

# 2015 Remedy – ill-health retirement



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All eligible members are to be offered a choice to receive benefits in either the reformed pension scheme or legacy scheme, for the duration of the remedy period (1 April 2015 to 31 March 2022)

From 1 October 2023, all members with eligible service for the remedy period will be placed in their relevant legacy schemes for their remedy period service and will be given this choice at retirement (DCU) or immediately (IC)

IC members (pensioner members or beneficiaries of deceased members) who retired on ill-health may need their case to be re-assessed

From January 2020, FRAs were advised to obtain certificates for both final salary and CARE schemes from the IQMP when referring a member for IHR and to look at cases since 2015 ([Bulletin 28 – January 2020](#))

# Ill-health retirement - eligibility

	FPS 1992 [Part B]	FPS 2006 Standard and Special Members [Part 3, Para 2]	FPS 2015 [Part 6]
Lower Tier	Where the firefighter is <u>capable</u> of undertaking regular employment [Rule B3, para 3]	Leaves employment by reason of permanent disablement [Sub-Para 2 (1)]	In opinion of IQMP member is incapable of performing duties of the role [65(1a)]
Higher Tier	Where the firefighter is <u>incapable at the time of assessment</u> of undertaking regular employment [B3, para 4]	Where the firefighter is <u>incapable</u> of undertaking regular employment [Part 3, para 2 (3c)]	in the opinion of an IQMP the member is permanently incapable of undertaking regular employment [65 (2a)]
Permanency	Whether the disablement will continue to <u>normal retirement age</u> [A10 (1A)]	Whether the disablement will continue to normal retirement age [Part 1, Para 3 3]	Incapacity will continue until <u>normal pension age</u> [65 (1a)]

# Ill-health retirement - tiers

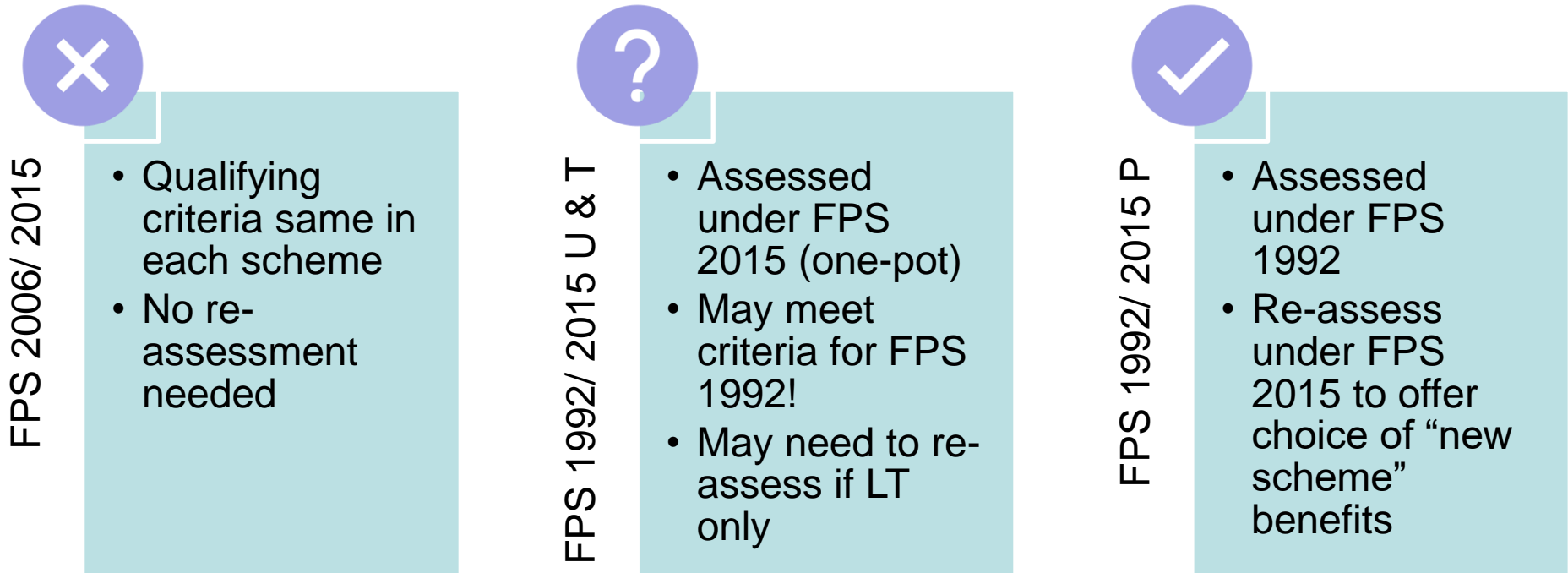
## Lower tier ill-health

- Immediate pension calculated as for ordinary retirement without addition to pensionable service, or reduction for early payment.

