**Ill Health Retirement Guidance Notes**

This document provides guidance to NHS Pension Scheme members at the Trust on how to apply to the NHS Pensions Agency for ill health retirement. This page contains some guidance notes, over the page you’ll find a flowchart which explains the process.

* Employees must have 2 years of pensionable membership and be under normal retirement pension age to apply for ill health retirement.

* There are 2 types of ill health retirement; tier 1 and tier 2

**Tier 1** - this level of benefit is payable if the member is accepted as permanently incapable of doing their NHS job because of physical or mental infirmity. Members will be entitled to the early payment of the retirement benefits they have earned to date without any actuarial adjustment.

**Tier 2** - this level of benefit is payable only if the member is accepted as permanently incapable of both doing their NHS job **and** permanently incapable of regular employment of like duration to their NHS job, because of physical or mental infirmity, irrespective of whether such employment is actually available to them. ‘Like duration’ means a regular employment for similar hours to their NHS job. Members will be entitled to the retirement benefits they have earned to date plus an enhancement, known as a Tier 2 pension.

A Tier 2 pension is made up of a Tier 1 pension plus a ‘Tier 2 addition’;

* 1995 Section and 2008 Section - Equal to two-thirds of the difference between the member’s age at retirement and normal pension age
* 2015 Scheme Tier 2 pension - The ‘Tier 2 addition’ is a pro rata enhancement based on half of the member’s prospective pension to their normal pension age
* A member who is not actively contributing to the NHS Pension Scheme cannot be awarded Tier 2, so it is important that employees submit their application whilst still employed by the Trust.
* Once granted ill health retirement, if they choose to go ahead with the ill health retirement, an employee must end their employment with the Trust before they can receive their pension benefits. The employment end date should be agreed between the employee and their line manager.
* After being granted ill health retirement and whilst in receipt of pension benefits it is possible to work again in the future. Anyone wishing to do this must contact the pensions department for advice in advance as there are restrictions on the work you can do and how much you can earn.
* For more information please contact the Trust’s Pensions Department on 01743 492412 or email lucy.rea@nhs.net.

**Ill Health Retirement Flowchart**

Employee decides to apply for Ill Health Retirement

Employee contacts Trust pensions dept for information

Pensions dept send form to line manager

Line manager completes their part of the form and gives it to the employee

Employee completes their part of the form and gives it to their chosen medical practitioner

Medical practitioner completes the form and sends it to the pensions agency. The employee should seek confirmation from the medical practitioner that the form has been sent

The pensions agency send the form to the independent assessor (Medigold)

Medigold review the application and send a letter confirming their decision to the employee and the Trust Pensions dept

Pensions dept send copy of decision letter to line manager and HR dept

Pensions dept send retirement paperwork to employee

An appeal can be made against the decision, an internal disputes resolution form DP1 needs to be completed and sent to NHS Pensions along with further medical evidence.

Employee completes retirement form and sends it back to the Pensions dept

If application unsuccessful

If application successful

Employee and line manager agree employment end date. Manager to seek guidance from HR.

Manager completes ESR termination form and organises retirement vouchers (if employee is eligible)

If over Normal Retirement Age for the Pension Scheme the employee can if they wish retire and take their pension, this would prevent any further consideration of entitlement to Ill Health retirement benefits.