

III Health Retirement Policy

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Table of Contents

1	Introduction.....	3
2	Principles	3
3	Definition of Ill Health Retirement	4
4	Eligibility.....	4
5	Process for Ill Health Retirement	4
6	Ill Health Retirement Tiers.....	4
7	Appeal Process	5
8	Review of Tier 3 Benefit	6
9	Former Employees Requesting Ill Health Retirement	6
10	Confidentiality	7
11	Support for employees	7
12	Further References	8
	Appendix A - Process for Ill Health Retirement.....	9
	Appendix B - Summary of Ill Health Retirement Tiers	12
	Appendix C - Ill Health Retirement Appeal Form	13
	Document Control	14

Ill Health Retirement Policy and Procedure

1 Introduction

- 1.1 The purpose of this policy is to provide clear guidance and a fair process for employees who are unable to continue carrying out their role due to a long-term illness or disability.
- 1.2 The policy ensures compliance with employment law and occupational pension scheme regulations while offering a structured approach to ill health retirement.
- 1.3 This policy applies to all employees and former employees of the Council who meet the eligibility criteria for ill health retirement under the terms of the local government pension scheme or statutory requirements.
- 1.4 The development of this policy is in compliance with the following UK employment and pension law:
 - 1.4.1 The Equality Act 2010: Protects employees from discrimination due to disability and ensures the obligation to make reasonable adjustments.
 - 1.4.2 The Employment Rights Act 1996: Provides the right to terminate employment due to incapacity after a prolonged period of ill health.
 - 1.4.3 The Pensions Act 1995 (and amendments): Governs the terms of occupational pension schemes, including provisions for ill health retirement.
 - 1.4.4 The Health and Safety at Work Act 1974: Requires employers to ensure the health, safety and welfare of employees which may include considering ill health retirement for employees whose health affects their ability to work safely.
- 1.5 Retiring an employee on the grounds of permanent ill health is a significant decision with substantial implications for both the Council and the employee.
- 1.6 Retirement on the grounds of ill health should only be considered as a last resort after all other options have been thoroughly assessed. It is not a substitute for redundancy, capability, flexible retirement or a means for addressing budget reductions.

2 Principles

- 2.1 The 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 before making a referral to Occupational Health for ill health retirement.
- 2.2 The role of Occupational Health is advisory only. A second assessment of the recommendation from Occupational Health must be determined by an Independent Occupational Health Doctor.
- 2.3 The Head of Service will make the final decision in conjunction with HR after considering the medical report from the Independent Occupational Health Doctor.

- 2.4 The employee has the right to appeal a decision not to grant retirement on the grounds of ill health, as well as decisions made at either Tier 2 or Tier 3. It should be noted that there is no right of appeal at Tier 1. Details of ill health retirement tiers are provided in Appendix B.
- 2.5 Before ill health retirement benefits can commence, a final meeting, as specified in the [Sickness Absence Policy](#), must be held to dismiss the employee on ill health grounds.

3 Definition of Ill Health Retirement

- 3.1 Ill Health Retirement refers to the termination of employment on the grounds of an employee's inability to continue in their job due to illness or disability. This process may involve an application for pension benefits due to the employee's long term incapacity.

4 Eligibility

- 4.1 To be eligible for ill health retirement, the employee must meet the following criteria:
 - 4.1.1 Long-term illness or disability: The employee must be suffering from a long-term illness or disability, typically lasting at least 12 months, which impedes their ability to perform their current role.
 - 4.1.2 Medical evidence: The employee must provide medical evidence confirming that they are unfit to continue working. This may include reports from the employee's GP, specialist or the Council's Occupational Health service.
 - 4.1.3 Inability to perform duties: The employee must demonstrate that they cannot perform their current role, or any suitable alternative role, even with reasonable adjustments.
 - 4.1.4 Membership in the pension scheme: The employee must be a member of the Council's occupational pension scheme or be entitled to other statutory benefits where applicable.

5 Process for Ill Health Retirement

- 5.1 The key steps required to be taken as part of Ill Health Retirement process by all relevant stakeholders are outlined at Appendix A of this policy.

6 Ill Health Retirement Tiers

- 6.1 Ill Health Retirement benefits are generally organised in tiers reflecting the severity of the employee's condition and their potential to work in the future. The tiers for ill health retirement, along with an outline of entitlement levels based on the Council's Occupational Health service and pension scheme provisions can be found in Appendix B.

