

**HR Procedure**

**LGPS**

**Application for Early Release of Deferred Benefits**

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| **Version Control** | **Changes** | **Made by:** |
| V1 | Changes to contact details | People Management |
| V2 | Replaced YPS with LPPA | People Management |

**Introduction**

This document sets out the procedure to be followed when former employees, including former employees from Community and Voluntary Controlled schools, apply for early release of their pension benefits on the grounds of ill health. This procedure refers to the Local Government Pension Scheme (LGPS) only, for other pension schemes refer to the scheme information for guidance on early release of pension benefits.

Early release of pension benefits is usually recommended when due to ill health or infirmity of mind or body the former employee is:-

* Permanently incapable of discharging efficiently the duties of their former employment: and
* They are unlikely to be capable of undertaking any ‘gainful employment’ before normal retirement age.

**Application**

The former employee should write to LPPA requesting that deferred benefits be brought into payment and stating their reasons for the application.

LPPA

PO Box 1382

Preston

PR2 0WQ

Email: <https://www.lppapensions.co.uk/contact/>

LPPA will send the request to the People Management Team and ask for a decision. If the applicant was a former employee in a school the request should be sent direct to the relevant school.

There are different rules relating to the eligibility conditions and payment dates if the former employee left before 1 April 2014. Details are set out below and in the LPPA form “LPPA Employer > Early Payment of deferred benefits > Ill Health Certificate”.

Applications for other reasons such as “hardship” will not be considered as they do not meet the LGPS criteria.

**Occupational Health**

Before an employer can make a decision regarding early release of pension benefits a medical report and certificate must be obtained from an independent registered medical practitioner (IRMP) qualified in occupational health medicine and registered with the General Medical Council. To be able to provide a certificate for early release of pension benefits the medical practitioner must confirm they have neither:

* Previously advised, given an opinion or been otherwise involved with the case; or
* Be acting or have previously acted as the representative of the member, the employer or any other party.

People Management / Headteacher will make a referral to the Occupational Health Service using the referral form and provide the relevant certificate for completion. The IRMP is asked to provide an opinion on the former employees capability of undertaking gainful employment based solely on the effect the medical condition has on the person’s ability to undertake gainful employment.

**Making the Decision**

The Senior Manager, People Management / Headteacher will consider the application to determine if, after obtaining the medical report and certificate from the IRMP and considering any other relevant information, the following conditions are met:

**Former employees who left before 1 April 2008:**

Deferred benefits are payable providing the former employee is permanently incapable on health grounds of discharging efficiently the duties of the local government employment he/she has ceased to hold.

**Former employees who left after 31 March 2008 and before 1 April 2014:**

1. The former employee is permanently incapable of discharging efficiently the duties of the local government employment he/she ceased to hold; and
2. Have a reduced likelihood of being capable of undertaking any gainful employment before reaching age 65, or for at least three years from the date of their application for early payment of ill-health benefit, whichever is sooner.

**Former employees who left after 31 March 2014:**

1. The former employee is suffering from a condition that renders them permanently incapable of discharging efficiently the duties of the former employer because of ill health of mind or body, and
2. If so, as a result of that condition the former employee is unlikely to be capable of undertaking gainful employment before reaching state pension age (or 65 if later), or for at least 3 years from the date of their application for early payment of ill-health benefit, whichever is the sooner.

“**Gainful Employment**” means paid employment for not less than 30 hours in each week for a period of not less than 12 months. It does not have to be employment that is equivalent in terms of pay and conditions with that of the person’s former employment.

“**Permanently Incapable**” means that:

* The former employee will, more likely than not, be incapable until, at the earliest age 65 (where they left employment prior to 1 April 2014); or
* The former employee will, more likely than not, be incapable until, at the earliest his / her State Pension Age (or his /her 65th birthday if later) (where they left employment after 31 March 2014).

The Council / school is not bound by the IRMP’s opinion and is entitled to consider other evidence when arriving at the decision.

**Processing the Decision**

If the Senior Manager, People Management / Headteacher decides not to agree to the early release of pension benefits, People Management will inform LPPA and the employee of the decision and their rights of appeal.

If the Senior Manager, People Management / Headteacher decides to allow early payment of pension benefits, People Management will:

1. Inform LPPA, complete the ‘LPPA Employer – Early Payment of deferred benefits – Ill Health Certificate, and provide other relevant information
2. Inform the applicant
3. Ask LPPA
   1. To provide details of the cost to the employer i.e. the amount which will be charged to the Council / school
4. Inform the relevant Finance Manager/ school / schools Forum of the costs incurred

**Notifying the employee of the Decision**

People Management will notify the former employee in writing of their decision and include:

* The grounds upon which the decision has been taken;
* The address from which further information about the decision may be obtained;
* The right of appeal to an adjudicator against the decision (within 6 months of being notified of the initial decision, or such longer period as the adjudicator may allow);
* The job title and address of the adjudicator;
* The right to ask the administering authority, within 6 months of the adjudicator’s decision to undertake a further review of the decision if the former employee is still unhappy with the decision.

**Appeals**

An employee can appeal against the decision. Further details are available in the LGPS Internal Dispute Resolution (appeal) procedure on InTouch / schools portal and the LPPA website.

Link to: [LPPA Website](https://www.yourpensionservice.org.uk/)

Link to: [Appeals Procedure on InTouch](http://www.intranet.ccc/eLibrary/view.asp?ID=62920)

**LPPA responsibilities**

Where the decision is made to agree to the early release of deferred pension benefits LPPA will write to the former employee to give them their retirement payment options and the process the pension.

**Review**

This procedure will be reviewed periodically in the light of developments in the law, pension’s regulations, and changes in the needs of the organisation in order to ensure continuing effectiveness and relevance.

For Schools:

* Senior Manager, People Management read Headteacher
* People Management read Schools HR provider / Business Manager

This procedure applies to Community and Voluntary Controlled schools and should be adopted by the schools governing bodies and is recommended for former employees of Foundation and Voluntary Aided schools and Academies.

**Appendix**

Appendix 1 – Process Map

