

# **Appendix A**

## **ILL HEALTH RETIREMENT POLICY**

October 2022

## CONTENTS

<b>Section</b>	<b>Content</b>
<b>1</b>	Purpose
<b>2</b>	Scope of the policy
<b>3</b>	Role of the line manager
3.1	Options other than Ill health retirement
3.2	Referral to Occupational Health
<b>4</b>	Role of Occupational Health
4.1	Initial recommendation
4.2	Role of the Independent Occupational Health Doctor
<b>5</b>	Role of the Head of Service
<b>6</b>	Right of Appeal
6.1	Tier 1
6.2	Tiers 2 or 3
6.3	Appeal Process
<b>7</b>	Review of Benefit Payments at Tier 3
<b>8</b>	Links to Other Policies
<b>9</b>	Ex-employees Requesting Ill Health Retirement
<b>10</b>	Links to Other Policies

## **1 Purpose**

This Policy describes the policy for procedure for decisions on ill health or medical retirement.

The medical retirement of an employee on the grounds of permanent ill health is a serious decision and has implications for the Council and for the individual. Requests by the employing directorate for occupational health advice regarding retirement on ill health grounds requires the involvement of an independent occupational health doctor. However, the decision whether to accept the recommendation made by Occupational Health and to retire an employee on the grounds of permanent ill health is the decision of the Head of Service and is made based upon all the medical advice received.

Retirement on the grounds of ill health should be the option of last resort. It is not a replacement for redundancy, capability, flexible retirement or as a means for meeting reduced budgets.

## **2 Scope**

The procedure covers ill health retirement for all employees who are members of the local government pension scheme.

## **3 General Principles**

- The employee's line manager must ensure that all reasonable efforts have been made to assist the employee in carrying out the duties of their substantive post, which may include making reasonable adjustments or modifications and exploring redeployment opportunities.
- The role of Occupational Health is advisory only and includes a second assessment of the recommendation of Occupational Health by an Independent Occupational Health Doctor.
- The employee's Head of Service will make the final decision taking medical advice into account.
- Employees have the right of appeal against the decision not to award retirement on the grounds of ill health and to appeal a decision made at either Tier 2 or 3. There is no right of appeal at Tier 1. Details of the retirement tiers is given in Section 5.3
- The process outlined in the Sickness Absence policy must be followed to ensure that a final meeting is arranged in order to dismiss the employee on ill health grounds before ill-health retirement benefits can begin.

## **4 Role of the Line Manager**

### **4.1 Options other than ill health retirement**

As ill health retirement is a last resort, managers must first explore all other options to support the employee back into work by making reasonable adjustments that may be helpful. Further information regarding reasonable adjustments can be received from Occupational Health, with guidance on the intranet or from the Equality, Diversity and Inclusion Lead. Other options to support the employee may include exploring the possibility of medical redeployment to other work which would be more suitable to the capabilities, skills & experience of the employee or may include discussing the option of reducing working hours so that the working week is more manageable.

Medical redeployment is conducted in the same way as other redeployment and full details of the process are given in the Organisational Change Policy and the Sickness Policy.

If other options have either been tried and been unsuccessful or if they are not a viable alternative given the employee's specific circumstances, it may be necessary for the manager to consider ill health retirement. This option should be discussed with the employee in full and their consent given before a referral is made so that the process is fully understood.

### **4.2 Referral to Occupational Health for Ill Health Assessment**

A referral to occupational health is made by the line manager using the standard referral form. The referral must make it clear that advice is needed regarding the possibility of ill health retirement, and if applicable, details must be provided regarding the adjustments to working practices, additional equipment or working hours that have already been made. A copy of the current job description must be included with the referral.

## **5 Role of Occupational Health**

### **5.1 Initial Recommendation**

Occupational Health are responsible for collating the medical information necessary to enable a recommendation to be made based on all the medical information available and by speaking to the employee. Additional medical information may include a report from the employee's GP, hospital consultant, or other medical practitioner. Following the initial assessment, a recommendation will be made. An independent Occupational Health doctor will then be approached by the occupational health team to provide a second opinion.