7 Appeal Process

- 7.1 Initial Outcome Appeal Process as follows:
- 7.2 The appeal must be made on the appropriate form and submitted to the Head of Service who made the decision within six months from the date of the letter confirming the decision. Where there are special circumstances, the six month time limit can be extended for a reasonable period with the approval of the Head of Service.
- 7.3 Stage One Appeal Process as follows:
- 7.4 Upon receiving the appeal, the Head of Service will forward the documentation to the Employee Relations Manager (as the Specified Person under the LGPS Regulations) and simultaneously notify the Employee Relations team that an appeal under Stage One of the Internal Disputes Resolution Procedure (IDRP) has been lodged, which must be reviewed by a Head of Service. This must be a Head of Service who has not been involved in the initial outcome.
- 7.5 If a review of the recommendation is required, the Head of Service will refer the case to Occupational Health. Occupational Health will then arrange for the documentation to be reviewed by a new Independent Occupational Health Doctor for a second opinion. This second opinion will follow the process outlined in Appendix A and include a review of the documentation submitted with the appeal. The Independent Doctor will then provide the outcome of the appeal in writing to the Head of Service.
- 7.6 If an employee is dissatisfied with the stage one outcome or the failure to make a decision they can escalate this as a Stage Two by submitting a further appeal to the Pension Fund for review.
- 7.7 Stage Two Appeal Process as follows:
- 7.8 If you are dissatisfied with the outcome of the stage one decision the Pension Fund will independently review the stage one appeal and original decision. If applicable Pensions may refer to and Independent Occupational Health Doctor for a third review. Appeals are to be submitted to the Employee Relations Manager who will notify Pensions.
- 7.9 If the appeal is upheld, the process outlined in Appendix A of this policy will be implemented.
- 7.10 If the appeal is not upheld, the employee must choose either to accept the panel's decision or to proceed with the formal sickness management process or capability process.
- 7.11 The employee cannot dispute the decision to award Tier 1 ill health retirement, as this grants full retirement benefits based on the expectation that there is no reasonable prospect of the employee securing employment before their normal retirement date.
- 7.12 There is a right to appeal against the decision not to award ill health retirement, as well as a right to dispute the decision to award it at either Tier 2 or Tier 3. A dispute can only be made on the grounds that:

7.12.1 Medical evidence that was available to the OH doctors was not considered when making the recommendation, or

7.12.2 New medical evidence has come to light since the recommendation was made.

8 Review of Tier 3 Benefit

8.1 In this section, "member" refers to employee in the pension scheme.

8.2 There is no requirement for a review of payments for benefits paid at Tier 1 or Tier 2. However, a Tier 3 benefit is awarded as an interim pension because the employee is considered capable of returning to gainful employment within three years of the start of the payments.

8.3 Gainful employment is defined as "paid employment for not less than 30 hours each week for a period of not less than twelve (12) months." Former employees who retire with Tier 3 benefits must inform the Pensions Team as soon as they find work so that the 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 Pensions Team is not informed when employment is found and pension payments continue, they may be recovered as overpayments.

8.4 After eighteen (18) months of pension payments, the Pensions Team will contact the former employee to confirm their employment status. If the former 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.

8.4.1 The recommendation of the Pensions Team may be either:

8.4.2 To continue paying Tier 3 benefits until the end of the original three-year period after the date of termination of employment, or

8.4.3 If a new certificate is issued by the Independent Occupational Health Doctor recommending the benefit be amended to Tier 1 or 2 from the date of the review decision, the Pensions Team will make the necessary changes.

8.5 At a Tier 3 review Occupational Health can recommend the following:

8.5.1 That the member is fit to return to work, Tier 3 ceases.

8.5.2 The member is still unable to return to work but is expected to be able to after the next 18 month period. Tier 3 continues.

8.5.3 The members condition has gotten worse so they are to be uplifted. This can be to a tier 1 or 2.

9 Former Employees Requesting Ill Health Retirement

9.1 In the event that a previous employee of the Council requests ill health retirement then the following must be followed:

- 9.1.1 If a former employee is currently working for another local authority and has a certificate from an Occupational Health Practitioner indicating that their health condition qualifies them for ill health retirement, the Council may accept this certificate without requiring an additional referral to Occupational Health.
- 9.1.2 The certificate must be sent to the Employee Relations team, who will verify the length of service and the number of years of payment into the pension scheme. The verified details will then be passed to the Pensions team to initiate the payment of pensions.
- 9.1.3 If the former employee is not employed by another local authority and does not have a certificate, the Employee Relations team will verify eligibility by confirming the length of service with Haringey and the number of years in the pension scheme. Once verified, a referral will be made to Occupational Health.

