



Accessing your benefits on hold on the grounds of ill health



Introduction

We have produced this booklet to help you understand how the rules surrounding ill health pensions affect you, and in particular what the procedure is if you think you may meet the conditions for accessing your benefits on hold (deferred benefits) early on the grounds of ill health.

The booklet is suitable for you if you have benefits on hold either because:

- You have left your employer, or
- You have opted out of the scheme.

In our literature we try and keep jargon to a minimum, but where we have had to use certain terms we have put them in bold ink and included an explanation in a glossary at the side.

Disclaimer:

The information in this booklet is based on the following Local Government Pension Scheme (LGPS) Regulations:

- If you left/opted out after 31 March 2014 - LGPS Regulations 2013 (as amended) – specifically regulations 36, 38 and 39 of those regulations.
- If you left/opted out between 1 April 2008 and 31 March 2014 – Regulation 31 of the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) and on Regulation 56 of the LGPS (Administration) Regulations 2008 (as amended).
- If you left/opted out between 1 April 1998 and 31 March 2008 – Regulation 31 of the LGPS Regulations 1997 (as amended).
- If you left/opted out before 1 April 1998 – Regulation D11 of the LGPS Regulations 1995 (as amended)

The information in this booklet is also based on other relevant legislation.

The LGPS regulations concerning ill health are complex, and this booklet is only designed to give you a simple guide, and may not cover all situations. The information given in this booklet was up to date when this booklet was updated and confers no contractual or statutory rights. In the event of any dispute or disagreement, it is the appropriate legislation that will be used to reach a decision.

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The criteria for an ill health pension

In the LGPS you can apply to your **former employer** at any age, and ask them to release your **benefits on hold** early on health grounds. Before they can reach a decision on this, your **former employer** must have a certified ill health medical certificate from a suitably qualified doctor, approved by Greater Manchester Pension Fund (GMPF) – more about this in the next section, and in light of this certificate, be satisfied that you meet the following conditions.

The main criteria

The main criteria is that you are **permanently incapable** of doing your **former job**, and depending when you left or opted out, other criteria will apply too.

Other criteria

If you left/opted out between 1 April 2008 and 31 March 2014

As a result of the medical condition, you must have a reduced likelihood of carrying out any **gainful employment** before **age 65** (or for at least three years, whichever is sooner).

If you left/opted out after 31 March 2014

As a result of the medical condition, you must not be immediately capable of carrying out any **gainful employment** before **normal pension age** (or for at least three years, whichever is sooner).

Other factors

When looking at whether you meet the criteria, your **former employer must not** consider other factors such as how long you had worked for them, or your financial position.

But if you left or opted out any time from 1 April 2008 onwards, they **can** take into account the cost to them - see later.

Glossary

Benefits on hold/deferred benefits

You have left your employer or opted out of the scheme, and at the point you did this, you weren't entitled to access your pension benefits. So GMPF have been holding those benefits for you in the form of deferred benefits - benefits for you to access at some later date.

Former employer

The employer you were working for before you stopped paying into GMPF.

Permanently incapable of doing former job

This means that your current medical condition prevents you from carrying out your **former job** until the following date:

- **Age 65:** if you left/opted out before 1 April 2014.
- **Your normal pension age:** if you left/opted out after 31 March 2014. This is age 65 or your State pension age if later.

To find your State pension age see www.gov.uk/calculate-state-pension

Former job

The job you used to do for your former employer before you stopped paying into GMPF.

Gainful employment

This means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

Referral to an approved doctor

Why am I being referred to an approved doctor?

Because you have asked your **former employer** to access your **benefits on hold** early on the grounds of ill health, our scheme rules state before they can agree to this they must seek the opinion of an Independent Registered Medical Practitioner – for simplicity from now on we will just refer to this practitioner as the **approved doctor**.

Your **former employer** does this by getting a certified ill health medical certificate from the **approved doctor** that gives information on whether you meet the criteria for an ill health pension. Your **former employer** will then use that information in deciding whether to release your **benefits on hold** early on health grounds.

What is the role of my former employer?

Your **former employer** should have given you a copy of this booklet to help you understand the process.

