



## Ill-health retirement

### Introduction

Eligible members of the NHS Pension Scheme are being offered a once only choice to move their 1995 Section pension benefits and future NHS Pension Scheme benefits into the 2008 Section. Members are going through the NHS Pension Choice Exercise on a regional basis, with those aged 50 and over in 2009 being offered a choice first.

**You should read all the information in this factsheet before you decide whether to receive a personalised Ill-health Choice Statement.**

This factsheet explains the differences between the ill-health pension benefits available from the two sections of the NHS Pension Scheme. If you are retiring on the grounds of ill-health you are being given this factsheet because you have different issues to consider. NHS Pensions, along with the Review Partners, strongly recommends that if your contract of employment ceases on or after 1 October 2009, and you are retiring on the grounds of ill-health, you request a personalised Ill-health Choice Statement. This will detail your pension benefits and any survivor pension benefits due depending on which section of the Scheme you retire from.

This factsheet is not intended to cover all the rules for ill-health retirement. If you require more information on ill-health retirement then please visit the website.

### Ill-health retirement - what are the differences between the two sections?

The two sections of the NHS Pension Scheme have many differences including the way in which pension benefits are taken and the amount of pension benefits provided.

For most people, ill-health pension benefits from the 2008 Section will be higher than those from the 1995 Section however this may not be true in all cases.

**There are also transitional arrangements to consider so it is very important that you understand the impact on personal and survivor pension benefits in relation to each section.**

The key differences between the two sections in relation to ill-health pensions are:

#### Enhancement of membership

Enhancement of membership means that when we work out your pension we add on extra years of membership.

- Enhanced membership for ill-health retirees in the 1995 Section is calculated up to age 60.
- During Choice and 12 months after your choice, enhanced membership for ill-health retirees in the 2008 Section is also calculated up to age 60.
- The normal enhancement for members of the 2008 Section involves membership being calculated up to age 65.

#### The impact of ill-health pensions not being reduced for early payment

Pension benefits from the 2008 Section are generally higher than the 1995 Section (as explained in the NHS Pension Choice Guide). This may not be the case if you retire earlier than 65 because in the 2008 Section your benefits are reduced if you retire before the normal pension age. However, ill-health pensions are not reduced for early payment and so in most cases 2008 Section benefits will be higher for those retiring on ill-health.

#### Rights to earn further pension

If you return to work in the NHS:

- You can only re-join the 1995 Section and build up further pension benefits if you are under **age 50**.
- You can join the 2008 Section and build up further pension benefits **at any age**.



## What happens if I apply for ill-health retirement before I have made my NHS Pension Choice?

### Application accepted

If you apply and are accepted for ill-health retirement and have not yet been offered Your NHS Pension Choice you are being given the opportunity to opt-in to Choice early.

If you **do want** to receive a personalised Choice Statement you should complete the declaration form at the back of the NHS Pension Choice Ill-Health Opt-In Form by ticking the “yes” box and returning the form to your employer. The employer sends the completed NHS Pension Choice Ill-Health Opt-In Form to NHS Pensions. NHS Pensions will then produce your personalised Ill-Health Choice Statement which is sent to your employer, who will pass it on to you.

If you **do not want** to receive a personalised Ill-Health Choice Statement and want pension benefits to be paid from the 1995 Section, you should complete the declaration at the back of the NHS Pension Choice Ill-Health Opt-In Form by ticking the “no” box and return the form to your employer. Your employer will then arrange for the necessary paperwork to be completed so that your pension benefits can be paid from the 1995 Section.

### Application rejected

If your application for ill-health retirement is rejected and you appeal against the decision you can postpone making Your NHS Pension Choice until the outcome of the appeal is known or until you exhaust the appeal process.

If your application for ill-health retirement is rejected and you do not appeal against the decision you will get the opportunity to make Your NHS Pension Choice when the NHS Pension Choice Exercise arrives in your region or when you retire, whichever happens first.

### How long do I have to make my decision?

You have approximately four months from the date of your ill-health acceptance to request a personalised Ill-Health Choice Statement and make your decision.

### What if I apply for ill-health retirement after receiving my Choice Statement?

If you apply for ill-health retirement after you have received your personalised Choice Statement your ill-health application must be received by NHS Pensions before the “decision date”.

The decision date is shown on the front of your personalised Choice Statement and is four months from the date of issue. If these circumstances apply, you may postpone your decision on whether or not to receive a personalised Ill-health Choice Statement until after you are accepted for ill-health retirement.

If you are rejected for ill-health retirement and appeal against the decision you can postpone Your NHS Pension Choice until the outcome of the appeal is known or until you exhaust the appeal process.

You must tell your employer that you wish to postpone your choice whilst you appeal against your ill-health decision. Your employer will notify NHS Pensions so that your choice will continue to be postponed.

### What are the transitional arrangements?

If you opt to transfer to the 2008 Section and then retire on ill-health grounds there are transitional arrangements in place if you retire within 12 months of making your choice decision.

Any member who retires on ill-health grounds within 12 months of joining the 2008 Section, and is entitled to a tier 2 pension, will receive enhanced membership to age 60 rather than 65.