

CLAIMING YOUR DEFERRED PENSION BENEFIT DUE TO ILL-HEALTH

INTRODUCTION

This guide aims to help you understand:

- Why you are being referred to an independent doctor;
- The process that is about to be followed;
- What will happen depending on the result of this process;
- What to do if you are unhappy with the result.

Why am I being sent to the Independent Doctor?

You are being referred to the Independent Doctor because you have asked your ex-employer for your Local Government Pension Scheme (LGPS) pension benefits to be paid early due to ill-health. Before they can agree to this your ex-employer needs an ill-health certificate from the Independent Doctor confirming you meet the medical criteria for your pension to be paid.

What are the criteria for an ill-health pension?

For you to be eligible to have your deferred pension benefits paid early on the grounds of ill-health your ex-employer has to have a certificate that says your current medical condition:

- means that you are permanently incapable of doing the job your deferred benefits were awarded for; where 'permanently incapable' means until age 65 if you left the LGPS before 1 April 2014, and for those that left on or after that date will mean your State Pension Age,

and, if you left after 31 March 2008,
- this same condition means that you are unlikely to be capable of undertaking gainful employment before reaching normal pension age, or for at least three years, whichever is the sooner.

Gainful employment in this context is defined as any paid employment that you could do for at least 30 hours each week for at least a year.

When will my pension be paid?

If the independent doctor provides a certificate to say you qualify for an ill-health pension and your ex-employer agrees with this assessment, they will write to you telling you this. LGSS Pensions Service will then send you details of your pension options and an application form. Your pension benefits will be paid within two weeks of LGSS Pensions Service receiving a correctly completed application form and all relevant certificates. The date that payment of benefits would be due from depends upon your last day of membership of the LGPS:

Last day of membership	If granted, payment will be due from
Before 1 April 1998	date that you first met criteria for payment on ill health grounds – as advised by the independent doctor
Between 1 April 1998 and 31 March 2008 (inclusive)	date of your application for payment
Between 1 April 2008 and 31 March 2014 (inclusive)	date that you first met criteria for payment on ill health grounds – as advised by the independent doctor
After 31 March 2014	date your former employer makes determination that you meet the criteria for payment on ill health grounds

How is my ill-health pension calculated?

An ill-health pension is calculated in the same way as a normal retirement pension:

Pension:

Pensionable Pay after 31 March 2014 X $\frac{1}{49}$

PLUS

Pensionable service 1 April 2008 to 31 March 2014 X Full-time equivalent final years pays X $\frac{1}{60}$

PLUS

Pensionable service before 1 April 2008 X Full-time equivalent final years pays X $\frac{1}{80}$

PLUS Automatic Lump Sum

3 X Pensionable service before 1 April 2008 x Full-time equivalent final years pay X $\frac{1}{80}$

(There is no automatic lump sum for service after 31 March 2008)

Between leaving the scheme and benefits coming into payment the pension and any automatic lump sum rise by cost of living increases. If you are either at least age 55 or the independent doctor has advised that you are permanently incapable of all regular full time employment, these cost of living increases will be reflected in the benefits paid to you. If neither of these apply, these increases, and any due on your pension once in payment, will only start to be paid once you reach 55 years of age.

Your most recent deferred benefit statement should show how much your pension is currently worth including cost of living increases.

If you qualify for ill-health pension benefits these are paid immediately with no reduction for early payment. You will be given the option of converting some of your pension to further lump sum.

Do I get more pension if I qualify for an ill-health pension?

The pension benefit is paid immediately with no early payment reduction. No other 'enhancement' is made.

Will I get a permanent pension?

Yes, the pension is for life.

What happens if I do not qualify for an ill-health pension?

Your pension benefit remains deferred. You can then choose to have it paid at any point from:

- age 60, or
- if you left before 1 April 2014, age 55 with your ex-employer's consent, or
- if you left 1 April 2014 or later, age 55 without requiring your ex-employer's consent,

although it may be reduced for early payment.

If your medical condition gets worse or you get another illness you can apply again to have your deferred pension benefit paid on the grounds of ill-health.

How does the Independent Doctor decide if I meet the criteria?

You will be asked to sign a form that gives consent for the Independent Doctor to have any medical records your ex-employers occupational health doctor has about you and to ask your GP and Consultant for further information about your condition.

The Independent Doctor does not normally ask to see you as they rely on the expertise of those with personal knowledge about you to provide the medical information needed.

Once the doctor has the information they use their medical knowledge, their knowledge of how various medical conditions affect an individuals ability to work, information provided by your ex-employer about the job you did and any information you have provided and decides if you meet the ill-health pension criteria.

In doing this the Independent Doctor works out how likely it would be for most people like you to recover before normal pension age if they had the same medical condition. If he considers that:

- more people would remain ill and not recover before their normal pension age than would recover you would meet the criteria and will get an ill-health pension;
- more people would recover than would remain ill you would not meet the criteria.

