

Ill-health Pension Process: Guidance Note 2

Processing an Ill-Health Pension Case Including Referral to an Independent Doctor

PURPOSE

1. A step-by-step guide to:
 - preparing an employee for referral to an Independent Doctor for ill-health pension purposes;
 - making that referral to the independent doctor; and
 - dealing with the returned ill-health form.

KEY POINTS

- No employee should be dismissed on ill-health grounds or leave because of health related issues without being offered a referral to an independent doctor for consideration of ill-health pension.
- Employers may choose the Independent Doctor they seek opinions from in connection with ill-health decisions, however that Independent Doctor must have already been approved by the relevant Fund's administering authority **before** they can sign the Independent Doctor's Declaration part of the medical certificate, and it be accepted as valid.
- Current employees being referred should be given an information leaflet and need to complete a Legal & General Ill Health Liability Insurance form and the appropriate consent form required by their employer's chosen independent doctor; a suggested consent form, IHRC, is provided as part of the ill health Tool Kit and will be referred to throughout this guidance note.
- Ex-employees being referred should be given an information leaflet and need to complete the appropriate consent form required by their former employer's chosen independent doctor; a suggested consent form, IHRC, is provided as part of the ill health Tool Kit and will be referred to throughout this guidance note.
- Employers need to complete an IHRE1 referral form, or equivalent required by their chosen independent doctor, and prepare an information package for submission
- The "Understanding Your Referral To An Independent Doctor" leaflet can be edited to reflect specific employment policies of the employer.
- A "Checklist for Managing an Ill-health Referral" which gives a step by step guide to action required is provided.
- An Ill-health Tool Kit, containing recommended wording for letters and all necessary forms, is available at
<http://pensions.cambridgeshire.gov.uk/index.php/employers/looking-after-members/leavers/ill-health-retirement-for-deferred-members/>
<http://pensions.northamptonshire.gov.uk/index.php/employers/looking-after-members/leavers/ill-health-retirement-for-deferred-members/>

HISTORY

2. This note should be read in conjunction with Ill-health Guidance Note 1.
3. This includes the following:
 - An Ill-health Toolkit which is referred to extensively throughout the document. The contents relating to dealing with active members are listed at Appendix A. It can be accessed at the links above in Key Points.
4. This note covers the practical aspects of:
 - ensuring that the chosen Independent Doctor has been approved by the relevant Pension Fund's administering authority **before** they complete the medical certificate.
 - referring a current employee to the Independent Doctor and what to do once the decision to dismiss the individual has been made.
 - the referral of requests for early payment of deferred benefits on ill health grounds to the independent doctor
 - the referral of cases where the individual has already been dismissed but the decision at the point of leaving is being re-considered as a result of an appeal or because treatment has now been completed and the individual is still ill.
5. Ill-health Guidance Note 4 looks in more detail at issues in relation to payment of deferred pensions and cases which are being re-considered as a result of appeals or hindsight.
6. This note does not cover Tier 3 ill-health pension review processes. That is covered in the separate Ill-health Guidance Note 3.

RELEVANT DOCUMENTS

7. Appendix A lists the content of the Ill-health Toolkit as it relates to active members. More information on using it is given below.

BACKGROUND

8. April 2008 saw large scale changes to the ill-health pension benefits and the procedures needed to support these changes, the ill-health criteria were then further modified in August 2010. Changes as a result of LGPS 2014 necessitated further review and now that the two administering authorities have appointed a new Occupational Health provider from 1 April 2016, employers in both Funds are able to use any Independent Registered Medical Practitioner they wish, provided that they have first been approved by the relevant Pension Fund's administering authority.
9. Proper management of ill-health pension cases can be challenging. The procedures outlined in this note are intended to make the process as smooth as possible. This has become imperative following the significantly more complex ill-health pension arrangements introduced in April 2008.
10. Disagreement on ill-health pension decisions is the most common reason for people making applications under the Internal Dispute Resolution Procedure.

