

The background of the slide is a landscape photograph. The top half shows a clear blue sky above a distant horizon line where a row of wind turbines is visible. The bottom half shows a dark, semi-transparent overlay containing the title text, with a lighter, more detailed view of rolling green hills and a stream in the foreground at the very bottom.

# Local Government Pension Scheme

## Ill Health Retirement

April 2025

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## Introduction

You may be able to receive your pension benefits immediately on ill health grounds if:

- you have at least two years total membership in the Local Government Pension Scheme (LGPS), or
- you have transferred previous pensions into the LGPS which gives you two years membership, and
- your employer ends your employment because of ill health

If you retire on ill health grounds before your normal retirement age, your pension will not be reduced even though you are taking it early.

Ill health pension benefits can be paid at any age and may be increased to take account of your ill health. The increase that may be awarded is split into tiers, depending on how likely you are to be capable of gainful employment.

## How is ill health assessed?

Your employer must get an opinion from an approved Independent Registered Medical Practitioner (IRMP) qualified in occupational health medicine. Your employer must then be satisfied that:

- you are permanently incapable of carrying out your job; and
- you are not immediately capable of undertaking any gainful employment (paid employment for not less than 30 hours per week for not less than 12 months)

Permanently incapable means up to your normal retirement age. Your normal retirement age is either your State Pension age, or 65 if later.

## What is the process?

Your employer will refer your case to the IRMP, who will give an opinion based on the medical evidence presented by your employer, general practitioner and any consultant physician or specialist that you may have seen about your ill health.

You may have to have a medical examination by the IRMP to assess your condition.

Once assessed, a certificate is sent to your employer, which will set out the IRMP's opinion on whether you are permanently incapable of undertaking your job, the likelihood of taking on any gainful employment, and the likely tier of benefits that could be awarded to you (if any).

## What are the different tiers?

### Tier 1

If the IRMP's opinion is that you are unlikely to be capable of undertaking gainful employment before your normal retirement age, the increase to your pension will be the amount of Career Average Revalued Earnings (CARE) pension that you would have built up from the day following your date of ill health retirement to your normal retirement age.

This increase is based on your assumed pensionable pay, which is an average of the pensionable pay that you would have earned in the three complete months (or 12 weeks if weekly paid) before your date of leaving.

### Tier 2

If the IRMP's opinion is that you are unlikely to be capable of undertaking gainful employment within three years of leaving your job, but it is likely that you will be able to undertake gainful employment before your normal retirement age, the increase awarded will be 25% of that given under Tier 1. So, 25% of the amount of CARE pension that you would have built up from the day following your date of ill health retirement to your normal retirement age.

**Pension benefits payable under Tiers 1 and 2 are paid for life.**

### Tier 3

If the IRMP's opinion is that you are likely to be capable of undertaking gainful employment within three years of your Tier 3 retirement or before your normal retirement age (if that is earlier), the benefits that you have built up to your date of ill health retirement will become payable without any increase.

**Tier 3 benefits are not payable for life. A Tier 3 pension will stop immediately once you start gainful employment again or after a maximum of three years.**

## Will your case be reviewed?

Tiers 1 and 2 are not reviewed, but your employer must refer you for a review if you are awarded a Tier 3 pension. The review will be done by the IRMP after your benefits have been in payment for 18 months, so that your ill health condition can be assessed to see if it has improved or got worse. If your illness has got worse, you may qualify for your benefits to be increased to a Tier 2. If your condition has improved, the payment of your pension will stop from the date of the assessment.

It is your responsibility to tell your ex-employer if you do any type of work while your Tier 3 pension is being paid to you. Your ex-employer will then decide if this work meets the rules of gainful employment. Any overpayment of pension will be recovered by the Clwyd Pension Fund.

## Please note

If you have previously received a Tier 1 or 2 pension from the LGPS or have been awarded an LGPS ill health pension before 1<sup>st</sup> April 2008, any increase may be capped or may not even apply if you are to retire again for reasons of ill health.

Also, if you have been in receipt of a Tier 3 pension which has since stopped as your condition has improved or the three year period has ended, you will not qualify to receive another Tier 3 pension as a member of the LGPS, even if you are employed by a different employer or with another pension fund.

If you are a frozen refund member who does not have enough scheme membership to qualify for deferred benefits, you are not eligible to receive the payment of any benefits because of ill health.

## What if you have already stopped paying into LGPS?

If you have stopped paying into the LGPS and you have deferred benefits (you are not receiving pension payments yet), you still have the right to request the payment of these benefits at any age on the grounds of ill health. You should contact your ex-employer to make your request. Your case will then be assessed as described earlier in this factsheet, however, you will not be eligible to receive any increase to your benefits, as there are no tiers of ill health benefits for deferred members.

## Right of appeal

If you are dissatisfied with the award of ill health benefits, you have the right of appeal under the Internal Dispute Resolution Procedure (IDRP). Appeals should be made in writing within six months of the date of your employer's decision and be sent to the person specified by your pension fund. Details about IDRP can be found in the **forms and resources section** of our website.

## Where can you find more information?

This factsheet gives general guidance only. If you need more information, please contact the Clwyd Pension Fund:

**Phone:** 01352 702950

**Email:** [pensions@flintshire.gov.uk](mailto:pensions@flintshire.gov.uk)

**Address:** Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

**Website:** <https://mss.clwydpensionfund.org.uk>

## Disclaimer

The Clwyd Pension Fund is unable to provide any financial advice. After reading this factsheet, you may want to seek independent financial advice to make an informed decision.

These bodies may be able to help you:

**Unbiased:**

<https://unbiased.co.uk>

**MoneyHelper:**

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>



[mss.clwydpensionfund.org.uk](https://mss.clwydpensionfund.org.uk)

**Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF**

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.