Your **former employer** will gather together the relevant information in relation to your case and refer to the **approved doctor**. Once they have the **approved doctor's** medical opinion, they will then make a decision on whether to release your **benefits on hold** early on health grounds and notify you of that decision.

Your **former employer** will need to prepare a **referral package** that tells the **approved doctor** about you and your **former job** (for example by providing a copy of your job description for that job and details of the skills needed, and any hazards or physical characteristics associated with the job).

If you left your job over six years ago your **former employer** may no longer hold a copy of a job description for your **former job** or have details about the nature of that job with them. It may be worth checking with your **former employer** whether they do hold these details, and what they intend supplying instead if they do not.

You would then be able to comment on the accuracy of the information and provide any relevant evidence you may have kept about your **former job**, so that you can be happy the information provided is accurate and complete before it goes off to the **approved doctor**.

Subject to your written consent, your **former employer** will provide details of your medical condition as collected by your **former employer's** Occupational Health (if this has been done). Therefore, your **former employer** will also need your written consent for the release of your medical records. If you do not consent or do not provide contact details for your GP and consultant, this will affect the **approved doctor's** understanding of your medical condition and is likely to result in the **approved doctor** giving the opinion that you do not meet the criteria for an ill health pension.

What will the approved doctor consider?

The **approved doctor** will get a referral package from your **former employer** that includes details of your former job to help them understand the demands of it. If you have given written consent to the release of your medical records

and if necessary, permission to ask for medical information from your GP or consultant, the **approved doctor** will also have this information to consider. Once the **approved doctor** has all the information they need to assess your case, he or she will use their medical knowledge, information provided by your **former employer** and any information you have provided, to form an opinion on whether you meet the criteria for an ill health pension.

Therefore, it is in your interest to help the **approved doctor** understand your medical condition as fully as possible. So we recommend that you are fully involved in gathering together the information about your case - for example explaining to the **approved doctor** how your medical condition is affecting you and what your doctors have told you about your chances of recovery. It is also an opportunity to highlight any relevant issues that you think the **approved doctor** needs to know, so that you can be happy the information provided is accurate and complete before it goes off to them.

This is about how you expect your medical condition to be affecting you at **age 65** or your **normal pension age** and if you left/opted

out after 31 March 2008, about your ability to do any **gainful employment** by **65/normal pension age** not just your **former job**. Therefore, you may want to get help to put this information together (for example from your GP or consultant and so on).

Will I need to go for a medical?

The **approved doctor** doesn't normally need you to go for a medical, but if they do, they will get in touch with you. It all depends on your individual case and the **approved doctor's** preferred method. Under the LGPS rules, the **approved doctor** is allowed to simply carry out a paper review of your case, rather than seeing you in person. They can do this if they feel they can form an opinion and certify on your ill health, simply by referring to various letters, reports, and so on.

However, if you would prefer to see the **approved doctor** in person, please tell your **former employer**. This shouldn't be necessary if you have provided full information and the consent to the release of your medical records/information from your GP and consultant as part of the referral process. The **approved doctor** should have enough information to be able to give an opinion on whether you

meet the criteria for an ill health pension.

How long will the referral process take?

Each case varies depending on a number of factors – for example, how complicated it is, whether the referral package contains all the necessary information that the **approved doctor** needs, whether further information is needed and how long your GP/consultant (for example) takes to respond, if you have asked to see reports before they are sent and so on. It may take up to anything from 8 to 12 weeks to complete. If you want to check the progress being made on your case, you should contact your **former employer**.

If you have other LGPS memberships

Please make sure you tell your **former employer** if you have other **benefits on hold** with them, or you still pay into the LGPS through them. Although they will have to make separate decisions about each 'employment', they could use the same **approved doctor** for all. This would be easier to deal with from your own point of view too.

If you have **benefits on hold** with other **former employers** (GMPF or

other LGPS funds) you will have to apply to them separately to release your **benefits on hold** on health grounds.

What if I'm still waiting for or have just had some treatment?

This is an issue if you left or opted out of the LGPS after 31 March 2008.

If you have a reduced likelihood or you are not immediately capable of **gainful employment** but you could be in time, it is recommended that you undergo treatment first and/or a suitable recovery period has passed before your **former employer** makes a decision about your case. If this treatment/recovery phase is likely to take a long time, please see the next section.

Remember to keep your **former employer** up to date with the progress of your treatment.