APPLYING THE REGULATIONS

11. Detailed regulations apply. These are detailed in Ill-health Guidance Note 1.

THE PRACTICALITIES

Ill-health Toolkit

12. The ill-health pension process relies on a large number of forms, letters and leaflets. LGSS Pensions Service has put together a toolkit that includes everything that should be needed. This toolkit can be found at

<http://pensions.cambridgeshire.gov.uk/index.php/employers/looking-after-members/leavers/ill-health-retirement-for-deferred-members/>
<http://pensions.northamptonshire.gov.uk/index.php/employers/looking-after-members/leavers/ill-health-retirement-for-deferred-members/>

Included are:

- Flow charts which outline:
 - the steps of the independent doctors referral process for current employees and deferred pensioners;
 - how to choose the correct option on the IHRE1 and which ill-health certificate to attach;
 - the decision making process once the signed IHCERTA1 form is returned.
 - the decision making process once any of the IHCERTD forms are returned.
- Suggested wording to be used in a variety of circumstances. The wording can be tailored into your organisation's style and be put into standalone letters or can be incorporated into other standard letters you already use.
- A checklist for use by the individual managing an ill-health case. This, combined with the flow charts, takes you through all of the practical steps that are involved from the point you identify that a case may result in dismissal to the point where the individual has been dismissed
- Leaflets for current employees and deferred pensioners to accompany the IHRC – these can be edited to make them relevant to your organisation.

A list of approved IRMPs, together with details of the process for seeking approval for Independent Doctors not on the list, is available on the LGSS Pensions Service website here

<http://pensions.cambridgeshire.gov.uk/index.php/employers/looking-after-members/leavers/approved-independent-registered-medical-practitioners/>
<http://pensions.northamptonshire.gov.uk/index.php/employers/looking-after-members/leavers/approved-independent-registered-medical-practitioners/>

Identifying the Cases:

Existing Employees

13. Ill-health Guidance Note 1 contains information of when referral to an independent doctor should happen (see “When to Start” in the section on the practicalities). These can be summarised as when:
- You are considering dismissing an employee on the grounds of ill-health. The exception would be if the employee does not want their case referred to the Independent Doctor (in this case you should get this in writing).
 - An employee wants to leave on ill-health grounds and asks for their ill-health pension.

The Fund approved independent doctor should be involved BEFORE a current employee is dismissed.

Deferred Pensioners

14. Ill-health Guidance Note 4 contains background of when referral to an independent doctor should happen. This can be summarised as when an ex-employee contacts you directly or via LGSS Pensions Service asking for:
 - a deferred pension to be put into payment on ill-health grounds
 - their deferred pension award to be reviewed on the basis of hindsight

OR

The results of an appeal decision require referral of a case to a second Independent Doctor.

Prepare the Employee for Referral – Current Employee Only

15. LGSS Pensions Service recommends the following is done by you to ensure the person has been prepared for the referral.
16. Give the employee a copy of the leaflet “Understanding Your Referral To An Independent Doctor” as early as possible and certainly when you issue the appropriate consent form, IHRC.
17. Hold a meeting with the employee to explain how the ill-health pension process fits with ill-health dismissal. Get the Legal & General Ill Health Liability Insurance form and appropriate consent form, IHRC, signed. At this meeting it is particularly important that the person understands the different things that will happen if the independent doctor does or does not agree that they meet the eligibility criteria for an ill-health pension and the implications of the different ill-health pension tiers. In particular the individual needs to understand:
 - If they do not meet the criteria for an ill-health pension this will not stop the ill-health management process and they may still end up being dismissed.
 - Tier 3 is, initially, a temporary pension for a maximum of three years. It will be brought back into payment automatically at normal pension age although the member can request earlier payment:
 - From age 55, or
 - At any age on grounds of permanent ill-health.If payment re-commences before normal pension age, other than on permanent ill-health grounds, the benefits may be subject to early payment reductions.
18. At this meeting the employee should be encouraged to put in writing, for attachment to the IHRC, any issues that they do not think have been taken into account by your occupational health advisor – this will reduce the risk of any future disputes.