10 Confidentiality

- 10.1 All medical information related to ill health retirement will be treated in strict confidence, in line with the Council's data protection policy and the General Data Protection Regulation (GDPR). Access to medical records will be restricted to those involved in the decision-making process.

11 Support for employees

- 11.1 The following resources are available to an employee to access for support / advice.
- 11.2 **Trade Union**
The employee can contact their trade union representative for support and advice. The trade union representative can attend formal meetings to accompany the employee. Further information can be found [here](#).
- 11.3 **Employee Assistance Programme (EAP)**
This is a telephone service which offers counselling services covering a variety of topics related to personal, work -related, health or legal issues. This is a confidential service; an employee will only need to declare which directorate they work and can be accessed 365 days a year. This service is available to employees who are on a permanent, fixed term and temporary contract. Further information can be found [here](#).
- 11.4 **Occupational Health (OH)**
A manager can refer the employee to Occupational Health for further support in managing any physical or mental health during this process subject to an employee's consent. In addition, the manager can conduct a [stress risk assessment](#) to ensure that any risk related to stress can be managed.
- 11.5 **Mental Health First Aiders (MHFA)**
These are colleagues across the Council that have been trained to identify, understand and support employees. Further help can be found here (insert link).
- 11.6 **Virtual Meeting or Hearing**
For employees requesting a virtual meeting or hearing support can be found on the [intranet](#) on how to use Microsoft teams and additional training can be provided.

12 Further References

Organisational Change Policy
Sickness Absence Policy
Capability Policy

Appendix A - Process for Ill Health Retirement

Step One Line Manager	Step Two Occupational Health	Step Three Independent Occupational Health Practitioner	Step Four Head of Service
<p>Consider Other Options</p> <p>Explore all other options to support an employee back into work by making reasonable adjustments that may help. Further information can be found here, via Occupational Health or the Equality, Diversity and Inclusion Lead.</p> <p>Explore the possibility of medical redeployment to other work which may be more suitable to the employee's capabilities, skills and experience. Medical redeployment is conducted the same way as redeployment and full details can be found in the Organisational Change Policy and Sickness Absence Policy.</p> <p>Consider reducing the employee's working hours in order to make the working week more manageable.</p> <p>In the event that other options have either been tried and been unsuccessful or are not a viable</p>	<p>Initial Recommendation</p> <p>Responsible for collating the medical information necessary to enable a recommendation to be made based on all medical information available and by speaking with the employee. Additional medical information may include a report from the employee's GP, hospital consultant or other medical practitioner.</p> <p>Following the initial assessment, a recommendation will be made and then an independent Occupational Health Doctor will be approached to provide a second opinion by the Occupational Health team.</p> <p>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).</p>	<p>The Independent Medical Practitioner will certify whether or not, in their professional opinion and on the balance of probabilities, the pensions criteria for satisfying the entitlement to an ill health retirement benefit has been met. In reaching a decision, the doctor will consider the ill health statutory guidance and consider whether 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".</p> <p>The following factors will be taken into consideration by the Independent Doctor in making the final recommendation will include:</p> <ul style="list-style-type: none"> • 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 	<p>Upon receipt of the Occupational Health report the manager must arrange to discuss the report and recommendation with the Head of Service and Employee Relations team to decide whether or not to accept the medical recommendation and to offer ill health retirement at the suggested level.</p> <p>The manager must then arrange to formally meet with the employee and their Trade Union or workplace colleague (as applicable) to discuss the Occupational Health recommendation, the decision of the Head of Service and the next steps.</p> <p>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</p>

