



Civil Service Pensions



**classic plus and premium**  
ill-health retirement pension benefits  
*A brief guide to the benefits available*



This booklet tells you about the pension benefits that we may pay you as a member of **premium** or **classic plus** if you have to leave your job early because you are ill.

This booklet does not cover every aspect; the full details are contained in the scheme rules which are the legal basis of the scheme. You should note that nothing in this booklet can override the rules, and in the event of any unintentional difference, the rules will apply.

We have tried to keep this booklet as jargon-free as possible. Technical terms, shown in bold, are explained on page 8.

An ill health retirement pension may be paid if our Medical Adviser is satisfied that you meet the qualifying conditions as set out in the scheme rules.



## Your questions answered

### What are the qualifying conditions for an ill health pension?

There are two conditions:

- you must have at least 2 years **qualifying service**;
- the pension scheme's Medical Adviser must be satisfied that you meet the criteria for an ill health pension.

### What are the criteria for an ill health pension?

There are two levels (tiers) of pension depending on the severity of your illness and the effect of this on your ability to work.

To qualify for lower tier ill health retirement, your ill health must prevent you from doing your own or comparable job and the ill health is likely to continue until you reach scheme **pension age**.

To qualify for upper tier ill health retirement, you must meet the same criteria as for the lower tier except that you must also be incapable of doing just about any type of job. You may be capable of doing some jobs but these

are unlikely to be comparable with the one you are leaving.

- 'Prevented by ill health' means having a significant incapacity. It does not mean 'unwilling', 'disinclined' or 'inconvenient' to carry out your job.
- 'Ill health' means a recognised medical condition giving rise to the incapacity. Diagnosis must be supported by clinical findings.
- 'Doing your own or a comparable job' (lower tier) means turning up regularly to do a job in your grade (not necessarily the exact job that you have been doing).
- 'Doing any type of job' (upper tier) means not only being unable to do a job in your grade, but also any other significant job.

We call this being incapable of undertaking 'gainful' employment.

- 'Likely' means on a balance of probabilities.



## How do I apply for an ill health pension?

Either you or your employer can apply for ill health retirement, but your employer must first investigate whether there are other options which will enable you to carry on working. Your employer will send your application to the scheme medical adviser. They will include details of your job, your ill health and your sickness absence record. The scheme medical adviser may need additional medical evidence before giving their advice. They will therefore need your doctor's details and your consent to approach your medical carer(s).

If the scheme medical adviser is satisfied that you meet the criteria for ill health retirement, your employer may then agree to medically retire you and will give you notice.

## What benefits do I get?

There are two tiers of pension, depending on the degree of incapacity. See page 3. In both cases, although your pension is being paid early, we do not reduce it for early payment.

The lower tier pension is usually based on your **reckonable service** to the date of your medical retirement. But if you have less than 10 years' **reckonable service** we may give you some extra years of service (enhancement). If you have less than five years' service, we will double it. If you have between 5 and 10 years' service, we will make it up to 10 years. In no case, though, can the extra service be more than one half of the extra service you would have earned if you had worked through to scheme **pension age**.

For more information, ask your **MyCSP Pension Service Centre**.

The higher tier pension will be based on all the years of service you would have had if you had carried on working to scheme **pension age**.



## How are your benefits worked out?

In **premium** your pension is worked out as  $\frac{1}{60}$  of your **final pensionable earnings** for every year of completed **reckonable service**, including any enhanced service which you may be entitled to (depending on whether you are getting upper or lower tier benefits). In **classic plus**, the **premium** part of your pension is worked out on a  $\frac{1}{60}$  basis and the **classic** part on  $\frac{1}{80}$ . You will also receive a lump sum which is worked out as a percentage of **pensionable earnings x reckonable service**.

You should read the booklets '**premium** retirement benefits' or '**classic plus** retirement benefits' for details of how we work out your pension and how we pay it to you. The booklets also explain that you can choose to commute (give up) some of your pension for an additional lump sum.

## I have a 'provisional' pension award. What does this mean?

If your incapacity is such that the medical adviser is unable to decide whether or not you meet the criteria for a pension at the higher or lower rate, they may make a provisional award at whichever rate is the most appropriate to your condition at the time.

