

Absence Management

How to 9: ill health retirement application

Advice for line managers

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Introduction

Shropshire Council recognises that there are occasions when an employee's illness or medical condition makes continuing employment un-sustainable despite the best intentions of both the employer and employee. In such circumstances, and if the employee meets the qualifying criteria, then ill health retirement is an option available to them.

Council policy

The council's policy is:

- To apply, on a consistent basis, the requirements of the Local Government Pension Scheme in relation to ill-health retirement issues.
- To monitor the number and causes of such retirements in line with national and audit requirements.
- To ensure that all possible alternatives to ill-health retirement are considered, where practicable.
- To ensure that employees whose retirement on grounds of ill-health is a possibility, are fully consulted before any such employer decision is taken and are made aware of the pension implications of this outcome.

Stages of ill health retirement

If the employee's absence from work becomes prolonged and there is no indication from medical opinions received of an early return to work, Occupational Health should be asked specifically, by the employing Service whether the employee can be regarded as meeting the following criteria under the Local Government Pension Regulations, which state:

Regulation 35 (3) that the member is, as a result of ill-health or infirmity of mind or body, **permanently incapable** of discharging efficiently the duties of the employment the member was engaged in.

or:

Regulation 35 (4) that the member, as a result of ill-health or infirmity of mind or body, is not immediately capable of undertaking any gainful employment.

Where Occupational Health indicates that the employee may be deemed incapable of discharging their duties because of ill health, the employee will be referred to an independent registered medical practitioner (IRMP) in order to determine whether they are deemed medically incapable under Regulation 20 (5) of the Local Government Pension Scheme Regulations (LGPS). The practitioner will need to complete an "Independent Registered Medical Practitioner's Certificate" in order to confirm that the employee can / cannot be regarded as incapable within the LGPS criteria.

Tiers of ill health retirement

The independent registered medical practitioner will receive information from the Occupational Health unit about the employee, and in due course, advise the employing service as to whether the criteria for ill-health retirement have been met and within which Tier the employees ill health would fall; those being:

Tier One: A member is entitled to Tier 1 benefits if that member is unlikely to be capable of undertaking gainful employment before normal pension age.

Tier Two: A member is entitled to Tier 2 benefits if that member:

- (a) is not entitled to Tier 1 benefits; and
- (b) is unlikely to be capable of undertaking any gainful employment within three years of leaving the employment; but
- (c) is likely to be able to undertake gainful employment before reaching normal pension age

Tier Three: If the member is likely to be capable of undertaking gainful employment within three years of leaving the employment, or before normal pension age if earlier, that member is entitled to Tier 3 benefits for so long as the member is not in gainful employment, up to a maximum of three years from the date the member left the employment.

In this instance, “gainful” is defined as “paid employment for not less than 30 hours per week for a period of not less than 12 months”

Whereby the practitioner confirms that the employee **does not** meet the criteria for ill health retirement as defined by the LGPS, yet Occupational Health has deemed the employee incapable of discharging their duties, then the employing service, will need to contact their HR team to arrange a case review meeting to consider the employees future employment.

Any ill health retirement is classed as a dismissal and therefore a formal case review hearing has to be held in order that the individual can be formally dismissed on the grounds of Ill health. At any formal review the employee has the right to be accompanied by a colleague or trades Union representative of their choice.

Ill Health Retirement Flowchart

