
If you have to give up work because you become ill or are injured, your pension may be paid early.

Finding out about ill health retirement

- To qualify for an ill health pension you must have a deferred pension or have been a member of the LGPS for two years.
- You should ask your employer about ill health retirement. If you have left your job, you must contact your former employer instead.
- Your employer or former employer will arrange for your case to be assessed by an independent doctor who is qualified in occupational health.

The doctor will complete a certificate giving their medical opinion, and your employer or former employer will use it to decide whether to award ill health retirement.

What if your employer grants you ill health retirement?

- **Deferred member:** If you have left your job or you have opted out of the LGPS and left your employment, you will receive the pension you have built up so far – it will not be reduced.
- **Active member:** If you are still in your job and have not opted out, your **employer's opinion** of how likely you are to be capable of gainful employment will determine how much pension you get.

Gainful employment means work of around 30 hours a week for at least a year.

Depending on their view, your employer or former employer may award one of three tiers of ill health pension, shown on the next page.

Ill health pension tiers

Tier 1

If you are unlikely to be capable of gainful employment by your normal pension age, your pension will be increased as though you had worked until that age.

Tier 2

If you are likely to be capable of gainful employment before your normal pension age, but not within three years, your pension will be increased. You will receive the pension you have built up, plus 25% of what you could have built up between retiring and your normal pension age.

Tier 3

If you are likely to be capable of gainful employment within three years of retiring, the pension you have built up will be paid for up to three years. You must notify your former employer if you take gainful employment in that time.

Your former employer will arrange a medical assessment 18 months after you retire. Your pension will either stop or continue for the rest of the three years. In some cases, it may be increased and paid for life.

What will the doctor assess?

Can you work?

It may be that you cannot carry out your current job, but could do something else. The doctor will give an opinion on whether or not you are capable of **gainful employment** – meaning work of around 30 hours a week for at least a year.

If you are not capable of **gainful employment**, they will state whether they think you will be capable of **gainful employment** before your normal pension age.

If you left before 1 April 1998, the doctor will also state whether or not you could carry out the job that your pension relates to.

Have you reduced your hours or grade because of your medical condition?

If your employer, following the doctor's opinion, believes that you reduced your hours or grade because of ill health your pension will be based on the hours or grade you worked before they were reduced.

What do I need to do?

- Speak to your employer who will arrange for your case to be assessed by an independent doctor and then decide whether to award ill health retirement.
 - Your employer will notify us if they award ill health retirement. They'll also give you a retirement declaration form to fill in and send to us.
 - Once we have everything we need, we will take around three weeks to pay your pension. We cannot pay it before you retire and may take longer if you paid AVCs, asked for an estimate, or if anything is missing
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Retirement Declaration

You will need to complete a retirement declaration form not more than 3 months before you retire and send this to Pension Services. This form enables you to tell us the decisions you make regarding your retirement, provide your payment details and it also allows us to check your pension benefits under HM Revenue and Customs rules. It is available in the “Forms” section of the website.

You may need to send us evidence of your date of birth or marital status. Please send us clear photocopies, not original certificates.

Exchanging pension for lump sum

You can exchange some of your pension to provide a tax-free lump sum within HM Revenue and Customs limits. For each £1 of annual pension that you give up, you will receive £12 as a tax-free lump sum. HMRC rules mean that you must decide whether to exchange pension for lump sum **before** we calculate your pension.

Members with an AVC

Your contributions will stop when you cease contributions to the LGPS or if earlier, 2 days before age 75 (the only exception is if you leave on flexible retirement and started your AVC after 13 November 2001).

You can use your AVC to:

- Purchase an annuity with an annuity provider, who will then pay you a pension separate to your LGPS pension
 - Buy a top up LGPS pension (using all or part of your AVC fund)
 - Take a tax-free cash lump sum (this must be taken at the same time as your main LGPS benefit. The value of your AVC plus your scheme lump sum must be less than 25% of the value of your benefits to satisfy HM Revenue and Customs rules)
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- Buy extra membership in the LGPS (this option is only available if you elected to pay your AVC before 13 November 2001)

Pension Payment

Your pension will be paid monthly in arrears, directly into your chosen bank or building society account. You will receive a payment advice slip when you first retire and then once a year or if there is a change of more than £1 in the pension payment. Payment slips are not issued every month.

Revaluation of Pension

Your pension will be revalued each April in line with the appropriate cost of living index.

Complaints

Please contact Pension Services or your employer if you have any problems with your LGPS pension. If you are not satisfied you may make a formal complaint and you also have a right to use the internal dispute resolution procedure.

Any questions?

Website: www.hants.gov.uk/pensions

Email: pensions@hants.gov.uk

Phone number: 01962 845588

Address: Hampshire Pension Services, The Castle, Winchester; SO23 8UB

Please let us know if you would like this factsheet in another format.

This factsheet gives an outline of LGPS retirement benefits; it cannot override LGPS regulations. LGPS benefits will only be paid in accordance with the relevant regulations.