Prepare the ex-employee for Referral – Deferred Pensioner

19. LGSS Pensions Service recommends the following is sent to ensure the person has been prepared for the referral. The suggested wording for the covering letter is included in the ill-health toolkit.
- A copy of the leaflet “Claiming Your Deferred Pension Benefit Due Of Ill-Health” as early as possible.
 - The appropriate consent form, or IHRC. It is essential that the ex-employee returns a correctly completed consent form. You should remind the ex-employee and check the form when received to make sure consent has been received and the ex-employee has named BOTH a GP AND a consultant.
 - Details of the job description you intend to use. If you have limited information use the opportunity to ask the ex-employee for more information.

Preparing the Referral Pack

20. Once the need for an independent doctor’s referral is identified you have to put together a referral pack for sending to the independent doctor. It is your choice on who does this (e.g. a HR officer, your Occupational Health Advisor (OHA)) but, in all cases, this should consist of:
- A completed referral form (IHRE1) (see below for completion advice).
 - A purchase order/purchase order number.
 - A copy of the relevant IHCERTA1, IHCERTD1, IHCERTD2, IHCERTD3 or IHCERTD4 etc, with part A completed and the applicant’s name on all pages. If the person has or had more than one job there needs to be the appropriate IHCERT form for each pensionable job. Follow the “Which IHCERT form do I need” flow chart to identify which form is needed and which box to tick in Part C i) on the IHRE1.
 - A job description for each of the employee’s current or former pensionable jobs. (If this is someone who opted out the relevant job is the one they opted out from not the current or last job.)
 - General job hazard and necessary physical/mental attributes assessments plus any job or person specific risk assessments – this is particularly important if there is some aspect of the job that is making it particularly difficult for the individual e.g. the need to work nights, lifting, on call, aggressive clients.
 - An appropriate consent form, IHRC, plus any additional information supplied by the employee in response to completion of that form. It is important that when the referral pack goes to the IRMP provider, the signature is no more than 4 weeks old as medical consents only last for 3 months and the IRMP provider will need time to get through the process.
 - A pack of all of the notes and reports previously collected or produced by your occupational health advisor assuming the employee has consented in Part C on the IHRC. Ideally this will include a report from the individual’s consultant setting out the current medical situation. (Note: you will need to agree with your OHA the mechanism for getting these to the IRMP provider - they may not be prepared to let you have them for onward transmission).

21. In addition, as required by the circumstances:

- Details of any reductions in hours that the employee has had to help manage their ill-health, particularly the employer opinion on why this occurred. If the OHA was involved in this their comment from the time should be included.
- Any further relevant details of the case, including any known information on any disputes between the employee/their personal doctor and your OHA.

Your Occupational Health Advisor's Role

22. It is your choice on how to involve your OHA. If you do not already have an occupational health advisor and want advice on the case you need to employ someone BEFORE sending the case to the independent doctor.
23. Best practice for all current employees where your OHA has already been heavily involved in the case and is recommending a course of action is for your OHA to gather all of the necessary reports from the applicant's medical professionals for referral to the independent doctor. These reports need to be as up to date as possible – they should certainly include an update regarding the individual's most recent visit to their consultant. In doing this the OHA must remember that the independent doctor will be considering what the individual will be like up to their normal pension age not just the near future. **Remember:** The more complete the referral report is and the more focused it is on the prospects up to normal pension age, the quicker a result can be expected.
24. Best practice for long deferred cases where no previous work has been done is to refer the case, as it currently stands, directly to the independent doctor with no further preparation (though including any medical information collected to date).
25. In both of the above scenarios the independent doctor could deal directly with the applicant's medical professionals for any further medical information, or your OHA. You will need to make arrangements with your chosen IRMP provider for cases to be handled in the way you wish so that you understand the process and any potential impact on timescales and costs if further reports or investigations are required.

Checking the Consent to Release Medical Records to an Independent Doctor form if suggested form IHRC is used

26. You should check:

- Part A is fully complete.
- Part B: The member has completed Yes for all questions.
- Part C: The member has chosen ONE option.
- Part D: The member has chosen ONE option. If it is the second one they should have attached the additional information.
- Part E: The member has chosen ONE option and has supplied both a GP and Consultant name AND has given contact details on the attached sheet for them. There is no need to have additional medical professionals.
- Part F: The member has signed the form (But see 28 below if the member is not able to do so).
- The form has been signed no more than 4 weeks before the referral to the independent doctor.

