Local Government Pension Scheme (LGPS)

Ill Health Retirements

General information

Independent Registered Medical Practitioner (IRMP)
This is the medical officer making certification.

Appointment of IRMP
The employing authority must have already obtained the administering authority’s approval to its choice of registered IRMP (Admin Reg56(2)). The employing authority and the IRMP must have regard to guidance given by the Secretary of State when carrying out their functions (Admin Reg56(3)).

Independence of IRMP making certification
With the exception of 3rd tier reviews, the IRMP must be in a position to declare that: (Admin Reg56(1))

- they have not previously advised, or given an opinion on, or otherwise been involved in the particular case for which the certificate has been requested; and
- they are not acting, and have not at any time acted, as the representative of the member, the employing authority or any other party in relation to the same case; and
- they must include a statement to that effect in the certificate.

Qualifications of IRMP making certification
An IRMP must be qualified in occupational health medicine and be registered with the General Medical Council and : (Ben Reg20(14))

- hold a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
  or
- be an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

Active and Deferred beneficiary members
If certified unfit for his/her current employment, an active member will receive immediate payment of pension benefits (that may also include enhancement) and normally pensions increases will be paid from the following April. Note: all tiers are eligible for PI if retiring from active status. (Q43 CLG Q&A june2011)
A deferred beneficiary is not eligible for enhancements, and if they are under age 55 will only be entitled to the pensions increase element if they are certified as being unfit for all regular full time (30 hours or more) employment.
Councillor members
The provisions of the ‘New Look’ scheme do not apply to Councillors. Councillors ill health provisions continue to be those under the LGPS Regulations 1997 as amended, i.e. the Pre April 08 rules.

Appeals
Ultimately it is for the ‘Nominated’ or ‘Specified’ person to decide whether they will consider an appeal. CLG have confirmed that the scheme’s Internal Disputes Resolution Procedure may only be used where employment has actually been terminated. (Q45 CLG Q&A june2011)

Costs to the pension fund and enhancement
Generally there is no direct cost to the employer as the Fund’s Actuary incorporates an ill health element as part of the employer contribution. In exceptional circumstances, where the allowance has been far exceeded, the Actuary has the authority to make a further charge. Enhancement is not an employer discretion but is determined by the regulations.

‘serious ill health’
The regulations prior to 1/4/2008 had a special provision for terminally ill members. This provision has been discontinued under the current regulations and cannot now apply to active members, though it may still apply to deferred beneficiaries who left prior to 1/4/08. (LGE Circular 212) It is likely that Councillors may also still have this provision, but if you get a case check first. (LGE Bulletin 55) Pension Credits members also still have this provision, but if you get a case check first.

‘severe ill health’
The member will be exempted from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a member’s pension benefits), if the member meets the ‘severe ill health’ condition. This is met if the individual is certified as suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before reaching pensionable age, OR if they become entitled to a ‘serious ill health’ lump sum. (LGE Circular 249) (Q46 & 47 CLG Q&A june2011)

‘comparable employment’
Though not part of the formal 97 regulations, the guidance notes made it clear that to determine whether a comparable employment could be performed, it must actually exist within the employing authority rather than being a hypothetical job.
‘gainful employment’
means paid employment for not less than 30 hours in each week for a period of not less than 12 months. (Ben Reg20(14))
The actual availability of gainful employment should not be a consideration, nor does it have to be commensurate in terms of pay and conditions with the member’s former/current employment.
In respect of 3rd tier reviews, please note the following guidance:
- actual contracts of less than 12 months do not count as gainful unless extended to beyond 12 months, in which case the payments should stop when a continuous 12 month period of gainful employment has been undertaken.
- variable hour contracts should be considered when a suitable averaging period has been assessed.
- open ended contracts should be treated as 12 months or more and should discontinue immediately upon commencement. (CLG guidance 24nov08)
- for term-time cases see Q32 CLG Q&A june2011.

