# Ill Health and Serious Ill Health live event

So, the presentation today is ill health and serious ill health application process, and my name is Angela Williams. I'm one of the stakeholder engagement managers at NHS Pensions. This presentation will cover ill health, serious ill health and the process an employer and a member should follow.

So, we're going to look at members applying for ill health, which forms should be completed and by who, the ill health application process, leave and career breaks, members who have a terminal illness diagnosis and the process and finally, where you can find more information.

**Ill health eligibility**

For members to be considered to apply for ill health benefits, the following criteria must be met.

* they must have at least two years membership
* not have reached normal pension age
* have become too I'll to work in their present job.

If a member is terminally ill and it is anticipated they have less than 12 months to live, they must be able to take their benefits as a serious ill health lump sum.

We'll go into more detail regarding serious ill health later in this presentation.

**Ill health levels**

The NHS Pension scheme provides 2 levels of ill health retirement benefits. These are known as Tier One and Tier 2.

The tier a member will receive is decided by our independent medical advisors and will be dependent upon the severity of the member’s condition.

Tier one is where a member is unable to do their current job due to permanent ill health. Once accepted, the pension already earned will be paid early without reduction.

Tier two is where a member is unable to carry out any regular NHS employment due to permanent ill health. This is an addition to meeting tier one conditions.

Tier two is also unreduced early payment of benefits and includes an additional enhancement which in the 2015 scheme is half a member's perspective membership up to their normal pension age.

And just to clarify, members who are not actively contributing to the NHS pension scheme but have previously deferred membership cannot be awarded Tier 2 retirement benefits.

**Employer Guidance**

We recommend when a member reaches half pay sick consideration should be given as to whether ill health retirement is a is an appropriate route for the member.

If ill health is being considered we suggest a decision should take place with the member and their manager, Pensions office or HR and occupational health where applicable.

During this process we strongly recommend the members pension record should be remain open even if the member is on no pay sick leave.

We advise this as entitlements of death in service benefits for the member continues to apply whilst the pension record is still open.

Importantly, a decision made by an employer to terminate the members employment contract due to ill health does not automatically entitle the member to payment of ill health benefits.

Payment of ill health benefits only applies after assessment and the decision has been reached by our independent medical advisors.

**Which forms?**

Members wishing to consider for ill health retirement need to complete the following forms and provide supporting medical evidence.

Active members complete AW33E form This form is in three sections completed by the member, the employer and either the members Occupational Health doctor, GP or their consultant.

If the member has opted out but continues in NHS employment it is still the AW33E form to apply for ill health retirement.

Please ensure it is clearly marked on the AW33E that the member continues in NHS employment and has opted out of the NHS Pension Scheme.

Please include the members job description when submitting the form.

As mentioned earlier, a member who is not actively contributing to the NHS Pension Scheme cannot be awarded Tier 2 and are classed as a deferred member.

Their application will be considered as an application for early payment of deferred benefits due to ill health where the member is still employed within NHS employment.

The AW33E form can be found on in the Employers Hub where there is a dedicated section for ill health.

This can be found under the retirement section, along with the form, a new employer ill health guide and a checklist.

The AW341, which we'll discuss later in this presentation, and various other fact sheets are available within this section too.

**Practitioners**

Self-employed medical practitioners in England need to send their ill health application form, AW8, to PCSE who is their employer for pension purposes.

Self-employed medical practitioners in Wales need to send their ill health application form, AW8, to the local Health Board which is their employment for pension purposes.

Dental practitioners need to send their ill health application form, AW8, to NHS Dental Services, which is their employer for pension purposes.

These organisations will submit the forms on the members behalf to NHS Pensions.

Forms that are sent directly from GP surgeries to NHS Pensions can delay ill health applications.

This is because the employer won't have had sight of the application, so the correct information may not have been submitted.

Surgeries should complete as much of the employer section of the AW33E, especially for sickness absence and the members Job description ill health application form AW240.

If a member has any deferred benefits, then they will need to complete an AW240 ill health application form.

The member can download the AW240 form from the dedicated ill health page on the members hub and that's applying for ill health pension benefits.

Members can contact us directly if they require a paper copy by contacting the members helpline at nhsbsa.pensionsmember@nhsbsa.nhs.uk or they can phone them on 0300-330-1346.

Where a member as both active and deferred elements, both the AW 33 mentioned in the last slide and AW240 forms may need to be completed.

Entitlement for both active and deferred ill health benefits is not calculated automatically.

If NHS Pensions receives an AW33AW33E application form from an active member and we cannot see and we can see they also have deferred membership, our internal Med OPS team will contact the member to advise and provide the link to the additional application form AW240.

**Returning the forms.**

Once the AW33E and the AW240, if applicable, has been fully completed, they should be returned to either NHS Pensions postal address which is:

NHS Pensions

PO Box 683

Unit 5

Newcastle upon Tyne

NE5 9EE

or via e-mail which is Pensionscanquery@nhsbsa.nhs.uk.

Once received all forms will be scanned onto the members record estimates.

Wherever possible you should use Pensions Online (POL) to provide an estimate of ill health retirement benefits.