27. If the member is not able to sign the form personally, a person with one of the following powers can:

- If someone has a power of attorney for the individual covering health and welfare powers they can sign the form providing they attach the original document;
- If someone is a Court of Protection Deputy with the healthcare and personal welfare powers (having property and affairs powers is not sufficient) they can sign the form providing they attach the original document;
- If neither of the above exist contact LGSS Pensions Service – other arrangements can be made but a different form is needed.

Completing the Referral Form (IHRE1)

Part A

28. Enter details of the person dealing with the case who the IRMP provider should contact with any questions. Include details of where invoices should be sent to and an Email address for them to use. As the employer you are responsible for the bill not LGSS Pensions Service, by referring the case you are agreeing to pay the following with no further referral:

- Cost of Independent Doctor Referral

Any additional costs should be agreed between the employer/former employer and the IRMP provider before they are incurred.

Part B

29. Details of the applicant, including their home address. Include details of each of the jobs involved and the job status (active employment, deferred or opt out but still in employment). If a person has or had more than one job the doctor needs to make a separate decision for each one.

Part C (i)

30. Select the statement that applies by writing in the job number from Part B, choosing carefully between which of the forms is needed. If there is more than one job all need referring to. The “Which Form?” flowchart in the ill-health toolkit can be used to guide you in this choice. Please note the statement at the bottom – by signing this form you are agreeing to this.

31. Issues to look at particularly are:

- For a current employee who is still employed by you option C1 or C2 will be normal. However, the following might be relevant:
 - C3 if the employee has appealed the decision and a second independent doctor’s opinion is required.
 - C5 if you’ve previously had an ill health certificate but the medical situation has now advanced (e.g. treatment is now complete) so the case needs looking at again and will require new reports.
 - C6 if the individual opted out of the LGPS in the past.

- If this is an ex-employee (even if they only left a week ago!) and consideration is being given to backdating the pension to the date of leaving special care is needed. For all of these types of case they should have been discussed with LGSS Pensions Service before being referred:
 - C3 if it is as a result of an appeal decision.
 - C4 if it is because an incorrect process was followed at the point of leaving.
 - C5 if the individual was a “treatment not yet exhausted” case where the treatment is now complete and recovery is incomplete and so the case needs looking at again.
- For a straightforward deferred into payment on ill-health grounds use C7.

Part C (ii)

32. Tick the box for EACH job where you believe there has been a reduction in hours as a result of the current medical condition.

Part C (iii)

33. For each of the eight statements there are various options to tick. You must tick one option for each statement. You will note: for several of the statements you must either have attached something or your chosen IRMP already has it.

Signature

34. The form should be signed by whoever is authorised to refer cases to the Independent doctor.

Sending the Case

35. The case should be forwarded to your chosen, Fund approved, independent doctor.
36. The independent doctor should invoice the employer that has referred the case; the Pension Fund does NOT bear the cost of the referral or of any reports that may be required.
37. This process ends with the return of a signed IHCERTA, or one of the IHCERTD forms, together with a narrative report prepared by the IRMP setting out their considerations and reasoning in support of their opinion(s) expressed on the completed medical certificate.

What to do when you have the completed IHCERTA1 or IHCERTD form

38. How to deal with a IHCERTD form received for an ex-employee, including one who has been recently dismissed and current employees who have opted out is given In Ill-health Guidance Note 4. The following deals just with the action related to a current active member of the Local Government Pension Scheme (LGPS) and the receipt of an IHCERTA1. The “IHCERTA1 Decision Guider” flow chart in the ill-health toolkit that also takes you through this process. Letters for doing the various steps are included in the ill-health toolkit.

