

EAST SUSSEX FIRE AND RESCUE SERVICE

FIREFIGHTERS' PENSION SCHEME 2006

The Firefighters' Pension Scheme

Ill-Health Pensions

ILL-HEALTH PENSIONS

As a member of the Firefighters' Pension Scheme 2006 ("FPS 2006") you are covered by the Scheme's ill-health retirement provisions. These notes explain how they work.

Who is eligible for an ill-health pension?

To be eligible for an ill-health pension you must-

- have been a member of the FPS 2006 for at least 3 months (or, if less, be entitled to an award under the Compensation Scheme) and be a member at the date of leaving the Fire and Rescue Service, and
- be retired by your Fire and Rescue Authority ("the Authority"), on the grounds that you are permanently disabled, because of infirmity of mind or body, for the performance of the duties of your role.

What is meant by "permanently disabled"?

The permanence of a disablement is tested by whether or not, at the time the question arises, the disablement is likely to continue to normal pension age (age 60). If it is, the disablement is considered permanent. However, as explained later in these notes, if an ill-health pension is paid it will be subject to review and may cease if the recipient is considered no longer to be permanently disabled.

Would I receive payment of an ill-health pension as soon as I retire?

If the Authority award you an ill-health pension on leaving the Fire and Rescue Service it is payable from your first day of retirement.

How much would I get?

This will depend upon -

- your length of pensionable service at the last day of service,
- your average pensionable pay over (normally) the last year of service, and
- Whether you are entitled to a lower tier ill-health pension only, or to the addition of a higher tier ill-health pension

What are these two tiers of pension?

As explained above, you are entitled to an ill-health pension if you are permanently disabled for the performance of the duties of your role. This would be a lower tier ill-health pension.

If it is decided that not only are you permanently disabled for the performance of the duties of your role but also for any other regular employment, you would be entitled to an additional higher tier pension provided you have at least 5 years' pensionable service. "Regular employment" in this context means employment for 30 hours a week on average over a twelve month period.

How is the lower tier ill-health pension calculated?

The lower tier ill-health pension is calculated in the same way as if it were an age retirement pension, i.e. –

$1/60 \times \text{pensionable service} \times \text{average pensionable pay}.$

For example if you had completed 3 years' pensionable service at your last day of service and your average pensionable pay was £27,000, your lower tier ill-health pension would be assessed as –

$1/60 \times 3 \times £27,000 = £1,350 \text{ a year}.$

If you have 5 or more years' pensionable service the lower tier ill-health pension is calculated in the same way as a deferred pension.

Example 1

If your average pensionable pay is £30,000.00 and you would have managed to complete 10 years' service by your retirement date

$10/60 \times £30,000.00 = £5,000.00$

How is the higher tier ill-health pension calculated?

The annual amount of the higher tier ill health pension of a whole time fire-fighter is calculated as follows:-

$A \times 2/100) \times B \times C/60$

Where –

A is the pensionable service accrued in the scheme before ill health retirement

B is –

- (a) the pensionable service that would be accrued from the date of ill health retirement until Normal Pension Age (age 60) if you had continued to be a member of the scheme (prospective service); or
- (b) if the aggregate of pensionable service and prospective service is greater than 60 years, the difference between 40 years and the actual pensionable service
- (c) is final pensionable pay

Example 1

$$(10 \times 2/100) = 0.20 \times 20 \times \text{£}30,000.00/60 = \text{£}2000.00$$

If the lower tier pension is deducted, would I be paid both parts?

Yes, you would be paid both parts together but the assessment has to identify how much is to be paid to you as a lower-tier pension and how much as a higher tier pension. This is because they have to be recorded separately by your Authority for review purposes

What if I have worked part-time?

As with other types of benefit payable under the FPS 2006, both the lower and higher tier ill-health pensions would first be calculated on the assumption that you had worked whole - time throughout your career. Then they would be scaled down to reflect your part-time service as a proportion of whole-time service.

How are ill-health pensions reviewed?

If a person has been receiving an ill-health pension for less than 10 years and has not reached state pension age, the Authority must review eligibility at such intervals as they think proper.

Where a lower tier ill-health pension is in payment, the Authority will consider whether the person has become capable of carrying out any duty appropriate to the role held immediately before retirement.

Where a higher tier ill-health pension is in payment the Authority will consider not only capability for the duties of the former role in respect of the lower tier ill-health pension but also whether the person is capable of undertaking any regular employment, to test continued eligibility for the higher tier ill-health pension.

In other words the test of disablement on review is similar to that applied on retirement.

What happens following the review of a higher tier ill-health pension?

A higher tier ill-health pension will continue in payment if the Authority decide that a person is still incapable of undertaking any regular employment. However, if the Authority are satisfied that, at the time of review, the person would be capable of regular employment, the higher-tier pension will cease immediately.

What happens following the review of a lower tier ill-health pension?

A lower tier ill-health pension would continue in payment if the Authority decide that a person could not carry out any duty appropriate to the former role. This would apply equally to the person who has never had entitlement to a higher tier ill-health pension and to a person who

has had such entitlement. It could be the case, therefore, that a person who is considered capable of regular employment and consequently has the higher tier pension terminated could still continue to receive the lower tier award.

If the Authority decide that the person could carry out any duty of their former role, whether or not the lower tier pension will cease will depend upon whether or not the Authority offer re-employment in such a role. If they do, the lower-tier pension would be terminated (whether or not the person accepts the re-employment); if they do not offer re-employment, the lower tier ill-health pension will continue in payment.

