



FACTSHEET: Members Applying for Ill Health Retirement

Introduction

This factsheet explains the arrangements that have been put in place for 1995 Section members who apply for ill-health retirement before making their HSC Pension Choice.

This factsheet is not intended to cover the rules for ill-health retirement. If you require more information on ill-health retirement then please visit the Member/Former member section of the website.

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

If you apply for ill-health retirement before receiving 'Your Pension Choice' you can postpone making 'Your Pension Choice' until the outcome of your ill-health application is known.

Your application for ill-health retirement must be received by HSC Pension Service either:

- before your HSC Pension Choice Statement is issued to you;
- or, if your ill-health application is made after your HSC Pension Choice Statement is issued:
- before the 'decision date' specified in the Choice Form which accompanies your HSC Pension Choice Statement.

If these circumstances apply, you may postpone your decision on whether or not to transfer to the 2008 Section until four months after you receive a decision on your ill-health retirement application.

It is important to understand though that once you have taken the decision to defer your choice, we cannot pay you your benefits until the 'choice' process has been completed. We also cannot pay any compensatory interest for pension and lump sum awards paid after the due date. This applies equally to both 1995 Section and 2008 Section benefits.

What if I appeal my ill-health retirement decision?

You can also postpone 'Your Pension Choice' if, following a rejection decision, you decide to appeal.

How long do I have to make my decision?

You have four months from the date of the ill-health decision to make a choice.

If you decide to transfer to the 2008 Scheme you must advise HSC Pension Service within four months of the ill-health retirement decision.

If you decide to remain in the 1995 Section or fail to reply to 'Your Pension Choice' within four months of receiving the ill-health retirement decision, any retirement benefits will be calculated under the 1995 Section rules.

What are the transitional arrangements?

It is important to understand that, if you opt to move to the 2008 Section and then retire on ill-health grounds, there are transitional arrangements in place if you retire on ill-health 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 age 65. Benefits will be based on a 60th accrual rate and any survivor benefits will be based on enhancements to age 65.

If ill-health occurs 12 months or more after the date you transfer to the 2008 Section, the enhancement for a tier 2 pension is based on the normal pension age of 65.