<p>alternative given the employee's specific circumstances, it may be necessary for the manager to consider ill health retirement.</p>	<p>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.</p> <p>Once the certificate is received the Head of Service will work with HR to make the decision on whether to accept the recommendation stated on the certificate and the tier of retirement award.</p>	<ul style="list-style-type: none"> • Access to the site of the employment • Whether any modifications or adaptations could be made which would allow for 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 <p>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 will be sent to Occupational Health for it to be sent to the manager along with any medical evidence. It should be noted that the report is advisory only, the decision whether or not to offer ill health retirement and the level of benefit to offer rests with the employee's Head of Service.</p> <p>If the Independent Doctor decides that the criteria for ill health retirement has not been met, the case will be referred back to</p>	<p>enable them to begin the process for payments. A copy of the documents should be sent to the Employee Relations team and HR Operations team.</p>
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		Occupational Health who will send an Occupational Health report to the manager to this effect.	
Occupational Health Referral for Ill Health Assessment Manager to submit referral to the Council's Occupational Health provider completing and submitting the required paperwork such as Job Description, Referral and Consent Forms. Further information can be found here . The referral must clearly state that advice is needed regarding the possibility of ill health retirement and if applicable details regarding any adjustments to working practices, additional equipment or working hours that have already been made to help support the employee.			

Appendix B - Summary of Ill Health Retirement Tiers

Tier	Criteria	Entitlement	Pension
Tier 1	An employee qualifies for Tier 1 if they are unlikely to be capable of gainful employment before your Normal Pension Age.	<p>The ill health benefits an employee would receive are:</p> <ul style="list-style-type: none"> the pension they have already built up on date of leaving no reduction for early payment plus the pension the employee would have built up in the main section of the LGPS from your leaving date to your Normal Pension Age. 	A Tier 1 pension is paid for the rest of the employee's life. The increase to the employee's pension under Tier 1 is based on their Assumed Pensionable Pay.
Tier 2	An employee qualifies for Tier 2 if they are unlikely to be capable of gainful employment within three years of leaving but are likely to be capable of gainful employment before your Normal Pension Age.	<p>The ill health benefits an employee would receive are:</p> <ul style="list-style-type: none"> the pension they have already built up on date of leaving no reduction for early payment plus 25% of the pension they would have built up in the main section of the LGPS from leaving date to their Normal Pension Age. 	A Tier 2 pension is paid for the rest of the employee's life. The increase to the employee's pension under Tier 2 is based on their Assumed Pensionable Pay.
Tier 3	An employee qualifies for Tier 3 if they are likely to be capable of gainful employment within three years of leaving or before their Normal Pension Age, if this is earlier. The employee would receive the pension they have built up on date of leaving. It would not be reduced for early payment.	<p>The employee's Tier 3 pension is paid temporarily. It will stop when the first of these events happens:</p> <ul style="list-style-type: none"> the Tier 3 pension has been paid for three years the employee starts gainful employment the employee becomes capable of gainful employment. 	<p>If the employee reaches Normal Pension Age while Tier 3 pension is being paid, it will not stop. The Council must assess whether the employee is capable of undertaking gainful employment.</p> <p>After Tier 3 pension is stopped, it will normally become payable again from the employee's Normal Pension Age. The employee may take it earlier. The pension fund will provide the employee with information about their options when Tier 3 pension stops.</p>

Appendix C - Ill Health Retirement Appeal Form

ILL HEALTH RETIREMENT POLICY: APPEAL SUBMISSION FORM

You have the right to appeal the decision not to be retired on the grounds of permanent ill health. The appeal must be made on this form and sent to the Employee Relations Manager within six months of the receipt of the letter from the Head of Service which confirms the decision to refuse ill health retirement.

The form must be completed in full, outlining the reasons for the appeal.

Name		Service / Dept.	
Job Title		Contact Tel. No.	
Line Manager		Union Rep.	

Confirm your grounds for making the appeal (please tick one)

1. The decision not to be retired on the grounds of permanent ill health ☐
2. The entitlement level of 1st, 2nd or 3rd tier pension. ☐

Please outline your appeal, giving as much detail as you can (including any evidence you have to substantiate your appeal). Please include your name on any supplementary sheet submitted?

Please continue on a separate sheet if necessary.

Please confirm the outcome you are seeking to resolve this issue?

Sign.		Date	
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The completed form must be returned to the Head of Service within your team using the following email address **(insert email address for Head of service area)**.

Document Control

Key Information	
Title	Ill Health Retirement Policy
Document Type	Policy
Document Status	New Policy
Author	Employment Practice Manager
Owner	Head of Employee Relations, Business Partners & Reward
Contact	Employment Practice Manager
Approval Body	General Purpose Committee
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