Glossary

Approved doctor

We have used this term for simplicity, but the correct term is an Independent Registered Medical Practitioner. This practitioner has been approved by GMPF because they are suitably qualified in Occupational Health, they are registered with the General Medical Council, and they understand the ill health regulations in the LGPS. The approved doctor must not have had any previous involvement in your case, either for you or your former employer.



More about the role of the approved doctor

When the **approved doctor** is considering whether you are **permanently incapable**, they aren't just looking at whether you are currently incapable of doing your **former job**. They also must consider whether you will, more likely than not, be incapable of doing that job right up to **age 65/your normal pension age** – and that could be many years away.

The more likely than not part of this is commonly known as the balance of probabilities test and is key. In practical terms it means that the **approved doctor** considers how likely it would be for most people like you to recover before **age 65/your normal pension age** if they had the same medical condition. To take a simple example, if there were 100 similar people in the same job you did with the same medical condition, the **approved doctor** will only certify permanent incapability if more than 50 of these would not recover enough to do their job by age 65/your normal pension age. If more people would recover than would remain ill, you would not meet this criteria.

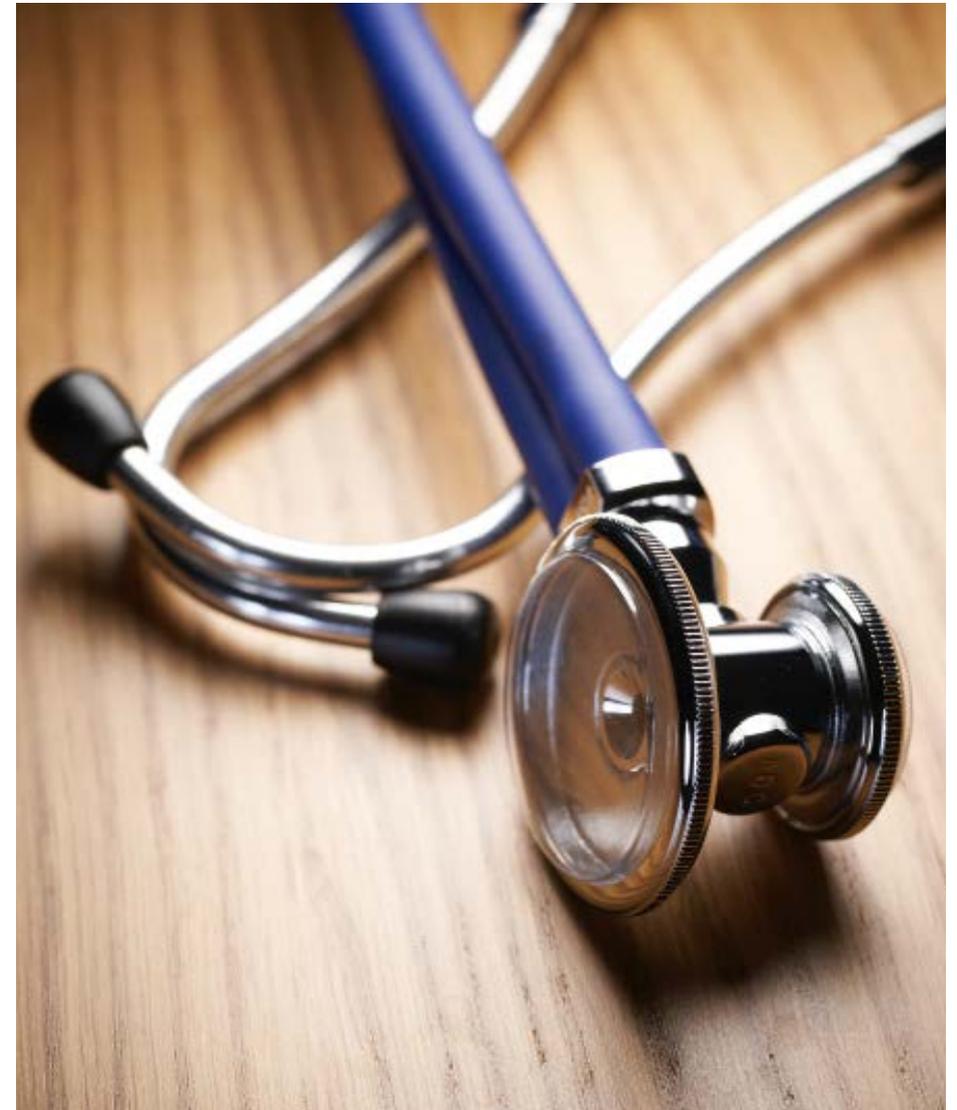
This could be relevant if you are waiting for further tests or treatments, or are only part way through treatment for your illness. It might not be clear at the time of the assessment if you are likely to be in the group of people who will recover. If your condition means that most people do recover then the **approved doctor** would give the opinion that you do not meet the criteria for an ill health pension. But as your treatment progresses it may become clearer if you will be one of the people who will recover or not.