“normal retirement age”
is 65. (Admin Sch1)

“permanently incapable”
means that the member will, more likely than not, be incapable until, at the earliest, his 65th birthday. (Ben Reg20(14))
Ill health retirement from ACTIVE membership

Eligibility to ill health benefits

Service criteria (Ben Reg 5)

- member’s total membership is at least three months (Ben reg 5(1)(a))
  or
- transfer value is credited to member (Ben reg 5(1)(b))
  or
- has previously qualified for benefits in the scheme and hasn’t subsequently transferred them out (Ben reg 5(2) to (4))

Medical criteria (Reg 20 (1))

- It is the employer’s responsibility to determine whether the member is to have their employment terminated on ill health grounds. (Ben reg 20(1))

- In making such a determination the employer must obtain a certificate from an IRMP as to whether in his opinion: (Ben reg 20(5))
  (1) - the member is suffering from a condition that renders him permanently incapable of discharging efficiently the duties of the relevant employment because of ill-health or infirmity of mind or body (Ben reg 20(1)(a))
  and, if so,
  (2) - whether as a result of that condition the member has a reduced likelihood of being capable of undertaking any gainful employment before reaching their normal retirement age. (Ben reg 20(1)(b))
  (In regard to this, the criteria of the three Tiers of ill health benefits should be taken into account).

Which tier of ill health
(to be determined in relation to IRMP certification)

Tier 1 Ben reg 20(2)

- If there is no reasonable prospect of the member being capable of undertaking any gainful employment before his normal retirement age, then
- benefits are enhanced by potential service to normal retirement age.

Tier 2 Ben reg 20(3)

- If the member is not capable of undertaking gainful employment within three years of leaving employment, and
- it is likely that they will be capable of undertaking gainful employment before their normal retirement age,
- benefits are enhanced by 25% of potential service to normal retirement age.
Ill health retirement from ACTIVE membership

Tier 3 (Ben reg20(4))
- though the member has a reduced likelihood of being capable of undertaking gainful employment, if it is likely that the member will capable within three years of leaving his employment, or normal retirement age if earlier, then
- both pension and lump sum are paid (but benefits are not enhanced) and
- the pension element is only payable for so long as they are not in gainful employment, or if after 18 months are deemed to be capable of such (see review of Tier 3 payments), up to a maximum of three years.

Enhancement for Part Timers (Ben Reg20(12))

Unless the member is certified as having reduced their hours because of the health conditions leading to their ill health retirement, then any enhancement granted will be apportioned in relation to their normal part time hours in their final post (not averaged over total membership unless the 1997 regulation protection applies).

If member became Part Time because of ill health prior to retirement (Ben Reg20(12))
(This only applies to cases where a further reduction of hours has occurred because of worsening ill health and doesn’t apply to a member’s choice to take part time employment as a result of any existing condition.)

If the certificate states that, in the IRMP’s opinion, the member is in part-time service wholly or partly as a result of the condition that has caused him to be incapable of discharging efficiently the duties of the relevant local government employment, no account shall be taken of such reduction in his service nor enhancement as is attributable to that condition.

(It is understood from CLG guidance 24nov08 that this also applies to Tier 3 benefits)
(Q2 & 23 CLG Q&A june2011)

Protections for pre Apr08 members (Ben Reg20(13))

(Q20 CLG Q&A june2011)
If the member:
- qualifies for Tier 1 or Tier 2 ill health benefits, and
- was in active membership before 1st April 2008, and
- was born before 2/4/1963, and
- has had continuous membership, and
- has not received any benefits in respect of that membership and
- the period of enhancement granted is less than it would have been under the 1997 Regulations,
then the benefits are increased to those payable if the enhancement period due under the 1997 Regulations was granted.

(i.e. qualification to benefit is assessed on the new rules only, and if they so qualify then the enhancement period is the higher of the old or new rules, and in either case 1/60ths pension applied to the enhancement period).

Note: a member who takes flexible retirement will lose any protections they would have had under this provision in their continuing employment. (GAD Flexible Retirement Guidance 17aug2011)
**Ill health retirement from ACTIVE membership**

**Added years contracts** *(1997 regs)*
Technically are only deemed paid up upon ill health retirement if the conditions of the 1997 ill health retirement rules are met. Potentially therefore a case may occur where the added years is deemed paid up but the member isn’t entitled to ill health retirement. See CLG guidance *(Q35 CLG Q&A june2011)*.

