

Ill Health and Life Cover

This leaflet explains the benefits the Scheme provides if you become too ill to work or die in service. This leaflet does not apply in cases where you left the Scheme before 1 April 2014.

Ill Health Retirement

If, whilst paying into the Scheme and before you reach your state pension age (or 65 if later), your employer decides to terminate your employment because of ill health, you may be entitled to receive immediate payment of an ill health pension, whatever your age.

You will be entitled to such immediate payment where –

- you meet the scheme's 'vesting period';
- you, because of ill health, are 'permanently incapable' of discharging efficiently the duties of your employment; and
- you, because of ill health, are not immediately capable of undertaking any 'gainful employment'.

You will normally meet the Scheme's vesting period where you have been a member for at least 2 years. There are, however, other ways to meet the vesting period. Please see the Full Guide for more information.

'Permanently incapable' means that you will, more likely than not, be incapable until at the earliest, your state pension age (or 65 if later).

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

Your employer is responsible for deciding whether you meet the above-mentioned conditions. Before they do so, they must get, as a minimum, an opinion from an Independent Registered Medical Practitioner (IRMP).

If they decide that you qualify to receive an ill health pension, they must then decide whether it is a Tier 1, Tier 2 or Tier 3 ill health pension. Once again, before they do, they must have obtained an opinion from an IRMP.

The decision as to the tier will depend on when you will likely again be capable of undertaking gainful employment:

- Tier 1 ill health benefits are payable where it is decided that you are unlikely to be capable of undertaking any gainful employment before your state pension age (or 65 if later)
- Tier 2 ill health benefits are payable where it is decided that you are unlikely to be capable of undertaking any gainful employment within 3 years of leaving employment but you are likely to be so capable before state pension age (or 65 if later)
- Tier 3 ill health benefits are payable where it is decided that you are likely to be capable of undertaking gainful employment within 3 years of leaving (or, if earlier, before state pension age (65 if later)).

III Health Retirement (continued...)

Tier 1 ill health benefits

Equal the benefits you have built up to leaving plus an enhancement, generally, equal to the pension you would have built up between leaving and your state pension age (or 65 if later).

If you receive an enhanced ill health pension under the Scheme for a previous period of membership, you will not be entitled to all or some of the enhancement on the new ill health pension.

Tier 2 ill health benefits

Equal the benefits you have built up to leaving plus an enhancement, generally, equal to 25% of the pension you would have built up between leaving and state pension age (or 65 if later).

If you receive an enhanced ill health pension under the Scheme for a previous period of membership, you will not be entitled to all or some of the enhancement on the new ill health pension.

Tier 3 ill health benefits

Equal the benefits you have built up to leaving. We will not pay any enhancements.

You may not receive Tier 3 benefits if you have previously received Tier 3 benefits in respect of a previous period of membership.

You may not receive payment of Tier 3 ill health benefits for longer than 3 years from leaving. Additionally, we will stop their payment earlier if you obtain gainful employment.

You have a legal duty to tell your former employer about any employment you are in whilst you are receiving tier 3 benefits and to answer their reasonable inquiries about your employment status. We will stop payment of the tier 3 benefits if you fail to answer such inquiries.

Your former employer will review your case around the 18 month point and can stop the payment if you are then capable of undertaking gainful employment. The employer will get a further opinion from an IRMP as part of the review.

If you reach your state pension age (65 if later) whilst receiving a Tier 3 ill health pension, the pension will become non-reviewable from that point onwards.

Your former employer can also decide to uplift your Tier 3 benefits to Tier 2 benefits upon the 18-month review or upon a review that you have requested. The employer may not make this decision after the end of 3 years from your Tier 3 benefits being discontinued.

More information

Please see the Full Guide for more information on ill health retirement.

Death in service

If you die whilst paying into the Scheme, we will pay –

- a death grant
- a survivor pension to your spouse, civil partner, or, provided the relationship met certain conditions, your cohabiting partner
- a survivor pension to your eligible children

We pay these benefits whether you met the scheme's vesting period at the time of death.

Death grant

The death grant is, generally, 3 times your annual pensionable pay.

We will pay this, at the Fund's absolute discretion, to the person(s) you nominated, your personal representative or any person appearing to the Fund to have been your relative or dependent. If you have not already done so, or you wish to amend your nomination, please complete the Nomination Form which is available on our website.

In most cases, we will not deduct tax from the death grant. This won't apply, if either:

- The death grant exceeds your available lifetime allowance (see the Lifetime Allowance Factsheet available on our website)
- we pay it after the end of the 2 year period from when we found out about the death

Also note that if we pay the grant after the end of the 2 year period from the date of death, we will pay the grant to your personal representatives. If we don't know about the death within that 2 year period, the 2 year period, for this purpose, begins when we found out.

If, at death, you also hold deferred benefits or suspended Tier 3 benefits or are receiving a pension in payment under any fund in the LGPS (England & Wales), multiple death grants won't be payable. Generally, only the largest death grant will be payable.

Survivor pensions to your spouse, civil partner, or, provided the relationship met certain conditions, your cohabiting partner.

We will pay the survivor pension for the rest of the survivor's life, irrespective of whether they later marry, form a civil partnership or cohabit.

Generally speaking, the survivor pension will be equal to a proportion of the pension we would have paid you had you left with Tier 1 ill health benefits rather

than died. If the marriage/civil partnership took place after you left the scheme, the rate of the survivor pension may be less than it would have been had the marriage/civil partnership taken place before leaving the Scheme. Also we will only calculate the survivor pension for cohabiting partners by reference to your membership on or after 6 April 1988 (unless you paid extra for the earlier period to count).

Your cohabiting partner will be eligible to receive a survivor's pension provided we are satisfied that the relationship met the following conditions for a continuous period of at least 2 years on the date of death:

- both you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your cohabiting partner have been living together as if you were husband and wife, or civil partners, and
- neither you or your cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners, and
- either your cohabiting partner is financially dependent on you or you are financially interdependent on each other.

For deaths occurring from 1 April 2014, the condition that you must have nominated your cohabiting partner for them to be eligible to receive a survivor pension no longer applies. Nonetheless, to speed up any process after your death, you may tell us about your cohabiting partner by completing the nomination form and returning it to the address shown on the form.

A survivor pension to your eligible children

We will pay a survivor pension to each eligible child.

Generally speaking, the survivor pension will be equal to a proportion of the pension we would have paid you had you left with Tier 1 ill health benefits rather than died. The proportion will depend upon whether a pension is also payable in respect of your membership to a surviving spouse, civil partner or cohabiting partner and the number of eligible children.

Your children may be eligible to receive benefits if they satisfy one of the following:

- Aged under 18
- Aged between 18 and 23 and still in continuous full-time education or vocational training or has a physical or mental impairment which impacts on their ability to engage in paid employment
- Aged 23 and over, has a physical or mental impairment which impacts on their ability to engage in paid employment, the impairment is likely to be permanent and the person was dependent on you because of that impairment at death.

We will pay the pension to an eligible child for as long as the child remains eligible.

More information

Please see the Full Guide for more information on death in service benefits.

This sheet is for general use and cannot cover every personal circumstance as its contents are based on our understanding of the legislation and events at the time. In the event of any dispute over your pension benefits, the appropriate legislation will prevail as this sheet does not confer any contractual or statutory rights and is provided for information purposes only.