The Head of Service can only agree to ill health retirement once the independent medical practitioner has confirmed that the employee meets the pension criteria (Regulation 36 of the LGPS Regulations 2013). The independent medical practitioner will also make a recommendation as to which level of ill health retirement the employee is eligible for and returns a certificate confirming this. When the certificate is received, the Head of Service must decide whether to accept the recommendation given on the certificate, and the tier of retirement to award (See Section 5.3).

## 5.2 Role of the Independent Occupational Health Practitioner

The Independent Medical Practitioner will certify whether or not, in their opinion and on the balance of probabilities, the pensions criteria for satisfying the entitlement to an ill health retirement benefit has been met. In coming to a decision, the doctor will have regard to the Ill-Health Statutory Guidance and consider whether or not the employee is permanently incapable of *“discharging efficiently the duties of the relevant local government employment because of ill health or infirmity of mind or body”*.

The factors which will be taken into consideration by the independent doctor in making the final recommendation will include:

- The rate and degree of any recovery
- An assessment of the employee’s level of ability
- The tasks which are necessary to be done in order to carry out the job role
- Access to the site of the employment
- Whether any modifications or adaptations could be made which would allow the job tasks to be performed effectively
- Whether a relocation or redeployment could be carried out in order to enable the employee’s abilities to be utilised elsewhere
- Whether all treatment options have been exhausted

If the decision is to recommend ill health retirement, a certificate will be issued which states which tier of ill health retirement is recommended.

The Certificate of Ill Health Retirement will be sent to Occupational Health, for it to be sent to the referring manager along with any medical advice. The occupational health report is advisory only, the decision whether or not to offer ill health retirement and the level of benefits to offer rests only with the employee’s Head of Service.

If the independent doctor decides that the criteria for ill health retirement have not been met, the case will be referred back to the Occupational Health who will send an Occupational Health report to the referring manager to this effect.

### **5.3 Retirement Tiers**

There are three tiers of ill health retirement that may be recommended.

- **Tier 1** - where there is no reasonable prospect of the employee obtaining any gainful employment before their normal retirement age.
- **Tier 2** – where although there is no prospect of obtaining gainful employment within three years of leaving, there is a reasonable prospect of the employee obtaining gainful employment before reaching normal retirement age.
- **Tier 3** - where there is a reasonable prospect of the employee obtaining gainful employment within three years of leaving local government employment.

## **6 Role of the Head of Service**

On receipt of the Occupational Health (OH) report and Certificate, the line manager must arrange to discuss the report and recommendation with the Head of Service and Employee Relations Specialist to decide whether or not to accept the medical recommendation and to offer ill health retirement at the suggested level.

Following this, the manager must arrange to formally meet with the employee and their Trade Union or employee representative (as applicable) to discuss the OH recommendation, the decision of the Head of Service and the next steps.

Following this meeting, the Head of Service will confirm the decision in writing giving the last day of service and pension details. On receipt of the signed acceptance by the employee, a copy of all documentation is sent by the manager to the Pensions team to enable them to begin the process for payments. A copy of the documents should also be sent to the Employee Relations Specialist and to HR Operations.

## **7 Employee's Right of Appeal**

### **7.1 Tier 1 Appeal**

The employee has no right to dispute the decision to award Tier 1 Ill health retirement as this awards retirement with full benefits on the expectation that there is no reasonable prospect of the employee gaining employment before their normal date of retirement.

## **7.2 Appeal of Tiers 2 or 3**

There is a right of appeal against the decision not to award ill health retirement and a right to dispute the decision to award at either Tier 2 or 3.

A dispute may only be made on the grounds that either:

- Medical evidence that was available to the OH doctors was not taken into account when making the recommendation or
- New medical evidence had come to light since the recommendation was made.