So the **approved doctor** should consider whether you would be capable following further treatment, (including whether it is readily available/appropriate for you) and whether, with treatment, you are likely to become capable before **age 65/your normal pension age**. Your choosing not to accept such treatment is irrelevant.

The **approved doctor** will be assessing you based on the knowledge available at the time. Therefore, we recommend that any issues around treatment not yet exhausted are provided and

explained to the **approved doctor** and clarified where necessary as part of the referral process.

Remember, an opinion given by the **approved doctor** does not in itself entitle you to ill health benefits. An **approved doctor** should not indicate to you whether such benefits should be paid. This is a decision for your **former employer**.



Once your former employer reaches a decision

Once the **approved doctor** has formed an opinion, they will write to your **former employer** with a medical certificate. It is your **former employer** who must then decide whether to release your **benefits on hold** early.

Both the **former employer** and the **approved doctor** should give regard to the Statutory Guidance issued by the Department for Communities and Local Government (DCLG).

Your **former employer** can also give more weight to some pieces of evidence than others. For example, they might take more notice of the **approved doctor's** opinion than your GP or consultant's opinion.

If you left or opted out of the LGPS from 1 April 2008 onwards

In this case, your **former employer** has the discretion to release or not release your **benefits on hold** for early payment on health grounds – even if the **approved doctor** has certified you meet the ill health criteria. Your **former employer** can consider the cost of bringing

the benefits into payment early when exercising their discretion to release or not release your benefits.

But they cannot simply reject your application purely on cost grounds at the outset. They must in every case follow the full procedure for getting an opinion from the **approved doctor** before reaching a decision.



If your **former employer** decides **NOT** to release your benefits early

Your **former employer** will write to you directly with their decision, and to explain the reason for this. The letter will also include full details of how to appeal against this decision if you are unhappy with it. Please see the section If you disagree with the decision made by your employer for further information about the complaints procedure.

If your **benefits on hold** are not released early, they will remain on hold. However, as long as you have left the job your **benefits on hold** were given for, you may still be able to access them early (though they may be reduced for early payment) from age 55.

The above does not apply to you if you have opted out and remain in the same job that your **benefits on hold** were given for.

You can apply to your **former employer** again for the early payment of your **benefits on hold** on health grounds if your condition gets worse or you suffer from a different illness which you think means you meet the criteria.

If your **former employer** **DOES** decide to release your benefits early

Your **former employer** will write to you directly with their decision, and will also notify ourselves at GMPF, so that we can make arrangements to start paying your benefits. The date your pension benefits will come into payment depends upon when you left the LGPS. More on this later.

See next section for what benefits you will be paid.



What benefits will I be paid?

We will pay you the full value of the **benefits on hold** we are holding for you. There is no reduction for early payment or any ill health enhancement. Here's how we work out these benefits.

For any of your membership which fell after 31 March 2014 your pension

$$\text{Your career average pay for each of these years} \div 49$$

For any of your membership which fell between 1 April 2008 and 31 March 2014 your pension

$$\text{This period of membership} \times \text{your final salary pay} \div 60$$

For any of your membership which fell before 1 April 2008 your pension

$$\text{This period of membership} \times \text{your final salary pay} \div 80$$

+ a one off lump sum of 3 times this pension

Once in payment, your pension will only get the annual inflation increase if you have reached age 55, or if the approved doctor has certified that you are too ill to work at all.