Step 1

39. You inform the employee of the outcome of the referral to the Independent Doctor, this includes the Doctor's tier opinion if they do qualify for an ill-health pension. If the person meets the ill-health pension criteria this is also the opportunity to ask them to provide information to influence your tier decision – how you do this depends on how much you already know about them.
40. Please feel free to contact LGSS Pensions Service to discuss difficult cases, particularly those where treatment is not yet exhausted.

Step 2

41. **Proceed with your ill-health management process; you do not need to delay for the results of any appeal from Step 1** unless you choose to do so. Exactly how this is done can vary as you want it to, depending on the results of your Step 1 decision and the employee's attitude to this. For example all the following are possible should you choose:
 - Decision will be a tier 1 pension, employee is happy to agree dismissal date and process finishes simply.
 - Decision is that the individual does not qualify for an ill-health pension; employee accepts this and chooses to leave voluntarily. We would advise getting it in writing from them that they understand leaving voluntarily means they have no chance of a successful ill-health pension appeal, suggested wording for this is contained in the ill-health toolkit.
 - Decision will be a tier 1 pension, but employee doesn't want dismissing and is prepared to fight dismissal.
 - Decision is likely to be a tier 3 pension but employee is happy to agree dismissal date but will appeal tier decision if it is 3.
 - Whilst, for most cases, this will be relatively straightforward there may be some cases where it may be beneficial to the employee to vary the standard slightly based on the employees personal circumstances, consideration of this will also reduce the likelihood of a subsequent appeal. Advice can be sought from LGSS Pensions Service on a case by case basis. Appendix B gives details of some issues to specifically consider.

Step 3:

42. Once the individual has an agreed leaving date you make the formal decision regarding pension entitlement. The various options are given at Appendix C. The IHCERTA1 Decision Guider Flowchart in the Ill-health Toolkit will also help.
43. Once you have made the decision, you complete the employer's declaration on Part E of the IHCERTA1 and issue the forms RETIRE1, RETIRE2 and RETIRE3 or TVOUT01 and IFTVOUT01 as appropriate, together with an entitlement award in the form of a letter; there is recommended standard wording, depending on the circumstances of the case, set out in the ill-health toolkit.
44. Remember that even if someone does not qualify for an ill-health pension they are entitled to opt for a normal pension if they are age 55 or over.

45. If the person does not qualify for ill-health pension but the doctor has indicated that the fact that treatment or even investigation is not yet exhausted has been a significant factor in this decision (i.e. once treatment is exhausted this individual may yet prove to be permanently incapable) there is a specially worded entitlement award. This awards a deferred benefit or normally payable pension but gives information about the circumstances under which an individual could apply to have their case looked at again following conclusion of treatment. This should only be sent after discussion with LGSS Pensions Service.

Step 4:

46. You now need to inform LGSS Pensions Service of your decision:

- Complete and send in a Leaving certificate (the LEAVECERT) with a copy of the entitlement award letter.
- Send a copy of the IHCERTA1 with the LEAVECERT. Keep the original on the individual's file. If the person does not qualify for ill-health pension but is age 55 or over they will still be entitled to their pension in the same way any normal leaver would be.

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November 2016

Appendix A: Contents of Ill-health Toolkit for Active Members - Contents

Documents available here:

Cambridgeshire Pension Fund

<http://pensions.cambridgeshire.gov.uk/index.php/employers/looking-after-members/leavers/ill-health-retirement-for-active-members/>

Northamptonshire Pension Fund

<http://pensions.northamptonshire.gov.uk/index.php/employers/looking-after-members/leavers/ill-health-retirement-for-active-members/>

Ill-Health Guidance Note 1 – “Ill-health Pension: Making the Decision for an Active Employee”: Detailed information on ill-health pension and how it fits with your ill-health employment process.

Ill-health Guidance Note 2 – “Processing an Ill-health Pension Case Including Referral to an Independent Doctor”: Detailed instruction on how to send an application for a current employee to the independent doctor and then deal with the returned form.

Letters: Active Member Ill-health - A set of wording for letters and associated forms to be used during the ill-health pension process as detailed in Ill-health Guidance Notes 1 and 2.