Where POL is not available, a request should be made using the relevant AW295 ill health/redundancy from the employers hub on our website.

If the member has already submitted the AW33E, NHS Pensions can provide an estimate free of charge.

And that's even if the members had a total reward statement TRS or have had a free estimate in the last 12 months.

If an AW33E has not already been submitted or we have previously provided an ill health estimate in the last 12 months, there may be a charge for the estimate.

In cases of terminal illness, there will not be a charge for the estimate even if we have not yet received an application form for ill health retirement benefits.

I**ll health assessment**

NHS Pensions will check the members application form ensuring everything is signed, completed where required and consent forms are in date, etcetera.

The application will then be securely sent to our independent medical advisors.

The independent medical advisors are clinically trained occupational health doctors who will review the applications and the supporting medical evidence to make sure a decision on the application will be accepted, accepted subject to review, or rejected.

If there is not enough information provided on the application to reach a conclusive decision, our medical advisors will request further medical evidence, and this could result in a delay in the decision.

**The decision**

The decision to accept reject a member's ill health application is based on clinical consideration by the scheme's medical advisors who are professionally qualified, experienced and specially trained clinical medical professionals.

Once the decision is reached, the medical the scheme medical advisors will issue letters of confirmation to the employer's main pension officer, contact the member and NHS Pensions.

If the ill health application is accepted, the member will be provided with either:

* a tier 1 - a pension based on benefits already earned, paid early without reduction
* a tier one with the right to reassessment Tier 2 within three years or before normal pension age, whichever is the sooner, or
* tier 2 – a pension based on benefits already earned, paid early without reduction, including enhancements.

If the ill health application is rejected, a letter will be sent explaining the reason why and any next steps.

**Accepted applications**.

We ask that within six weeks of receiving the decision that you provide the member with an AW8 retirement application form, advise the member to complete part 6 to 14 of the AW8 and return it to you.

You as the employer then completes part one to five at the AW8 and close the members record using exit code 04.

If you are an employee with access to POL, you should do this prior to sending the application form to NHS Pensions.

Any employer without Pol access should complete the Leaver spreadsheet and e-mail this to directionbodies@nhsbsa.nhs.uk.

Once the members record has been closed, you can send the completed AW 8 to NHS Pensions via pensionscanquery@nhsbsa.nhs.uk.

We ask you to use this e-mail address rather than polia3 so that we can get the case registered in our systems as quickly as possible.

**Career breaks**

Members on a career break or authorised leave other than illness, so that could be maternity leave, adoption leave, parental leave for example, can elect to remain pensionable for the first six months and employer and member contributions during that time are payable as normal.

If the member chooses to extend their leave, the option to remain pensionable can be extended for a further 12 months, during which time the member may contribute to the scheme and will be responsible for paying both the employer and employee contributions.

The option to remain pensionable whilst on a career break is therefore limited to a continuous period of two years in total.

It is important to note that if a member does not elect to pay pension contributions during a career break, their last day of scheme membership is the day before the career break commences.

If the member is on a career break immediately before the termination of employment and did not elect to pay pension contributions, they cannot be considered for in service ill health retirement benefits.

As such we would only be able to consider an application for early payment of deferred benefits due to ill health.

Any absence due to sickness cannot be substituted for a career break and the members contract of employment must always be terminated on the grounds of ill health when submitting any ill health retirement application.

**Sick Leave**

If a member is absent from work due to sickness and is in receipt of full pay, all employer and employee contributions continue to be payable as normal.

For any members who have reduced or suspended pay with or without entitlement to statutory sick pay then the contributions differ.

Member contributions are payable on reduced pay or statutory sick pay only.

Employer contributions are payable on the members on reduced pay immediately before the reduction.

Once a member goes on to no pay sick leave, no contributions are payable and the period of membership is regarded as disallowed days.

**Supplementary Form AW311**

The Supplementary Form AW311 should be completed where there is a period of unpaid sick leave.

This is because the period which pay for benefit purposes would normally be calculated would need to be extended backwards into the previous period for a period equal to the unpaid sick leave.

This will have the effect of making up the TPP period to 365 paid days.

This is commonly referred to as stepping back.

The AW311 supplementary form can be found on our website at nhsbsa.nhs.uk/employer-hub-technical-guidance/ill-health.

The completed AW311 form must be returned to polia3@nhsbsa.nhs.uk following submission of the AW8.

**Additional information**

The amount of time it can take from application to decision will depend on the individual assessment of the case.

If further medical evidence is required, this can delay the decision.

Where a member does not agree with a decision, they can ask for their application to be reviewed again under the Internal Dispute Resolution (IDR) process.

To do this they must complete the Form DRP1 which can be found on our website at nhsbsa.nhs.uk on the members hub.

There is no cost incurred by the employer during the ill health retirement process.

Active members of the NHS Pension scheme usually have access to the occupational health services who provide their services for free.

If occupational health services are not available or an alternative source is selected to provide the information they may charge a fee. It will be there is members responsibility to pay any fee

**Serious ill health.**

We're now going to move on to discuss where a member has unfortunately been diagnosed with less than 12 months to live.

