

LGPS Employer Training – Ill health retirement for deferred members

This course covers ill health retirement for deferred members. A deferred member is someone who leaves the LGPS before retirement and who qualifies for benefits in the Scheme. We have a separate course covering ill health retirement for active members.

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The basics

When a deferred member wishes to access their benefits on health grounds they must apply directly to their former employer.

The employer must ask an independent registered medical practitioner (IRMP) to give an opinion.

- The IRMP must be approved by the administering authority; and
- The IRMP must hold a diploma in occupational health medicine or an equivalent qualification; or
- The IRMP must be an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or equivalent.

The IRMP must certify whether, in their opinion, the employee meets the relevant criteria for ill health retirement.

You may want to speak to your own administering authority if you are not already familiar with the ill health retirement process. They will be able to provide you with any specific forms that need to be completed and can also advise you regarding selecting an appropriate independent registered medical practitioner (IRMP).

Note: It is ultimately the employer's decision as to whether the member meets the criteria for ill health retirement. The employer will need to consider the opinion of the IRMP when reaching a decision. The employer should be able to justify their decision.

It is recommended that the IRMP provides a narrative report to the employer to accompany the ill health certificate. The narrative report will help the employer understand the rationale behind the IRMP's opinion and ensure the correct tests have been applied. The employer should not blindly accept the IRMP's opinion,

- The member must provide informed consent to enable the IRMP to view or obtain any medical reports.
 - The member must also provide consent to allow the IRMP to send the ill health certificate and/or report to the employer.
 - If the member does not consent, the application for ill health retirement cannot proceed.
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Both the employer and the IRMP should have regard to the [statutory guidance on ill health retirements](#).

The employer and the IRMP may also find the [ill health retirement frequently asked questions](#) useful.

The criteria

The conditions for early payment depend on when the member left the LGPS.

Members who left the LGPS before 1 April 2008

The former employee must be permanently incapable by reason of ill health or infirmity of body or mind of discharging efficiently the duties of their former employment.

Members who left the LGPS between 1 April 2008 and 1 April 2014

The former employee must be permanently incapable by reason of ill health or infirmity of body or mind of discharging efficiently the duties of their former employment.

In addition, the former employee must have a reduced likelihood of carrying out any gainful employment before age 65 (or for at least three years, whichever is sooner).

Members who left the LGPS after 1 April 2014

The former employee must be permanently incapable by reason of ill health or infirmity of body or mind of discharging efficiently the duties of their former employment.

In addition, the former employee must have a reduced likelihood of carrying out any gainful employment before state pension age (or for at least three years, whichever is sooner).

Note: The employer must inform the member of their decision, with reasons, as soon as reasonably practicable.

The benefits

When should the benefits be paid from?

Members who left the LGPS before 1 April 1998

The benefits are payable from the date the IRMP certifies the former employee met the criteria for payment on health grounds. This can be earlier than the date they applied for their benefits to be paid on health grounds.

Members who left the LGPS between 1 April 1998 and 31 March 2008

The benefits are payable from the date the former employee applied for their benefits to be paid on health grounds.

Members who left the LGPS between 1 April 2008 and 31 March 2014

The benefits are payable from the date the IRMP certifies the former employee met the criteria for payment on health grounds. This can be earlier than the date they applied for their benefits on health grounds.

Members who left the LGPS after 1 April 2014

The benefits are payable from the date the former employer determines that the ill health criteria has been met.

What benefits are payable?

If the ill health retirement is approved is approved the member will receive full payment of their deferred benefits. There will be no reduction for early payment, and no enhancement.

There is no tier system for ill health retirement from deferred status.

Disputes

The employer must ultimately decide whether to award ill health retirement after seeking the opinion of an independent medical practitioner.

This decision is known as a 'first instance decision'.

If the former employee is unhappy with a first instance decision, they can use the internal dispute resolution procedure (IDRP) to appeal.

The appeal must be made within six months of the original decision.

The initial appeal is known as a 'stage one appeal' and will go back to the employer, or to an adjudicator appointed by the employer.

At the stage one appeal the initial decision must be reviewed.

The adjudicator can uphold or replace the original decision.

The adjudicator must respond to the former employee, in writing, within two months of the appeal.

The response must include:

- A statement of the decision.
- A reference to any legislation relied on in making the decision.
- A statement that Moneyhelper is available to help.
- A statement that the former employee can take their complaint to the appropriate administering authority, and the time limit for doing this.

The employer must also provide the administering authority with a copy of the outcome of the stage one appeal.

[Moneyhelper](#) is impartial and free to use. It is provided by the Money and Pensions Service – a body sponsored by DWP.

If the former employee is still unhappy after the stage one appeal they can submit a stage two appeal.

The administering authority deals with all stage two appeals.

The former employee has six months from the date of the stage one decision to make a stage two appeal.

If the former employee is still unhappy after the stage two appeal, they can take their case to The Pensions Ombudsman.

This is an independent organisation set up to investigate complaints about pension administration.

Complaints must be made to The Pensions Ombudsman within three years of the original decision.

Knowledge check

Question

Who makes the decision about whether to release pension benefits for a former employee on health grounds?

- a. The administering authority
- b. The independent registered medical practitioner
- c. The employer

Answer

The answer is c. The employer decides whether to release deferred benefits on health grounds.

Question

Where should a former employee apply if they want to access their deferred benefits on health grounds?

- a. The former employer
- b. The administering authority
- c. Their GP

Answer

The answer is a. The application for benefits to be released early on health grounds must go to the former employer.

Question

Complete the sentence.

The independent registered medical practitioner must be approved by _____

Answer

The answer is the administering authority.

Question

What benefits will be paid where a deferred benefit is released early on health grounds?

- a. The deferred pension plus a 100% enhancement to State Pension Age
- b. The deferred pension plus a 25% enhancement to State Pension Age
- c. The deferred pension with no enhancements

Answer

The answer is c. The member will be paid the pension they have built up to the date of leaving with no enhancements.

You can get more information on ill health retirement and other employer responsibilities from www.lgpsregs.org.