Example

Sue joined GMPF in 1994 and left on 31 March 2014 with **benefits on hold**. So, her membership was as follows:

- Membership after 31 March 2014: 0 years
- Membership 1 April 2008 to 31 March 2014: 6 years
- Membership before 1 April 2008: 14 years

Her final salary pay was **£20,000**. So, we work out her benefits like this:

$$6 \text{ years} \times £20,000 \div 60 = \text{Pension } £2,000$$

$$14 \text{ years} \times £20,000 \div 80 = \text{Pension } £3,500$$

$$£3,500 \times 3 = \text{Lump sum } £10,500$$

So, the full value of her benefits is a pension of £5,500 a year and a one off tax free lump sum of £10,500. Then in addition, we will add inflation proofing for the period between her date of leaving and the date we start paying her benefits - so the figures will be higher (of course as long as there has been some inflation, which there usually is).

Important choices regarding your benefits

Did you know that most members with benefits on hold have the choice of swapping some pension for lump sum - no matter when they left, or how their benefits come into payment.

If you choose this option, every £1 of yearly pension you give up will create £12 of tax free lump sum. If you are interested in this option, you must choose it before we start paying your benefits.

When will my benefits be paid?

The date we can start paying your benefits on hold depends when you left the LGPS.

If you left after 31 March 2014

We will pay your pension benefits from the date your former employer makes the determination that you meet the criteria for early release of your deferred pension benefits under the LGPS on health grounds.

If you left between 1 April 2008 and 31 March 2014

We will pay your pension benefits from the date, certified by the approved doctor, that you first met the criteria for payment of your deferred pension benefits under the LGPS on health grounds.

If you left between 1 April 1998 and 31 March 2008

We will pay your pension benefits from the date you applied to your former employer to release them.

If you left before 1 April 1998

We will pay your pension benefits from the date, certified by the approved doctor, that you first met the criteria for payment of your deferred pension benefits under the LGPS on health grounds.

If you disagree with the decision made by your former employer

As you can see it is your **former employer** who must make the decision about whether your **benefits on hold** should be brought into payment early on health grounds.

If you disagree with their decision, you have a right to challenge it. If you wish to do this, you should complain to your **former employer** by using our **two stage complaints** procedure, as explained on the next page.



The two stage complaints procedure

Stage one

If you disagree with a decision made by your **former employer**, or if no decision is made, the first stage is for you to refer the matter to the specified person at your **former employer**.

The letter informing you of the decision should have included the name and address details of who to contact. You must complain in writing within six months of the date you got the decision letter from your **former employer**.

The specified person should respond within **two months** of your complaint, giving you a full reply, or at least an acknowledgement.

You can find information about how to raise a dispute at www.gmpf.org.uk/members/raise-a-dispute.

Stage two

You can proceed to stage two of the complaints procedure if:

- you are not satisfied with the stage one decision, or
- if the specified person has failed to issue a decision, or
- if you have not had a decision within the specified time limits.

Stage two is the responsibility of ourselves at GMPF, and we will refer your case to one of two local stage two referees. You must complain in writing within six months of the stage one decision.

We recommend you supply as much information and evidence as possible, along with a copy of the stage one decision. The referee should respond within **two months** of your application, giving you their decision, or at least an acknowledgement.

Help from outside organisations

If you remain dissatisfied with the decision made by GMPF's stage two referee, you may refer the matter to the Pensions Ombudsman and / or to the High Court. The Pensions Ombudsman expects you to have made use of the services of MoneyHelper. At any stage of the dispute procedure, you can turn to MoneyHelper for free confidential help.

MoneyHelper



0800 011 3797



Money and Pensions Service
120 Holborn
London
EC1N 2TD



<https://www.moneyhelper.org.uk/en>

Pension Ombudsman Service



020 7630 2200



10 South Colonnade
Canary Wharf
E14 4PU



www.pensions-ombudsman.org.uk

Can we help?

Visit our website to find out more or to contact us by email.



www.gmpf.org.uk

You are very welcome to ring our Customer Service team for free, friendly help.



0161 301 7000

Or you can call at our offices in Droylsden.



Greater Manchester Pension Fund
Guardsman Tony Downes House
5, Manchester Road
Droylsden
M43 6SF

If you contact us, please have your National Insurance number handy.
Remember to let us know your new address if you move house.

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