- **To send out the IHRC and Legal & General Ill Health Liability Insurance Forms for current employee** - covering letter
- **Ill-health referral required** - Letter and form to check whether employee wants an ill health referral when the OH provider says the individual does not meet criteria.
- **Definite voluntary?** - Letter and form to be used when individual indicates their intention to leave voluntarily even though they have ill-health issues.
- **Meets ill-health criteria** - To be used once there is a signed IHCERTA1 and employer has decided there will be immediate entitlement to ill-health pension.
- **Ill-health declined but 55 or over** - To be used once there is a signed IHCERTA1 and employer has decided there will be no entitlement to ill-health pension and the person is 55 or older
- **Ill-health declined, less than 55** - To be used once there is a signed IHCERTA1 and employer has decided there will be no entitlement to ill-health pension and the person is under age 55
- **Ill-health declined but treatment not yet exhausted and 55 or over** - To be used once there is a signed IHCERTA1 and employer has decided there will be no entitlement to immediate ill-health pension but that hindsight considerations may apply – use only after discussion with LGSS Pensions Service.
- **Ill-health declined but treatment not yet exhausted and less than 55** - To be used once there is a signed IHCERTA1 and employer has decided there will be no entitlement to immediate ill-health pension but that hindsight considerations may apply – use only after discussion with LGSS Pensions Service.
- **Tier 1 or 2 Ill-health Pension Awarded** - To be used to make entitlement award when individual has been awarded ill-health pension. Will need editing depending on tier.
- **Tier 3 Ill-health Pension Awarded** - To be used to make entitlement award when individual has been awarded ill-health pension.
- **No Ill-health pension and 55 or older** - To be used to make entitlement award when individual age 55+ is dismissed without ill-health pension.
- **No Ill-health pension and less than 55** - To be used to make entitlement award when individual under age 55 is dismissed without ill-health pension.
- **No Ill-health pension and less than 55 but treatment not yet exhausted** - To be used to make entitlement award when individual under age 55 is dismissed without ill-

health pension but where there is a clear chance that their treatment may not actually succeed – discuss with LGSS Pensions Service before sending.

- **No Ill-health pension and 55 or older but treatment not yet exhausted** - To be used to make entitlement award when individual age 55+ is dismissed without ill-health pension but where there is a clear chance that their treatment may not actually succeed – discuss with LGSS Pensions Service before sending.

Form: IHRC - The member consent form that, once completed, allows sharing of medical details with the Independent Doctor.

Legal & General Ill-Health liability Insurance Form – The form that registers a potential claim against the policy covering the capital strain costs that would otherwise fall to be paid by employers in cases where an ill health pension is awarded.

Leaflet: for Active Member: A leaflet titled “Understanding Your Referral to an Independent Doctor” to be issued with the IHRC and Legal & General Ill Health Liability Insurance forms.

IHCERTA1 Ill-health certificate – for currently active members;

Flowchart: Ill-health Referral - A flow chart for the whole ill-health referral process.

Form: IHRE1 - The form for referral of an active or deferred member to the IRMP.

Flowchart: Which Form? - A flowchart to help decide which option to choose on the IHRE1 and which ill-health certificate to attach.

Flowchart: IHCERTA1 Decision Guider - A flow chart to help with the decision making process once the IHCERTA1 is received.

Checklist: for Practitioners who manage current employee ill-health - A checklist to provide reassurance for the person managing the ill-health case that everything that is needed has been dealt with.

Form: IRMPAPP1 - If the Independent Doctor you intend to seek opinions from is **not** on the list of approved Independent Registered Medical Practitioners [here](#), approval **must** be sought, and received, before that Independent Doctor can complete one of our ill-health certificates and it be accepted as valid. The form IRMPAPP1 is available from the page linked to that holds the approved list.

Appendix B: Things to Consider During the Dismissal Process

Issues to specifically consider are:

- Tier 3 Benefit Disadvantage - Some people may not want a tier 3 ill-health pension award as their options once it is suspended are severely limited. In particular they will not be able to amalgamate it with a future Local Government Pension. This will particularly be an issue if they expect to get gainful employment shortly in a better paid job.

