

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

If you have at least 2 years total membership or have transferred previous pension rights into the Local Government Pension Scheme (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 as a result of ill health or infirmity of mind or body:

- you are permanently incapable<sup>1</sup> of discharging efficiently the duties of the employment that you are engaged in; and
- you are **NOT** immediately capable of undertaking any gainful employment (paid employment for **NOT** less than 30 hours per week for **NOT** less than 12 months).

Any benefits that become payable on ill health grounds are awarded under a tiered arrangement. Depending on which tier is awarded, benefits may also be **enhanced** to take account of early payment.

## 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, 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 you may be required to undergo a **Medical Examination** by the IRMP to assess your condition.

Once assessed, a report / certificate is sent to your Employer, which will set out the degree of incapacity; whether there is a reduced likelihood of undertaking any gainful employment and if any, which tier of benefits is to be awarded.

## 'Tier 1' Award

If the IRMP certifies that you are unlikely to be capable of undertaking gainful employment before your Normal Pension Age (NPA), the enhancement awarded will be the amount of Career Average Revalued Earnings (CARE) pension that you would have built up from the day following your date of termination to your NPA.

This enhancement is based on your 'Assumed Pensionable Pay' (APP), which is an average of the pensionable pay that you would have received within the **3 complete months** (or 12 weeks if weekly paid) prior to your date of leaving.

<sup>1</sup> Permanently incapable means to your Normal Pension Age (NPA), which is linked to your State Pension Age (SPA) and may therefore change in the future.

## 'Tier 2' Award

If the IRMP certifies that you are unlikely to be capable of undertaking gainful employment within **3 years** of leaving your employment, but it is likely that you will be able to undertake gainful employment before your NPA, the enhancement awarded will be 25% of that awarded under Tier 1 i.e. 25% of the amount of CARE pension that you would have built up from the day following your date of termination to your NPA.

## 'Tier 3' Award

If the IRMP certifies that you are likely to be capable of undertaking gainful employment within **3 years** of leaving your employment or before your NPA if earlier, the benefits that you have built up to your date of termination will become payable **WITHOUT** any enhancement.

Unlike Tier 1 and Tier 2, this award of benefits is **NOT** payable for your lifetime, as the payment of your annual pension will cease immediately upon obtaining gainful employment or after a **maximum of three years**.

Your case will be reviewed by the IRMP having been in payment for **18 months** in order to assess if your condition has either improved or deteriorated. If your illness has deteriorated, you may qualify for uplift to Tier 2. If your condition has improved, the payment of your pension will cease immediately.

Please note that it is your responsibility to notify your Employer if you obtain any form of employment whilst in receipt of your Tier 3 pension. Your Employer will then assess this employment in accordance with the criteria of gainful employment. **Note that any overpayment of pension will be recovered by the Pension Fund.**

## Right of Appeal

If you are dissatisfied with the award of ill health benefits, you have the right of appeal under the Internal Dispute Resolution Procedure (IDRP).

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. Please contact your **Employer** for further information concerning the IDRP.

## Further Information

This factsheet gives general guidance only. For further information, please contact:

Tel: **029 2087 2334**

Email: [pensions@cardiff.gov.uk](mailto:pensions@cardiff.gov.uk)



**Ill Health**