**ARCs (Admin reg 24)**
- Are deemed paid up upon Tier 1 or 2 ill health retirement.
- On Tier 3, ARCs are to be paid but only at the value purchased to date. *(Q36 CLG Q&A june2011)*
- It is unclear whether the ARCs will then be subject to actuarial reduction.
  (LGE GAD course indicated reduction, reading of admin reg 24 and GAD guidance 14dec09 indicates no reduction)
This should be resolved in due course but in the meantime we propose that no actuarial reduction is applied.
If subsequently Tier 3 is reviewed and revised to Tier 2 then the ARCs are adjusted to be paid up and without actuarial reduction.

**AVCs**
- May be paid upon ill health retirement for tiers 1 & 2.
- For tier 3 , LGE advise that they have raised this with CLG but not had it resolved. LGE believe it is reasonable to allow release of AVC, BUT, if used to purchase LGPS annuity or service then it would be suspended when the 3rd tier pension is suspended. If taken as part of the 25% cash or a non LGPS annuity, then no suspension could apply.
  *(Discussed at EMPOG meeting 20april11 & 8july2011)*

**Death Grants**
In all cases there is no death grant if the member dies after age 75.
- Actives – 3 x final pay (actual, not WTE)
- Tier 1 ill health retirements - 10 x annual pension less pension received
- Tier 2 ill health retirements - 10 x annual pension less pension received
- Tier 3 ill health retirements - if in receipt of the 3rd tier pension then 10 x annual pension in payment less the amount that has already been paid.
  BUT if the 3rd tier pension is suspended then it is based on 5 x annual pension: *(Q38 CLG Q&A june2011)*
  A manual correction of AXISe is required to tier 3 suspended pension deaths.

**Restrictions on Enhancement**
If a member is retiring for a second time on ill health grounds, then the overall benefits they receive should not be greater than if tier 1 benefits were awarded initially.
(The mechanics of this are unclear at present.)
*CLGs guidance june 2011 & explanatory memo to the SI. Ben reg 20(11A)*

**Councillor members**
The provisions of the ‘New Look’ scheme do not apply to Councillors. Councillors ill health provisions continue to be those under the LGPS Regulations 1997 as amended i.e. the Pre April 08 rules. There is a separate sample ill health certificate for active councillor members.
THE LOCAL GOVERNMENT PENSION SCHEME

MEDICAL CERTIFICATE of PERMANENT INCAPACITY
for Current Employees

MEMBER’S NAME: ________________________________________________________________

National Insurance Number: ______________________________ Date of Birth: ______________

Current POST HELD: _____________________________________________________________

Current EMPLOYER: _____________________________________________________________

Medical Practitioner’s Certification – (You must tick Section A or B)

A  ☐ I certify that the above-named person IS NOT suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her current employment. (not eligible for release of pension benefits on ill health grounds)

   if box A is ticked then no further boxes need be ticked

B  ☐ I certify that the above-named person IS suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her current employment, and

   if box B is ticked you must also tick either box 1 or 2 below

   1. ☐ HAS a reduced likelihood of being capable of undertaking any gainful employment before age 65. (eligible for release of pension benefits on ill health grounds)

   2. ☐ DOES NOT HAVE a reduced likelihood of being capable of undertaking any gainful employment before age 65. (not eligible for release of pension benefits on ill health grounds)

   if box 1 is ticked you must also tick either 3, 4 or 5 below, and consider Sections C and D.

   3. ☐ he/she has no reasonable prospect of being capable of gainful employment before age 65. (TIER 1)

   4. ☐ he/she is not capable of any gainful employment for at least three years but has a reasonable prospect of being capable of gainful employment before age 65. (TIER 2)

   5. ☐ he/she is likely to be capable of undertaking gainful employment within three years. (TIER 3)

C  ☐ I certify that, in my opinion, the member is wholly or partly in part-time service as a result of the condition that has caused him/her to be incapable of discharging efficiently the duties of his/her employment, and the earliest reduction in hours to which this applies is _____________ (insert date if this section applies)

D  ☐ “Severe ill health condition” for the purposes of exemption from the Annual Allowance test.

   I certify that, in my opinion, the member is suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before reaching state pension age.

Certification

I confirm that I have not previously advised, or given an opinion on, or otherwise been involved in this particular case nor am I acting, or have ever acted, as the representative of the member, the Scheme employer or any other party in relation to this case. I further confirm that I am in possession of a qualification in occupational medicine required for the completion of this certificate.