We do understand with a terminal diagnosis this will be a difficult time for the member and time is of the essence to avoid any delay.

All forms must be fully completed and signed by the member as soon as possible.

If a member is under normal pension age and has less than 12 months life expectancy, the forms to complete are AW33E, AW8 and AW341 where serious ill health has been confirmed. All must be signed and dated by the member.

If the member is over normal pension age, they would need to complete AW8 and AW341A.

Employees should send the completed forms to medoperations@nhsbsa.nhs.uk and indicate in the subject line of the e-mail that this is a serious ill health case.

Our Med Ops team have been appointed a main contact point for serious ill health cases and they will contact the member via e-mail to update them on the progress of their case.

If a member is applying for serious ill health with the indication of a short life expectancy, we no longer require the member to complete an AW240 for deferred membership.

NHS Pensions will check the members record and update the application accordingly.

**Serious ill health process.**

Our medical advisors aim to process all serious ill health cases within 48 hours from receiving the application.

As per the standard application process.

NHS Pensions will check the members application form ensuring everything is signed, consent forms are in date, etcetera.

We will securely send applications marked with serious ill health to our independent medical advisors.

Decisions will then be accepted, accepted subject to review or rejected. As explained earlier, if no further medical evidence is required then the decision letters will then be issued to the member, employer’s main pension contact and NHS Pensions.

**Commuting ill health benefits.**

Where a member's life expectancy is less than one year, they can apply at retirement to exchange all their ill health retirement benefits for a one off, usually tax-free lump sum payment.

This is done by submitting the AW341 form.

To make the exchange there must have some of the HMRC personal lifetime allowance remaining.

The one-off lump sum payment is calculated using the following formula which is in accordance with HMRC rules.

Pension up to the level that provides the maximum permitted lump sum will be converted at a rate of 12 pounds lump sum that every pound of pension given up.

The remaining pension will be converted to a lump sum at the rate of 5 pounds lump sum for every pound of pension given up.

Any Basic Retirement lump sum payable from either 95 section or the 2008 section will be paid in addition to the commuted pension lump sum.

Sadly, if a member is incapacitated and cannot complete or sign the forms themselves, a mark can be made on the AW33E where the member's signature would be and any explanation provided as to why it's not signed by the member directly.

When benefits are put into payment via the AW8 application form, we will require a formal document which is either a Power of Attorney or a Court of Protection to enable NHS Pensions to make payments.

**Where a member dies during the ill health process**

Where a member dies prior to their retirement date, ill health benefits cannot be paid.

In these circumstances, the member has died in service and therefore death in service benefits will become payable once we receive a death in service notification form from the employer.

Where a member dies after their ill health retirement date, ill health retirement benefits will be paid if the members application for ill health retirement has been successful and an AW8 application form has been signed by the member and the member has died after the last day of membership, including any outstanding annual leave.

Ill health retirement benefits will be paid posthumously to the estate of the member, and we will pay any retirement lump sum and arrears of pension.

In these cases, the AW8 must be sent to us with a copy of the members death certificate and that's an original or a certified copy which should have been seen by the employer.

If a member is accepted for ill health has left work and the pension record is closed and the member has then passed away before an AW8 has been issued, signed or received, ill health benefits would not be paid.

In this scenario the benefits will be calculated on the basis that the members died within 12 months of leaving the scheme.

Finally, if the late member dies after retirement, death of a pension benefits would be paid accordingly.

**Nominations**

We recommend that members are asked to ensure that their nominations are up to date with NHS pensions as soon as possible.

Any eligible nominees will have benefits issued in the event of the members death. Therefore, it is very important members check they are accurate.

Members can access the nomination forms from the Nominations web page on our website.

The forms required will depend on the type of nomination:

* DB2 is the death benefit form
* PN1 is the partner nomination form
* NOM1 is the cancellation of an existing nomination

The GDPR reasons these forms must be sent directly to NHS Pensions by the member.

Once received and processed, the member will receive a confirmation letter of acceptance or rejection.

If a member is unsure of their nomination, they can contact the member helpline with their enquiry at nhsbsapensionsmember@nhsbsa.nhs.uk or they confirm the contact centre on 0300 330 1346 and we will advise what we hold.

**Some important reminders.**

I want to just cover some of the important reminders from the presentation before we move on to the final slide.

Forms - check that all forms are signed and dated by the member before sending to NHS Pensions.

This will avoid any delays through the application process, and it's also recommended that ensure they're signed within the last six months.

Members pension record - during the ill health retirement application, keep the members pension record open, even if the member is on zero sick pay.

This is especially important to retain the death in service benefits.

Nominations - In the event of members death, NHS Pensions may provide a member's family, a nominated person or a charity of their choice, therefore ensuring members considering ill health retirement check and update their nominations if necessary.

**Finding more information**

There are resources available to help employees complete the ill health application forms and guidance notes for the registered medical practitioner who completes part C.

A comprehensive ill health retirement guide is available on our employer hub on our website if you need.

If you do have any further queries, you can e-mail or phone our dedicated employer details embedded in this slide.

You can also direct members to the Members Hub where there is a separate Ill Health Retirement section as outlined on previous slides within this presentation.