



Ill Health

The LGPS will pay a pension to members at any age if they qualify under the ill health rules. The ill health provisions of the LGPS are divided up into several levels depending on the severity of the illness. In all cases, to qualify for an ill health pension you must be certified as being permanently incapable of doing your job on grounds of ill health. Permanently is defined as meaning up to age 65.

The amount of enhanced pension you receive is determined by the severity of the illness and specifically by whether and when you are able to undertake gainful employment in the future. Gainful employment is seen as being employment of any kind for 30 or more hours a week over 12 months.

Tier 1 – if your employer decides, on the basis of medical advice that you will not be able to secure gainful employment again before your 65th birthday then your pensionable service will be increased by the number of years you have left before reaching 65.

Example:

Alan becomes seriously ill aged 42 and qualifies for a Tier 1 ill health pension. His pensionable salary is £26,000 and he has been a member of the LGPS for six years. So his ill health enhancement increases the amount of service used to calculate his pension by 23 years. Alan's annual pension therefore is $29/60 * 26000 = £12,567$.

Tier 2 – if your employer decides, on the basis of medical advice that you will be able to undertake gainful employment at some point before you reach 65 (although not immediately) then your pensionable service will be increase by a quarter of the number of years you have left before reaching 65.

Example:

At 53 Nina becomes too ill to continue in her job but the medical advice is that she will be able to undertake gainful employment in a few years' time. She has three years' service and earns £16,000 a year. Her ill health enhancement under Tier 2 increases the amount of service used to calculate her pension by 3 years $[65-53/4]$. Nina's annual pension therefore is $6/60 * 16000 = £1,600$.

Other members who are permanently incapable of continuing in their job but could immediately undertake other gainful employment are likely to be provided for under a third tier but at the time of publication the details of this provision have not been finalised.