Signature: ______________________________ (Medical Officer) Date: __________________________

Print Name: ________________________________________________________________
Notes for medical practitioners completing certificates of incapacity

Completing the certificate

**Section A** – to certify that the member *is not* permanently incapacitated. If Section A is ticked then Sections B & C & D can be ignored.

**Section B** – to certify that the member *is* permanently incapacitated. If this box is ticked then either option 1 or 2 must be ticked. If option 1 is ticked, then either option 3, 4 or 5 must also be ticked. If the point at which the member is likely to be capable of undertaking gainful employment is after age 65 and also within 3yrs, please tick option 3 in Section B.

**Section C** – if Section B1 applies, Section C also needs to be considered. It relates to a provision designed to protect the benefits of members who may have reduced their hours of employment as a result of the ill health that has led to this certification.

**Section D** – if Section B1 applies, consider Section D. The member will be exempt from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a members pension benefits), if they meet the ‘severe ill health’ condition.

Definitions used

‘permanently incapable’ - (97regs27(5)) & (2008Ben Reg20(14))
means that the member will, more likely than not, be incapable, until, at the earliest, his 65th birthday.

‘qualified in occupational medicine’ - (2008Regs20(14))
means either;
- holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
- being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

‘gainful employment’ – (2008Ben Reg20(14))
means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

‘severe ill health condition’
The member will be exempt from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a members pension benefits), if they meet the ‘severe ill health’ condition. This is met if the individual is certified as suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before reaching pensionable age.
For the purposes of this definition, pensionable age means the members State Pension Age which will vary from member to member.
MEDICAL CERTIFICATE of PERMANENT INCAPACITY
for active Councillor members

MEMBER’S NAME: ____________________________________

National Insurance Number: ______________________  Date of Birth: __________________

NATURE OF OFFICE: ____________________________________

AUTHORITY: ________________________________________

Medical Practitioner’s Certification – (You must tick Section A or B)

A  □ I certify that the above-named person IS NOT suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her office. 
   (not eligible for release of pension benefits on ill health grounds)

B  □ I certify that the above-named person IS suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her office. 
   (eligible for release of pension benefits on ill health grounds)

If box B is ticked please also consider sections C and D

C  □ I certify that, in my opinion, the above-named is exceptionally ill, with a life expectancy of less than one year. 
   (eligible for special commutation option)

D  □ ‘Severe ill health condition’ for the purposes of exemption from the Annual Allowance test.
I certify that, in my opinion, the member is suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before reaching state pension age.

Certification

I confirm that I have not previously advised, or given an opinion on, or otherwise been involved in this particular case nor am I acting, or have ever acted, as the representative of the member, the Scheme employer or any other party in relation to this case.
I further confirm that I am in possession of a qualification in occupational medicine required for the completion of this certificate.

Signature: _______________________________  (Medical Officer)  Date:____________________

Print Name: _______________________________
Notes for medical practitioners completing certificates of incapacity

Completing the certificate

Section A – to certify that the member is not permanently incapacitated. If Section A is ticked then Sections B, C & D can be ignored.

Section B – to certify that the member is permanently incapacitated. If this box is ticked then Section C & D should be considered.

Section C – if Section B applies, consider Section C. For cases of exceptional ill-health with a life expectancy of less than one year, the member may commute his/her pension to a single lump sum.

Section D – if Section B applies, consider Section D. The member will be exempt from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a members pension benefits), if they meet the ‘severe ill health’ condition.

Definitions used

‘permanently incapable’ - (97regs27(5)) & (2008Ben Reg20(14))
means that the member will, more likely than not, be incapable, until, at the earliest, his 65th birthday.

‘qualified in occupational medicine’ - (2008Regs20(14))
means either;
• holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
or
• being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

‘severe ill health condition’
The member will be exempt from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a members pension benefits), if they meet the ‘severe ill health’ condition. This is met if the individual is certified as suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before reaching pensionable age.
For the purposes of this definition, pensionable age means the members State Pension Age which will vary from member to member.
Review of Tier 3 ill health pensions

A member in receipt of Tier 3 ill health benefits must:

- inform the authority if he obtains employment
- answer any enquiries made by the authority as to his current employment status, including as to his pay and working hours.