This is particularly relevant if you are currently awaiting treatment or are only part way through treatment. For some conditions it will not be clear if you, personally, are likely to be in the group of people who will recover and if most people with your condition do recover you will not qualify for an ill-health pension at that time. As treatment progresses it becomes clearer if you will be one of the people who will recover or not. The doctor signs the certificate based on the knowledge available at the time.

What is the role of my ex-employer?

Your ex-employer's role is to gather the necessary information for the independent doctor and refer your case to them. Once the doctor has given a view on whether you meet the criteria they then make a decision on whether to allow you access to your pension on the grounds of ill-health and inform you of the decision. In reality, if the doctor provides a certificate to say you meet the criteria your ex-employer should automatically decide to award an ill-health pension.

What happens next?

Your ex-employer is now going to refer you to the independent doctor. To do this your ex-employer prepares a referral package that tells the independent doctor about you and your job and, subject to your consent, provides details of your medical condition as collected by your ex-employers occupational health advisor (if this has been done).

Consent for release of medical records

As part of this they will have given you this leaflet and asked you to complete the IHRC form: Consent to Release Medical Records to an Independent Doctor.

This form is crucial in your referral – if you do not consent or do not provide contact details for your GP AND consultant it is highly unlikely that the Independent Doctor will be able to get sufficient information to decide that you meet the criteria. This means you will not get ill-health pension.

This form provides you with the opportunity to explain to the doctor how your medical condition is affecting you, explain what your doctors have told you about your chances of recovery and highlight any issues you want the doctor to know. You are encouraged to take this opportunity.

Job details

Your ex-employer also supplies information about the job you were doing when you left. This will include a job description, the skills required and any hazards or physical characteristics associated with the job. If you left your job a long time ago your ex-employer may not still have details of the job you were doing. In this case they may have included details of what they are proposing to send to the independent doctor with this leaflet. You should take the opportunity to comment on the details and send copies of any old information you have on file – the more accurate the information provided the better able the doctor will be to make a rapid and accurate assessment.

How quickly will I hear?

It is likely that the independent doctor will require further information about your medical condition. Once requested how quickly it comes will depend on how quickly other medical professionals respond – if you have asked to see reports before they are sent this will cause further delays.

You should be aware that some GPs and Consultants can take several weeks to supply necessary information.

Realistically this means that it will take at least two months for a decision to be made. It may be significantly longer. The independent doctor will keep the person who has referred your case to them upto date on progress.

What happens after the doctor's decision?

If the doctor has signed the certificate to say you meet the criteria:

- Your ex-employer informs you of this decision;
- Your ex-employer tells LGSS Pensions Service that they have agreed to let your deferred benefit be paid on the grounds of ill-health;
- LGSS Pensions Service issues an application form and details of your choices;
- You return the application form to the LGSS Pensions Service;
- LGSS Pensions Service awards your pension and brings it into payment. You should receive full details of the final benefits payable to you within 5 working days after receiving all necessary information. Any lump sum will be paid direct into the account specified on the application form within 10 days of the date we advise you of your final benefits and your first monthly pension payment paid on the first available pension payment run.

If the doctor has said you do not meet the criteria:

- Your ex-employer informs you of this decision, including information on why the doctor has decided you do not qualify.
- Your ex-employers decision letter will provide details of the appeals process. It is for you to decide whether you wish to appeal.
- Your deferred pension will be available for payment from age 60, or age 55 if you left after 31 March 2014, without requiring your ex-employer's consent, (although it may be reduced for early payment) BUT you can apply for earlier payment on ill-health grounds at some point in the future if your condition deteriorates or you get another illness.

What do I need to do now?

- Complete the Consent to Release Medical Records to an Independent Doctor form (IHRC) and return it to your ex-employer. You are encouraged to clearly state your medical case to the Independent doctor. However, please remember this is about how you expect your medical condition to be affecting you at normal pension age. If you left after 31 March 2008 it is also about your ability to do ANY gainful employment by normal pension age not just the job you left. You may want to take advice on doing this from your GP, specialist or a Trade Union representative. Taking this opportunity will ensure the Independent Doctor's investigation covers all issues.
- Be patient:** How long this takes will depend on how quickly the independent doctor can get the information needed. If the doctor needs to ask for additional investigation from your specialist it can take several months.

FOR FURTHER INFORMATION

Your ex-employer is responsible for the decision to allow you to have your pension benefits on the grounds of ill-health. Any queries should be directed to the person dealing with your application. If you want an ill-health pension quote it should be requested through your ex-employer.

However, if you want general information on ill-health pension or to check information you have been given, members of either the Cambridgeshire or the Northamptonshire Pension Fund can contact LGSS Pensions Service as follows.

LGSS Pensions Service

John Dryden House

8-10 The Lakes

Northampton

NN4 7YD

Tel: 01604 366537

Email: pensions@northamptonshire.gov.uk

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