If I accept re-employment, can I re-join the FPS 2006?

Yes. Although the FPS 2006 has now been replaced by the FPS 2015, if your ill-health pension was awarded under the FPS 2006 you would have a right to re-join the Scheme should the ill-health pension cease on review. (Newly appointed Firefighters or former firefighters who resume employment in other circumstances would be required to join the FPS 2015, if they have no protections).

How does an Authority make a decision on medical issues?

The rules of the FPS require that where an Authority have to make certain decisions they must seek the opinion of an independent qualified medical practitioner ("IQMP"), i.e. a medical practitioner who has a certain level of occupational health qualification and who has to certify that he/she –

- has not previously been involved in the case, and
- is not acting as the representative of any party to the case.

The Authority will seek an opinion of an IQMP when deciding if a member of the FPS 2006 is entitled to an ill-health pension. They will also seek an IQMP's opinion when reviewing an ill-health pension.

Is my pension lost if it is decided it should stop?

A higher tier ill-health pension would not be re-instated at any time

A lower tier ill-health pension which is terminated takes on the identity of a "deferred" pension. It would be put into payment again at age 65.

What if my health deteriorates?

A higher tier pension cannot resume. Nor can a higher-tier pension commence to be paid at some time in the future if your health deteriorates to the level at which you would have been considered for such an award if you had that level of disability at the time you retired.

The lower-tier award which is terminated becomes a deferred pension and there is a provision for a deferred pension to be paid before age 65 if the person becomes permanently disabled

for engaging in fire fighting or performing any other duties appropriate to his/her former role. It would be the Authority that would decide whether the deferred pension would come into early payment. Again they would have to seek the opinion of an IQMP before making their decision.

Could I commute an ill-health pension to provide a lump sum?

If you are entitled to a lower tier ill-health pension you can commute up to one quarter of the pension to provide a lump sum. You cannot commute any part of a higher tier ill- health pension.

Will an ill-health pension be "inflation-protected"?

Like other pensions payable under the FPS 2006, both the lower and higher tier ill-health pensions would be increased, normally annually, in line with Pensions Increase Acts or Orders. Pensions Increase does not normally apply until a person reaches age 55 but if a person retires on health grounds the increases apply, regardless of age, from the first Increase date following retirement.

What if you are a retained firefighter?

A serving firefighter who has at least 3 months qualifying service and who is permanently disabled for the performance of the duties of his/her role may be considered at any age for an ill-health pension. There are two tiers of ill-health award:

- a lower tier award which provides a lower tier pension
- a higher tier award which provides a lower tier pension plus a higher tier pension

The higher tier award is made where the firefighter has at least 5 years' qualifying service and is not only permanently disabled for the performance of the duties of his/her role as a firefighter but is also permanently disabled from undertaking regular employment.

"Qualifying service" is the "calendar" length of Scheme membership. For example, if a retained firefighter has been a member for 5 years from 1 July 2009 to 30 June 2014, he/she will have sufficient service to qualify for a higher tier award regardless of the length of pensionable service to be used in the pension formula.

The lower tier ill-health pension is based on the formula:

$1/60 \times \text{pensionable service} \times \text{final pensionable pay}$

For a retained firefighter, the lower tier pension would be assessed on similar principles to those used in the assessment of an age or deferred pension. The method of assessment of a higher tier ill-health pension, particularly for a retained firefighter, is a bit more complicated. It is based on a proportion of prospective service, i.e. the service the firefighter will not be able to achieve because of the ill-health retirement. This is the formula:

$$(2\% \times A) \times \frac{(A \times C)}{B} \times \frac{D}{60}$$

where:

A is the pensionable service accrued in the Scheme before ill-health retirement, i.e. assessed on similar principles to the pensionable service used in an age or deferred pension calculation

B is qualifying service, i.e. calendar length of Scheme membership

C is the pensionable service that the firefighter would have accrued from the date of ill-health retirement until normal retirement age (60) had he/she continued to be a contributing member of the Scheme as a whole-time regular firefighter

D is the final pensionable pay ("reference pay")

For example, if a retained firefighter has been a member of the Scheme for 16 years (16 years' qualifying service), has 4 years pensionable service credited up to the date of leaving and – if a whole-time regular firefighter – would have completed a further 12 years' pensionable service by normal retirement age and would have final pensionable pay of £29,501.37, the higher tier ill-health pension would be assessed as –

$$(2\% \times A) \times \frac{(4 \times 12)}{16} \times \frac{\pounds 29\,501.37}{60} = \pounds 118.01 \text{ a year}$$

It would be added to the lower tier ill-health pension to form the higher tier ill-health award.

A lower tier, but not a higher tier ill-health pension can be commuted to provide a lump sum.

If I disagree with the Authority's decision do I have a right of appeal?

If the Authority make a decision you disagree with, or if they fail to make a decision, you have a right of appeal.

This applies at the time of retirement and at the time of any review.

If you disagree with the decision of the Authority and you believe the problem lies in the medical opinion, you can appeal against that medical opinion. Your appeal would be heard by a Board of Medical Referees.

If you disagree with a non-medical aspect of the Authority's decision, you can ask the Authority to reconsider and, failing satisfaction, can take your appeal to Crown Court.

Your Authority can give you more information about appeal provisions.

Further information

Further information about how pensions are determined, how ill-health pensions are assessed, and rights of appeal, can be obtained from the Scheme Administrator:

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Bradford
BD1 1UP

Telephone: 01274 434999
Email: pensions@wypf.org.uk