Once benefits have been in payment for 18 months, the employer must:

- make enquiries as to his current employment, and
- if he is not in gainful employment, obtain a further certificate from an independent registered medical practitioner. This does not have to be a different medical practitioner from the original assessment (CLG guidance 24nov08 & Admin reg 56). The Review of Tier 3 Pensioner certificate is required for this purpose.

Note: suspension of a 3rd tier pension may not be made prior to 18 months unless the member is actually working in gainful employment, even if the member is certified as being capable of undertaking immediate gainful employment. However, if the member is capable of undertaking immediate gainful employment at the point of retirement, it may be argued that the member does not have a ‘reduced likelihood’ of such and may not be entitled to 3rd Tier benefits in the first place. (confirmed verbally by TE at LGE 30jul08)

The employer must discontinue the pension if they consider:

- that the person is in gainful employment or
- if the further medical certificate states he is capable of undertaking such employment and
- may recover any payment made in respect of any period during which they consider him to have been in gainful employment. See CLG FAQs as in some circumstances failure to recover has tax consequences.

(Q12 CLG Q&A june2011)

The employer may as a result of a medical review:

- determine that Tier 2 benefits are payable (even where the Tier 3 pension has already ceased) provided that the medical condition relates to that for which the Tier 3 benefit was paid, and
- increase the member’s pension benefit from the date of that determination, and the tier 2 enhancement applied will be based on 25% of prospective service between date of determination and age 65 (CLG guidance para 44). (There is no further option to commute pension to lump sum at this point.) but
- such a determination may only be made prior to the member attaining age 65 and if the pension had already ceased at the point of determination, within 3 years of the date of cessation. Also see CLG guidance with regard to tax implications with regard to increasing pension (Q15 CLG Q&A june2011)

Note: Ben Reg 20(11a) doesn’t specify the earliest point at which an authority may make a determination to increase benefits to tier 2. It is unclear but presumed that it can be made before the 18 month review point. The latest point a determination can be made is 3 years after the 3rd tier pension has been discontinued.
The employer must (unless upgraded to tier 2) in any event:
- discontinue the pension after three years
- notify the administering authority that it has ceased.

A member who has had Tier 3 benefits ceased:
- is treated as a pensioner member with deferred benefits,
- is not eligible to receive Tier 3 benefits again in respect of any future period,
- may not aggregate those benefits upon return to active membership.
- may apply for the early release of benefits under Reg 31 (Bens Regulations) in respect of an unrelated medical condition.

If a member reaches or will reach age 65 prior to the 18mth review, then a review is not necessary, (as the member is entitled to their unreduced benefits on age grounds) though they will still have had an obligation to inform the employer of any employment they have undertaken prior to reaching age 65, which may result in the temporary suspension of their pension prior to age 65.
THE LOCAL GOVERNMENT PENSION SCHEME
SAMPLE CERTIFICATE

MEDICAL CERTIFICATE of PERMANENT INCAPACITY

REVIEW of Tier 3 Pensioner

MEMBER’S NAME: ____________________________________ ________________________
National Insurance Number: ________________________ __    Date of Birth: ______________
Former POST HELD:  ________________________________ __________________________
Former EMPLOYER: __________________________________ _________________________
Date left employment: ___________________ Note: this compulsory review should not be prior to 18mths after leaving

Medical Practitioner’s Certification – (You must tick Section A or B)

A  ☐ I certify that the above-named person is CURRENTLY CAPABLE of undertaking gainful employment.
   (TIER 3 pension will now cease)
   if box A is ticked then no further boxes need be ticked

B  ☐ I certify that the above-named person CONTINUES TO HAVE a reduced likelihood of being capable of undertaking any gainful employment, and
   if box B is ticked you must also tick either box 1 or 2 below
   1. ☐ he/she continues to be capable of undertaking gainful employment within three years of his/her date of leaving.
      (TIER 3 pension will continue)
   2. ☐ owing to the worsening of the member’s health for which the Tier 3 pension was paid, he/she is not now capable of undertaking any gainful employment for at least three years after his/her date of leaving.
      (TIER 3 pension will be upgraded to TIER 2 pension)

If box 1 is ticked and you would like to review the case again before the member’s pension ceases (which is 3 yrs after leaving), please state the date you would propose to review the case: ______________________

If box 2 is ticked, please also consider Section C.

