

FACT SHEET

**Local Government Pension Scheme III
Health Retirement**

For further guidance and advice, please
contact HR on:

01824 706200

hrdirect@denbighshire.gov.uk

The purpose of this fact sheet is to provide information on the Ill Health Retirement process for Local Government Pension Scheme (LGPS) Members.

What is Ill Health Retirement?

If you are a LGPS member (with the appropriate membership) and you have to give up work because of illness, you may be able to receive immediate payment of your benefits.

To qualify for ill health benefits, a medical practitioner appointed by your employer, must be satisfied that you are permanently incapable of doing your job due to ill health or infirmity of mind or body and that you have a reduced likelihood of obtaining gainful employment before reaching your normal pension age. The medical practitioner must be qualified in occupational health medicine and must not have been previously involved in your case. If appropriate your HR Direct will advise you during the Attendance Management Process of the option of Ill Health Retirement.

Gainful employment is defined as paid employment for not less than 30 hours in each week for a period of not less than 12 months. Ill health can be paid at any age and are not reduced on account of early payment.

How are your ill health benefits calculated?

Pension benefits are based on your membership in the scheme and the pensionable pay you receive, this is then used to calculate a career average. If ill health is granted, an immediate pension and, if applicable, a tax free lump sum is paid.

When establishing a member's incapacity to carry out his/her job, the independent medical practitioner appointed by the employer will also need to indicate a member's likelihood of being capable for further employment. This will determine under which of the 3 tiers of ill health pension would be paid, details of which are below:-

Tier One:

Immediate benefits, payable for life, can be awarded to members who in addition to being

permanently unable to carry out their job are medically certified as having no reasonable prospect of obtaining 'gainful employment' before their normal retirement age. Tier 1 benefits are based on the membership the scheme member has built up to that point PLUS a period of enhancement equal to the member's potential membership between leaving and the normal retirement age.

Tier Two:

Immediate benefits, payable for life, can be awarded to members who in addition to being permanently unable to carry out their job, are certified as incapable of any alternative 'gainful employment' within three years of leaving, but are likely to be capable before normal retirement age. The benefits under Tier Two are based on the membership the scheme members has built up to that point PLUS a period of enhancement equal to 25% of their potential membership between leaving and normal retirement age.

Tier Three:

Immediate, time limited benefits can be paid to a member who cannot do their current job, but evidence suggests that it is likely they will be capable of undertaking gainful employment within three years of leaving employment. The benefits under tier three are based ONLY on the membership the scheme member has built up to that point, WITHOUT ENHANCEMENT.

A review of those members granted Tier Three is required every 18 months and done by Occupational Health to determine if they are capable of gainful employment, and if so should have their benefits stopped.

Further detail of the application process can be found on the [Ill Health Retirement Process Map](#)

What happens if I have already left employment?

If an ex-employee who used to be a member of LGPS feels they are unable to continue working due to Ill Health they can apply for Ill Health Retirement as a deferred member.

To do this they would need to write to HR Direct to confirm they wish to apply, then as with the normal ill health retirement an independent medical practitioner would be appointed to determine that you are permanently incapable of doing your job due to ill health or infirmity of mind or body and that you have a reduced likelihood of obtaining gainful employment before reaching your normal pension age.

If Ill Health Retirement is granted to a deferred member there would be no additional membership for your pension benefits. As such if possible it is better to apply for Ill Health Retirement whilst in employment.

What happens if you have a query or complaint about the process or outcome?

If you have a problem or question about your LGPS pension benefits and how they have been calculated then please contact Clwyd Pension Fund on 01352 702761.

If you are dissatisfied with any decision made in relation to the scheme you have the right to have your complaint reviewed under the Internal Disputes Resolution Procedure. To submit a complaint you would need to contact Clwyd Pensions on 01352 702761.

The Internal Dispute Procedure is a two stage process:

Stage 1 – Within 6 months of your complaint arising, you should make a written complaint to the specified person that has been appointed by Flintshire County Council by completing a **Stage 1 form**. The specified person will review your case along with the LGPS regulations to see if you have a valid case. Within 2 months of making your complaint, you will receive a decision or a reason for any delay in coming to a decision.

Stage 2 – If you are unhappy with the specified person's decision, or have not received a decision from the specified person within 3 months of making the complaint, you can take your complaint to the next stage by completing a **Stage 2 form**.

You must make a written complaint within 6 months of receiving a stage 1 decision or within 6 months from a date when you expected a decision to be made.

Stage 2 will be handled by an appointed officer who has had no previous involvement in your case. The appointed officer will be acting on behalf of the administering authority. Your case will be re-examined and the appointed officer will give you their decision to confirm or replace the stage 1 decision or they will explain their reasons for a delay in a decision being made.

Should you need any further information about anything covered in this factsheet please contact HR Direct on 01824 706200.

Points to Note:

If you apply for Ill Health Retirement you will be asked to sign two consent forms. One to provide consent to your medical records and then the other one is to confirm that you are unable to return to work in a reasonable timescale and that medical redeployment and reasonable adjustments have been considered to help your return to work.

If your application for Ill Health Retirement is not accepted then your employment with Denbighshire County Council will cease under Ill Health Capability with the appropriate notice.

Disclaimer:

The regulations concerning Ill Health Retirement are complex and these notes only represent a simplified guide and are not intended to cover every circumstance and do not override the scheme regulations.