## Higher tier ill health

- Lower tier, plus enhancement:
  - FPS 1992: Max enhancement 7/60ths
  - FPS 2006: Half of prospective service to normal retirement age (60)
  - FPS 2015: Multiplying lower tier ill-health pension by the member's assumed period of pensionable service and by 2%

# Retrospective assessments



In summary: FPS 1992 sets a lower qualifying bar (for both lower and higher tier IHR) than that set by FPS 2015. FPS 2006 Scheme an equivalent qualifying bar (for both lower and higher tier IHR)

# Re-assessments - FRAs

To make the process of remedy implementation more streamlined and cost effective, only the following assessments should need referral to an IQMP for a further opinion on ill-health entitlement under the alternative scheme:

- Fully protected FPS 1992 members who have been ill-health retired on a lower tier ill-health pension and **need to be assessed against FPS 2015 lower tier ill-health criteria**
- Fully protected FPS 1992 members who have been ill-health retired on a lower and higher tier ill-health pension and **need to be assessed against FPS 2015 lower tier and higher tier ill-health criteria**
- Transitional FPS 1992 members who have been rejected for ill-health retirement under FPS 2015 (single source ill-health arrangements) and **need to be assessed under the FPS 1992 lower tier and higher tier ill-health criteria**
- Transitional FPS 1992 members who have been ill-health retired on a lower tier pension under FPS 2015 (single source ill-health arrangements) and **need to be assessed under the FPS 1992 lower tier and higher tier ill-health criteria**

All other assessments should only require a paper exercise to work out whether the scheme member qualifies for ill-health retirement under the alternative scheme.

# Re-assessments - IQMPs

When reassessing a member's IHR application to determine whether they would have met criteria for IHR in the alternative scheme, **the evidence available at the time** should be used to make the decision.

Factors such as a member's subsequent recovery, or continuation in employment following a rejected IHR application **should not be taken into consideration** for the purposes of deciding whether a member would have met IHR criteria in the alternative scheme at the time of their application.

Where some or all of that evidence is no longer available, the member and / or their employer may be asked to provide further information relating to their health at that time.

The IQMP does not necessarily have to see every individual – some cases may be able to be processed on the basis of existing opinion and relevant papers.

# Actions for FRAs



Identify members retired on IHR (or dismissed on capability) during remedy period



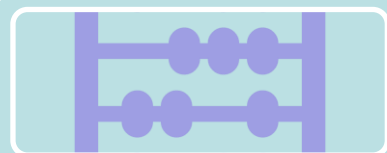
Collate relevant information, inform member



Request IQMP re-assessment **before** 1 October 2023



Provide re-assessment outcome to administrator



IC-RSS to be provided by 1 April 2025



# Consent to reassessment

Members should be informed that their case will be reassessed and the outcome will be confirmed to them

Schemes may use original consent or request consent at point of reassessment

Members should be given option to refuse consent, but advised that IHR may not be reassessed

If member has died by time application is revisited, further consent is not needed from NOK

# Retirements from 1 April 2022

Under the 2015 public service pension scheme reforms a 'single source' model for the payment of IHR benefits was implemented in the new schemes. This can be referred to as 'one-pot' or 'single pot'

Under the single source model, the member must meet **the new scheme IHR criteria.**

All payments of IHR benefits are made from the new scheme for the period between IHR and the pensioner member reaching NPA in the legacy scheme.

Accordingly, the IHR benefits payable from the new scheme will contain up to 3 elements

- (1) a tier 1 (or lower tier) pension in respect of service in the legacy scheme; and
- (2) a tier 1 (or lower tier) pension in respect of service in the new scheme; and
- (3) in the case of a tier 2 (or higher tier) IHR pension addition (the in-service enhancement).

# IHR “underpin” – protected members

Applies to  
protected  
FPS 1992  
members

IHR “in-train”  
at 31 March  
2022

Will only  
apply if  
member  
does not  
qualify for ill-  
health in  
FPS 2015

Other  
scenarios  
covered  
under ‘one-  
pot’ rule

Member  
assessed  
using NPA  
55

[Regulation  
65\(2A\) and  
\(2B\)](#) inserted  
to FPS 2015  
regulations

## The great enemy of communication...

“The great enemy of communication, we find, is the illusion of it.” (William H. Whyte – sociologist, journalist, people watcher. 1950)



Also coined the term  
“Groupthink”!

# Current position – a reminder

Protected members HAVE moved into the FPS 2015 on 1 April 2022

Members WERE NOT ‘put back’ into their final salary schemes on 1 April 2022

Retrospective remedy WILL NOT be implemented until 1 October 2023

- CARE service not converted to final salary until 2023
- Members remain in ‘new’ scheme for remedy period until 2023
- Contingent decisions cannot be offered until 2023
- **This is only the start of the implementation period – up to 18 months to provide options**

Retirements up to 30 Sept 2023 will be on current regs and current transition date UNLESS under immediate detriment

- Members will be offered IC **from** October 2023 – **up to 18 months to provide options**

Factsheet issued with ABS - [ABS 2021/22 Factsheet](#)

## Coming up...

22 November – AGM discretions workshop with Clair Alcock

29 November – AGM compensation scheme workshop with Jane Marshall

December – Software supplier updates

# Any questions



# Disclaimer

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**Thank you for listening!**

[claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

[claire.johnson@local.gov.uk](mailto:claire.johnson@local.gov.uk)

[elena.johnson@local.gov.uk](mailto:elena.johnson@local.gov.uk)