gainful employment, they will also establish which Tier of benefits the employee should be retired on:

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| **Tier 1** | Applies where the employee is not capable of undertaking any gainful employment [[1]](#footnote-1) before their normal retirement date. Their benefits will be based on their accrued rights plus an enhancement on their prospective service up to their normal retirement date. |
| **Tier 2** | Applies where the employee is not capable of undertaking any gainful employment within three years of leaving employment but is likely to be able to undertake gainful employment before normal pension age. Their benefits will be based on their accrued rights plus an increase of 25% of their prospective service up to their normal retirement date. |
| **Tier 3** | Applies where the employee is not immediately capable of undertaking any gainful employment but is deemed capable of obtaining gainful employment within 3 years of leaving employment or before normal pension age if earlier. They will be entitled to immediate payment of benefits without an enhancement. This outcome is subject to an Occupational Health review after 18 months.  Payments are payable either:   * Until the employee returns to gainful employment (within 3 years of date of termination) * Until the employee is considered capable of obtaining gainful employment at the 18 month review * For three years * The benefits are enhanced to Tier 2 further to a review by the Council |

6.3 An employee should contact the Council’s pension’s administrator (details can be found on the intranet under Pensions) for any information regarding their ill-health retirement benefits.

1. Gainful employment means paid employment for not less than 30 hours a week in each week for a period of not less than 12 months. [↑](#footnote-ref-1)