C  ☐ ‘Severe ill health condition’ for the purposes of exemption from the Annual Allowance test.
   I certify that, in my opinion, the member is suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before State Pension Age.

Certification

I confirm that I am in possession of a qualification in occupational medicine required for the completion of this certificate.

Signature: ____________________________________ (Medical Officer) Date:_______________
Print Name: ______________________________________
Notes for medical practitioners completing certificates of incapacity

Completing the certificate

Section A – to certify that the member is currently capable of gainful employment, which will lead to a cessation of the Tier 3 pension.

Section B – to certify that the member continues to have a reduced likelihood of being capable of undertaking gainful employment. If this box is ticked then either box 1 or 2 must be ticked. If box 2 is ticked, this will increase the award payable to the member from a Tier 3 temporary pension to a Tier 2 pension payable for life.

Section C – if box B2 is ticked, please also, consider Section C. The member will be exempt from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a members pension benefits), if they meet the ‘severe ill health’ condition.

Definitions used

‘tier 3 pension’ – a pension awarded to an employee who was certified as permanently unfit for their post and having a reduced likelihood of being capable of undertaking gainful employment, though would be likely to be capable of undertaking gainful employment within 3 years of leaving employment.

‘qualified in occupational medicine’ - (ben reg 20(14)) means either;
• holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
or
• being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

‘gainful employment’ – (ben reg 20(14)) means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

‘severe ill health condition’
The member will be exempt from the Annual Allowance test (created by HMRC to assess tax on large yearly growth in the value of a members pension benefits), if they meet the ‘severe ill health’ condition. This is met if the individual is certified as suffering from ill health which makes them unlikely to be able (otherwise than to an insignificant extent) to undertake gainful work (in any capacity) before reaching pensionable age.
For the purposes of this definition, pensionable age means the members State Pension Age which will vary from member to member.
Ill health retirement from DEFERRED membership

(Ben Reg 31)

Early payment of deferred pension benefits is split into 3 categories dependent upon the date the member left active employment.

In all cases

• The former employer (at the point the member left) is responsible for making the decision as to whether benefits are paid, but may only agree to the payment of benefits on the certification of a qualified occupational health advisor appointed by them.
• The former employer is also responsible for meeting the costs of the certification.
• If benefits become payable, they are paid without enhancement.
• If the member is under 55, then the PI is withheld until age 55, unless the member is further certified to be incapable of any regular full-time (30hrs or more per week) employment (provision comes from the PI Act 1972).

Case specific (LGE Circular 212)

Members who left before 1/4/1998
• May be paid from any date that the member is certified to have been permanently incapable of discharging efficiently the duties of his/her former job.
• Payment may be backdated if evidence of the member’s permanent incapacity was discoverable based on evidence available at that time.

Members who left on or after 1/4/1998 and before 1/4/2008
• May be paid from the date of application provided that the member is certified to have been permanently incapable of discharging efficiently the duties of his/her former job.
• Date of payment may not be backdated prior to the date of the member’s application for payment.

Members who left on or after 1/4/2008
• May be paid from the date of application provided that the member is certified to have been
  - permanently incapable of discharging efficiently the duties of his/her former job and,
  - would fall within the category of tier 1 or 2 that applies to actives.
• If tier 3 would apply then benefits may not be released.
• Payment may be backdated if evidence of the member’s permanent incapacity was discoverable based on evidence available at that time. (This is a new provision based on interpretation of SI2010/2090 & LGE bulletin 74 sept 2010).

Certificates

Two sample certificates for payment of deferred benefits are provided at the end of this guide. One relates to members who left before April 2008, (and includes the differences for pre 1/4/98 leavers) and the other is for members who left on or after 1/4/2008.
THE LOCAL GOVERNMENT PENSION SCHEME

SAMPLE CERTIFICATE

MEDICAL CERTIFICATE of PERMANENT INCAPACITY
for Former Employees who left on or after 1 April 2008

MEMBER’S NAME: ____________________________________
National Insurance Number: ____________________________
Date of Birth: ____________________

FORMER POST HELD: _______________________________________
FORMER EMPLOYER: _______________________________________
DATE LEFT FORMER EMPLOYMENT: ____________________________

Medical Practitioner’s Certification – (You must tick Section A or B)

A  I certify that the above-named member IS NOT suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her previous employment. (not eligible for early release of pension on ill health grounds)

if box A is ticked then no further boxes need be ticked

B  I certify that the above-named member IS suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her previous employment, and

If box B is ticked you must also tick box 1 or 2.