If your award is provisional, the medical adviser will also state when they will review it. This can be any time up to five years from the award decision. At the time of review, the medical adviser will either confirm the original award or change the tier.

If the medical adviser recommends your award should be reduced or removed, we will give you three months' notice before we change your pension payments. If the medical adviser recommends an increase in your pension, we will put the new payments into place with effect from the date of the review.



## Does my pension carry on for life?

If your pension is paid at the lower rate it will continue for the rest of your life, even if you are re-employed. **Abatement** may apply during re-employment.

If you receive a pension at the higher rate, we will ask the medical adviser to review your case within five years. This is called a periodical review. If your condition improves so that you no longer meet the conditions for a higher rate pension, we will reduce your pension to the lower rate. We will give you three months' notice before we reduce your pension. But we will not take it away altogether if you make a complete recovery. We will stop reviewing your pension once you reach scheme **pension age**.

## Can I appeal against the medical adviser's decision?

Yes. Ask your **MyCSP Pension Service Centre** for details of the appeal process.

## What if I am re-employed?

If you are re-employed by an organisation covered by the Civil Service pension arrangements, your pension will be **abated** (reduced) if your annual rate of **pensionable earnings** and your pension together come to more than your **pensionable earnings** in the twelve months immediately before your pension came into payment.

If you have a lower tier pension, you may be permitted to rejoin the Civil Service pension arrangements, depending on the rules in force at the time. If your pension is higher tier, we do not expect you to be fit to be re-employed. In the unlikely event that you are, we will not allow you to earn any more pension.



### **What if I become too ill to work after I have drawn part of my pension on partial retirement terms?**

You may be retired on ill health terms, but you will receive a lower tier ill health pension only, even if you meet the criteria for an upper tier pension.

### **Do I have to take an ill health pension if I am medically retired?**

No, you may instead transfer your benefits out of **classic plus** or **premium**. If you do so, the transfer value will be worked out as if you had voluntarily resigned. This means that the **reckonable service** used would not include any enhancement (if applicable) arising from ill health retirement, and the calculation would be on the basis that the benefits become payable at pension age.

### **Do my dependants get an enhanced pension if I receive an upper tier pension?**

Your dependants' pensions will be worked out in the normal way, so if you receive an upper tier pension, any pensions for your dependants following your death will be worked out by reference to your upper tier pension.

### **Are there special arrangements if I am terminally ill?**

If you are terminally ill, with a medically assessed life expectancy of less than 12 months, you can apply to exchange your pension benefits for a lump sum to be paid immediately. The lump sum will be five times your pension. This will not affect how any dependants' pensions are worked out.

However, you should think carefully before choosing to exchange your pension for cash on these special terms, and you may wish to take financial advice. The combination of pension and lump sum available to you and your dependants may be bigger if you do not opt for these special terms.



## Technical Terms

**Abatement** is the reduction or stopping of pension payments on re-employment within the scheme. Scheme rules require that a member's new salary and pension, when added together, may not normally be more than their pensionable earnings when they retired.

**Pensionable earnings** are all earnings that could count towards your pension. They can include non-cash items, for example, uniforms or accommodation.

**Final pensionable earnings** is the amount of pay used to work out your pension benefits.

**Pension age** is the earliest age at which you may retire voluntarily and receive immediate unreduced pension benefits. The scheme pension age for most people is 60.

**MyCSP** holds your pension records and administers your pension on your employer's behalf, including working out and arranging pension payments.

**Qualifying service** is generally the calendar years you have been in the pension scheme. If you have switched from a **partnership** pension account, this will include the years when you had a **partnership** pension account. Working part-time does not affect qualifying service.

**Reckonable service** is the service which counts towards your pension. Part-time service counts on the basis of hours worked.

### Other information

For more information and advice about specific benefits, please contact your **MyCSP Pension Service Centre**.

You can obtain more information about the Civil Service pension arrangements from the website:

[www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)



Notes:



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This leaflet has been produced by MyCSP  
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