PROCEDURE FOR ILL HEALTH RETIREMENT

INTRODUCTION

1.1 This procedure applies to all employees excluding Teachers.

DETAILS OF SCHEME

2.1 The existing single-tier ill-health provision has been replaced with a multi-tier system. The benefit regulations include a two-tier system within the Pension Scheme. Members must have at least two years’ total membership or have transferred from another pension scheme.

2.2 A further third tier is being introduced for members whose employment is terminated on the grounds of permanent ill health but who are likely to obtain gainful employment in a reasonable time. The third tier is payable from the Comhairle’s revenue account (not Pension Fund).

2.3 Ill health retirement cases, therefore, will be assessed on a two-tier basis as follows:

**Tier 1**
The scheme member is permanently incapable of undertaking the duties of their current post and has no reasonable prospect, after leaving their current employment, of being able to obtain gainful employment before age 65. Scheme members who fall into this category will receive enhanced service to age 65.

**Tier 2**
The scheme member is permanently incapable of undertaking the duties of their current post but has a reasonable prospect, after leaving their current employment, of being able to obtain gainful employment before age 65. Scheme members who fall into this category will receive a 25% enhancement of service to age 65.

Details of an optional third tier to be reviewed in one year.

2.4 The Ill Health Scheme definitions are as follows:

**Ill Health Retirement** – to terminate the member’s local government employment on the grounds that the member’s ill health or infirmity of mind or body renders the member permanently incapable of discharging efficiently the duties of the member’s current employment; and

that the member has a reduced likelihood of obtaining gainful employment (whether in local government or otherwise) before the member’s normal retirement age.

**Gainful Employment** – paid employment for not less than 30 hours in each week for a period of not less than 12 months.

**Permanently Incapable** – the member will, more likely than not, be incapable until, at the earliest, the member’s 65th birthday.

**Part Timers** – enhancement to age 65 is scaled down in proportion to the number of hours worked, based on the part-time hours as at date of leaving.

**Obtaining Employment** – consideration of gainful employment should be based on the individual’s ability to do a job from a medical perspective and not to the state of the local job market.
PROCEDURE FOR EARLY RETIREMENT: GROUNDS OF PERMANENT ILL HEALTH

RETIREMENT STAGES

3.1 Retiral on the grounds of ill health can only proceed after approval by Dr Donald Cook, the Comhairle’s Occupational Health Physician who is approved by Highland Council. In most cases there are a number of initial stages or appointments which take place prior to a recommendation for retiral on health grounds through a Management Referral to Occupational Health or contact with Personnel Staff. This procedure concentrates on the stages when retirement is recommended. Where the Occupational Health Physician recommends redeployment, this must be pursued in the first instance.

3.2 When the Personnel Section receives confirmation from the Occupational Health Physician that an employee is permanently incapable of undertaking the duties of their current post the steps detailed from 3.3 to 3.8 will apply.

3.3 The Personnel Section will notify the employee’s line manager who will arrange to meet with the employee (and, if appropriate, a Personnel Officer and Trade Union Representative) to ensure that he/she agrees with the Occupational Health Physician’s recommendation.

3.4 If an employee disputes the Occupational Health Physician’s recommendation, a further meeting will be arranged with the employee (and his/her representative if this is requested), his/her line manager and a Personnel Officer with a view to the dispute being referred back to the Occupational Health Physician for determination.

3.5 The Personnel Officer will write to the Pension Manager, Highland Council to ensure that estimates are sent to the employee. The estimate of benefits must be based on an estimated retirement date three months in advance of the date of request.

3.6 The Personnel Officer will check with the Head of Executive Office to see if the employee has a claim against the Comhairle and, if so, the Head of Executive Office will contact the Comhairle’s insurers to notify them of the early retiral.

3.7 If the employee agrees with the Occupational Health Physician’s decision, agrees to proceed with retirement and has no queries about the pension benefits, the employee will sign a Declaration and a suitable retirement date will be given. The employee will receive pay in lieu of notice (this will be based on statutory or contractual notice, whichever is the greater).

3.8 The Personnel Officer will write to the employee to formally terminate his/her employment by means of a standard ill health retiral letter which incorporates the employee’s right of appeal against this termination of employment. A copy of this letter is sent to the Payroll Manager for action and to the Director of the employing department for information and Fin2.

3.9 Following confirmation of ill health retirement from Dr Cook and receipt of signature on the Retirement Declaration from the employee, the actual date of retirement should be at least six weeks from date of authorisation of retirement by the Head of Human Resources. The current Declaration requires to be amended to indicate the actual retirement date.
RETIREMENT ON THE GROUNDS OF ILL HEALTH

DECLARATION

This is to certify:

1. That I have consulted with my employer concerning retirement on the grounds that I am permanently incapable of undertaking the duties of my current post.

2. That I have seen and accept the estimate of benefits payable to me under retirement on these grounds as detailed below.

3. That I accept the medical evidence contained in the certificate of Doctor ................. dated ......................... as submitted to me by my employer, recommending that I retire on the grounds that:
   - I have no reasonable prospect, after leaving the employment of the Comhairle, of being able to find gainful employment before age 65
   - OR
   - I have a reasonable prospect, after leaving the employment of the Comhairle, of being able to obtain gainful employment before age 65

4. Subject to the above I agree to my retirement on the grounds of permanent ill health.

SIGNED ............................................................................... DATE ..................................

NAME (Block Capitals) ....................................................................................................

ADDRESS: ......................................................................................................................

JOB TITLE: ......................................................................................................................

DEPARTMENT: ................................................................................................................

To be returned to the Human Resources Section, Council Offices, Sandwick Road, Stornoway, Isle of Lewis only if you wish to proceed with retirement on ill health grounds.

Estimate of Benefits:-

Lump Sum : See attached Estimate

Annual Pension : See attached Estimate

Pay in Lieu of Notice : weeks pay in lieu of notice (a week being defined as hours per working week)

Application Approved

Effective date of retirement: ............................................................................................

Signed: ................................................................. Date: ..........................................

Head of Human Resources