1.  the member DOES NOT HAVE (not eligible for early release of pension on ill health grounds)

2.  the member HAS (is eligible for early release of pension on ill health grounds)

a reduced likelihood of being capable of undertaking gainful employment (whether in local government or otherwise) before reaching age 65, or for at least three years, whichever is the sooner.

If box 2 is ticked please also consider sections C, D and E

C  If there is evidence available, which would have been discoverable at the time, that the member was permanently incapable of discharging efficiently the duties of the former post by reason of ill health or infirmity of mind or body, from a date earlier than the date of application, please state the earliest date to which this applies: ____________________ (insert date if this section applies)

D  Required if the member is under age 55 to assess if pensions increase may be paid:

I certify that the above-named person ☐ IS ☐ IS NOT incapable of any regular full-time (30hrs or more per week) employment.

Certification

I confirm that I have not previously advised, or given an opinion on, or otherwise been involved in this particular case nor am I acting, or have ever acted, as the representative of the member, the Scheme employer or any other party in relation to this case.

I further confirm that I am in possession of a qualification in occupational medicine required for the completion of this certificate.

Signature: _______________________________ (Medical Officer)  Date: ______________________

Print Name: ______________________________________

______________________________
(Signature)

______________________________
(Print Name)
Notes for medical practitioners completing certificates of incapacity

Completing the certificate

Section A – to certify that the member is not permanently incapacitated. If Section A is ticked then Sections B & C & D can be ignored.

Section B – to certify that the member is permanently incapacitated. If box B is ticked then either box 1 or box 2 must also be ticked. If the point at which the member is likely to be capable of gainful employment is after age 65 and also within 3yrs, please tick box 2 (HAS) option in the second part of Section B.

Section C – If it is considered that the member was permanently unfit prior to their application for payment of their deferred pension benefits, and that there was evidence available at that time.

Section D – if Section B2 applies and the member is under age 55, then Section D also needs to be completed. It determines whether pensions increase may be paid to the member before he/she reaches age 55, as required of the Pensions Increase Act 1972.

Definitions used

‘permanently incapable’ - (97regs27(5)) & (2008Ben Reg20(14))
means that the member will, more likely than not, be incapable, until, at the earliest, his 65th birthday.

'qualified in occupational medicine' - (2008Regs20(14))
means either;
• holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
or
• being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

‘gainful employment’ – (2008Ben Reg20(14))
means paid employment for not less than 30 hours in each week for a period of not less than 12 months.
THE LOCAL GOVERNMENT PENSION SCHEME

SAMPLE CERTIFICATE

MEDICAL CERTIFICATE of PERMANENT INCAPACITY
for Former Employees who left prior to 1 April 2008

MEMBER’S NAME: ____________________________________________________________

National Insurance Number: __________________________ Date of Birth: _____________________

FORMER POST HELD: ____________________________________________________________

FORMER EMPLOYER: ____________________________________________________________

DATE LEFT FORMER EMPLOYMENT: ________________________________

Medical Practitioner’s Certification – (You must tick Section A or B)

A  □ I certify that the above-named person IS NOT suffering from ill health or infirmity of mind or body
that renders him/her permanently incapable of discharging efficiently the duties of his/her previous
employment. (not eligible for early payment on ill health grounds)

If box A is ticked then no further boxes need be ticked

B  □ I certify that the above-named person IS suffering from ill health or infirmity of mind or body that
renders him/her permanently incapable of discharging efficiently the duties of his/her previous
employment. (is eligible for early payment on ill health grounds)

If box B is ticked please also consider sections C, D, and E

C Required if member is under age 55 to enable pensions increase to be paid:
I certify that the above-named person   □ IS  □ IS NOT incapable of any regular full-time (30hrs
or more per week) employment.

D If the member left the former employment prior to 1 April 1998 and there is evidence available that
the benefits may have been put into payment (due to becoming permanently incapable of discharging
efficiently the duties of the former post by reason of ill health or infirmity of mind or body), from a date
earlier than the date of application, please state below the date from which benefits should be put into payment: ________________ (insert date if this section applies)

E □ I certify that, in my opinion, the above-named is exceptionally ill, with a life expectancy of less
than one year. (eligible for special commutation option)

Certification
I confirm that I have not previously advised, or given an opinion on, or otherwise been involved in this
particular case nor am I acting, or have ever acted, as the representative of the member, the Scheme
employer or any other party in relation to this case.
I further confirm that I am in possession of a qualification in occupational medicine required for the
completion of this certificate.