In these cases they should be referred to LGSS Pensions Service for an explanation of the options. If, as a result, they choose to leave voluntarily the employer **MUST** get this decision in writing. A copy of the IHCERTA1 & their letter confirming their decision should be sent to LGSS Pensions Service. **NB: this could also apply to other tiers but is much less likely.**

- Terminal Illness - The issues around relative benefits of death in service and death on pension are complex and depend upon an individual's circumstances. You should therefore consider whether you will offer the option of remaining in service so that death in service rather than death on pension benefits would be payable and seek information from LGSS Pensions Service on a case by case basis.
- Treatment/Investigation Not yet Exhausted – Cases where the IHCERTA1 has been signed as the person not being permanently incapable BUT the reason given for this by the doctor is treatment or even investigation options have not yet been exhausted are increasingly common. This tends to mean the doctor accepts that some (but not most) people with this condition prove to be permanently incapable but the doctor cannot tell if this individual will be one of these people until treatment is further progressed or even complete. On this basis a balance of probabilities test required by the regulation has been applied and the Independent Doctor has decided that the person does not currently meet the criteria.

If someone is in these circumstances consideration needs to be given as to whether to delay ill-health dismissal for a few months to give the employee the chance to exhaust treatment options. The decision and terms of this will depend on your policy and be guided by how long this has been going on and how much longer it will be before treatment will be considered to be exhausted.

Alternatively an ill-health dismissal could still be progressed but the individual be given the option of having their case reviewed once treatment is exhausted.

Appendix C: Making the decision at Step 3

There are four basic options for you to decide between.

Use the “IHCERTA1 Decision Guider Flowchart” given in the Ill-health Toolkit to help you with this.

Option 1: No ill-health pension, entitlement is:

- a deferred pension which would be payable at a date of the employees choice from age 55 (if the individual is less than age 55); or
- a deferred pension that could be payable immediately though may be subject to early payment reductions (if the individual is age 55 or older).

For this the Independent Doctor will have ticked either:

- B2 on the IHCERTA1; or
- B1 PLUS B3.

They do not need to have completed B5 to C2.

OR

The Independent Doctor will have ticked B1 and B4 on the IHCERTA1 BUT you are aware the the employee already has gainful employment and therefore does not meet the “not immediately capable of undertaking any gainful employment” criteria.

If this is a case where treatment or even investigation is not yet exhausted and the Independent Doctor indicates that a significant number of individuals do not recover it is for you to decide, based on the report from Independent Doctor and your understanding of the case, if you are going to specifically deal with this as a potential “hindsight” case.

Option 2: Tier 3 ill-health pension, entitlement is to immediate pension benefits which will be suspended after three years unless the employee gets gainful employment, a review after 18 months decides the ex-employee is immediately capable of gainful employment or it should have been a Tier 2 award.

For this the Independent Doctor will have ticked B1 AND B4 on the IHCERTA1 and is most likely to have ticked B5 but you could have decided on a different tier (see “How to make the Tier Decision” below).

Option 3: Tier 2 ill-health pension, entitlement is to immediate Pension benefits which will have been enhanced by 25% of the service left between date of leaving and normal pension age. For this the Independent Doctor will have ticked B1 AND B4 on the IHCERTA1 and is most likely to have ticked B6 but you could have decided on a different tier (see “How to make the Tier Decision” below).

Option 4: Tier 1 ill-health pension, entitlement is to immediate Pension benefits which will have been enhanced by 100% of the service left between date of leaving and normal pension age. For this the Independent Doctor will have ticked B1 AND B4 on the IHCERTA1 and is most likely to have ticked B7 but you could have decided on a different tier (see “How to make the Tier Decision” below).

How to Make the Tier Decision

It is for you as the employer to decide which tier of ill-health pension to award guided by the Independent Doctors opinion. Nothing in the regulations binds you to the opinion given on tier by the independent doctor and there is an implication in the guidance issued by DCLG that you will take into account the non-medical issues including those that the Independent Doctor is specifically being told not to consider. Ill-health Guidance Note 1 gives guidance on this.