## **7.3 Appeal Process**

The appeal must be made on the appropriate form and sent to the Head of Service who made the decision within six months of the date of the letter confirming the decision.

On receipt of the appeal, the Head of Service will refer the documentation to the Chief People Officer (as the Specified Person under the LGPS Regulations) and at the same time, will notify the Employee Relations Specialist that an appeal under Stage 1 of the Internal Disputes Resolution Procedure (IDRP) has been lodged which must be chaired by a Head of Service.

If a review of the recommendation is required, the Head of Service (who will be the manager who Chairs the appeal panel) will refer the case to Occupational Health for them to arrange for the documentation to be referred to a new independent occupational health doctor for a third opinion. This third opinion will follow the process outlined in section 5.2, as well as reviewing the documentation submitted by the appeal. They will then write to the Head of Service giving the outcome of the appeal.

If the appeal is upheld, the process outlined in Section 6 of this policy will be implemented.

If the appeal is not upheld the employee must decide whether to accept the decision of the panel or whether to continue with the formal sickness management process.

## **8 Review of Tier 3 Benefit**

There is no requirement for a review of payments for benefits paid at Tier 1 or Tier 2, but a Tier Three benefit is awarded as an interim pension only as the employee is considered as being capable of returning to gainful employment within three years of the start of the payments.

Gainful employment is defined as “*paid employment for not less than 30 hours in each week for a period of not less than 12 months*”. Ex-employees who retire with Tier 3 benefits are required to inform the Pensions Team as soon as they find work so that continuation of payments can be reviewed. Pension payments will stop if the work is considered to be gainful employment as defined in the Regulations. If the Pension Team are not informed when employment is found and pension payments continue, they may be recovered as overpayments.

After eighteen months of pension payments, the Pension Team will contact the ex-employee to confirm their employment status. If the ex-employee is not in gainful employment at the review, a referral will be made to Occupational Health to determine whether the medical situation remains the same.

The recommendation of the Pensions Team may be either

- To continue to pay Tier 3 benefits until the end of the original three year period after the date of termination of employment or
- If a new Certificate is issued which recommends amending the benefit to Tier 2 from the date of the review decision, the Pension Team will make the necessary changes.

## **10 Ex-Employees Requesting Ill Health Retirement**

If a previous employee of Haringey, who had been paying into the pension scheme for at least two years, requests ill health retirement then the following steps should be followed –

- If the ex-employee is an employee of another local authority at the time of the request and is in receipt of a Certificate from an occupational health practitioner which confirms that their health condition meets the criteria for ill health retirement, the Certificate *may* be considered by Haringey without the need for further referral to occupational health.
- The Certificate should be sent to the Employee Relations team in HR who will verify the length of service and number of years payment into the pension scheme. Details will be passed to the Pensions team to enable the payment of pension to begin.
- If the ex-employee is not employed by another local authority and therefore is not in receipt of a Certificate, the HR Employee Relations team, after verifying eligibility by confirming length of service with Haringey and number of years in the pension scheme, will make a referral to occupational health.
- If a Certificate is issued, the paperwork will be processed in HR and then passed to the Pensions team for the pension payment to be processed.



There is no right of appeal for ex-employees.

## 10 Links to Other Policies

- Organisational Change Policy
- Sickness Absence Policy

Document Control

---

Key Information	
<b>Title</b>	<i>Ill Health Retirement</i>
<b>Document Type</b>	<i>Policy</i>
<b>Document Status</b>	
<b>Author</b>	<i>HR Employment &amp; Reward Manager</i>
<b>Owner</b>	<i>Head of Employment Reward &amp; Transformation</i>
<b>Contact</b>	<i>HR Senior Specialist (Policy &amp; Projects)</i>
<b>Approving body</b>	<i>Staffing &amp; Remuneration Committee</i>
<b>Date of Publication</b>	

Revision History			
Version	Date	Summary of Changes	Name