Signature: ____________________________ (Medical Officer) Date: __________________________

Print Name: ____________________________
Notes for medical practitioners completing certificates of incapacity

Completing the certificate

Section A – to certify that the member is not permanently incapacitated. If Section A is ticked then Sections B, C, D & E can be ignored.

Section B – to certify that the member is permanently incapacitated. If this box is ticked then Sections C, D & E should be considered.

Section C – if Section B applies and the member is under age 55, then Section C also needs to be completed. It determines whether pensions increase may be paid to the member before he/she reaches age 55, as required of the Pensions Increase Act 1972.

Section D – Only required if the member left prior to 1/4/1998 and it is considered that the member was permanently unfit prior to their application for payment of their deferred pension benefits, and that there was evidence available at that time. In such circumstances the pension can be backdated.

Section E – if Section B applies, consider Section E. For cases of exceptional ill-health with a life expectancy of less than one year, the member may commute his/her pension to a single lump sum.

Definitions used

‘permanently incapable’ - (97regs27(5)) & (2008Ben Reg20(14))
means that the member will, more likely than not, be incapable, until, at the earliest, his 65th birthday.

‘qualified in occupational medicine’ - (2008Regs20(14))
means either;
• holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
or
• being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.
THE LOCAL GOVERNMENT PENSION SCHEME

SAMPLE CERTIFICATE

MEDICAL CERTIFICATE of PERMANENT INCAPACITY
for former councillor members with deferred benefits

MEMBER’S NAME: ____________________________________________________________

National Insurance Number: ___________________________ Date of Birth: ___________

NATURE OF OFFICE: _________________________________________________________

FORMER AUTHORITY: _________________________________________________________

DATE LEFT FORMER AUTHORITY: ______________________________________________

Medical Practitioner’s Certification – (You must tick Section A or B)

A  □ I certify that the above-named person IS NOT suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her former office as a Councillor. (not eligible for early payment on ill health grounds)

  if box A is ticked then no further boxes need be ticked

B  □ I certify that the above-named person IS suffering from ill health or infirmity of mind or body that renders him/her permanently incapable of discharging efficiently the duties of his/her former office as a Councillor. (is eligible for early payment on ill health grounds)

  If box B is ticked please also consider sections C and D.

C  Required if member is under age 55 to enable pensions increase to be paid:
I certify that the above-named person  □ IS  □ IS NOT incapable of any regular full-time (30hrs or more per week) employment.

D  □ I certify that, in my opinion, the above-named is exceptionally ill, with a life expectancy of less than one year. (eligible for special commutation option)

Certification
I confirm that I have not previously advised, or given an opinion on, or otherwise been involved in this particular case nor am I acting, or have ever acted, as the representative of the member, the Scheme employer or any other party in relation to this case.
I further confirm that I am in possession of a qualification in occupational medicine required for the completion of this certificate.

Signature: _______________________________ (Medical Officer) Date: _________________

Print Name: _______________________________
Notes for medical practitioners completing certificates of incapacity

Completing the certificate

Section A – to certify that the member is not permanently incapacitated. If Section A is ticked then Sections B, C and D can be ignored.

Section B – to certify that the member is permanently incapacitated. If this box is ticked then Sections C and D should be considered.

Section C – if Section B applies and the member is under age 55, then Section C also needs to be completed. It determines whether pensions increase may be paid to the member before he/she reaches age 55, as required of the Pensions Increase Act 1972.

Section D – if Section B applies, consider Section D. For cases of exceptional ill-health with a life expectancy of less than one year, the member may commute his/her pension to a single lump sum.

Definitions used

‘permanently incapable’ - (97regs27(5)) & (2008Ben Reg20(14)) means that the member will, more likely than not, be incapable, until, at the earliest, his 65th birthday.

‘qualified in occupational medicine’ - (2008Regs20(14)) means either;
• holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by section 55(1) of the Medical Act 1983;
• being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.