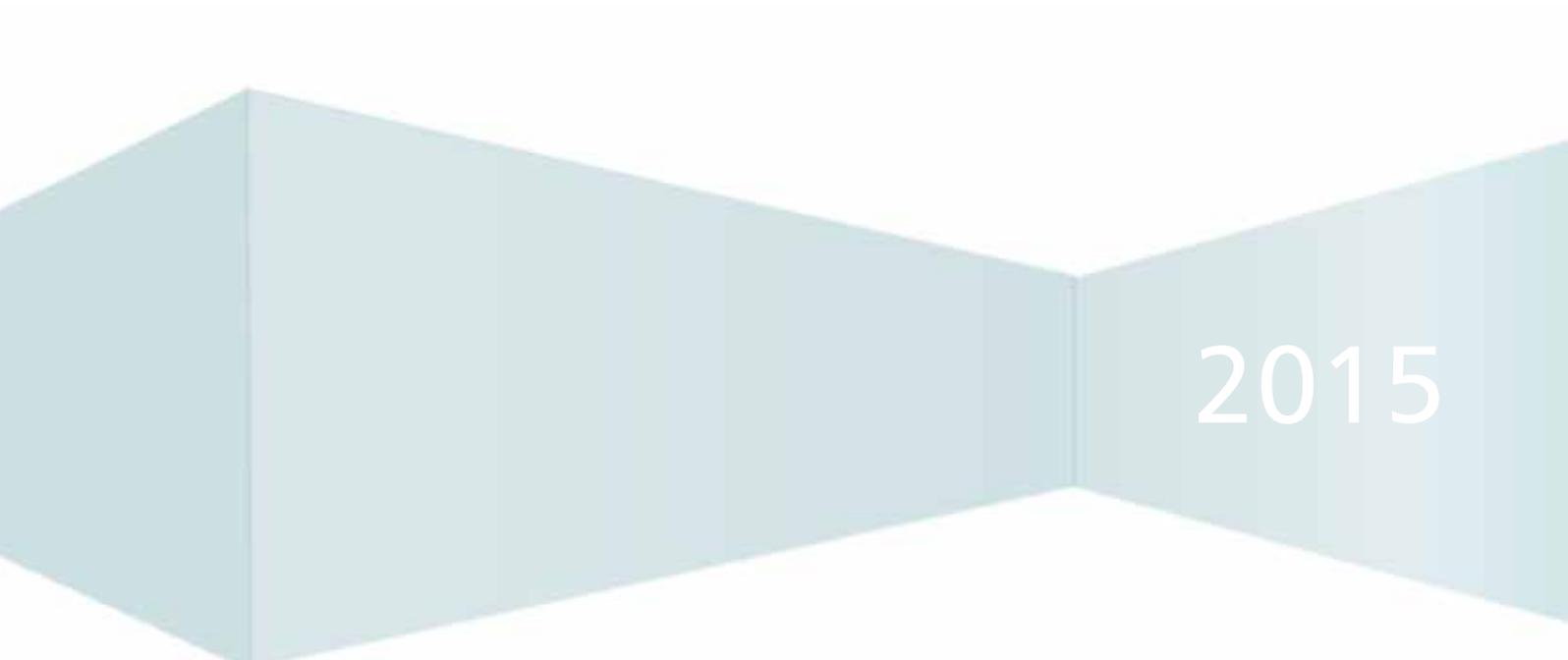


2015 New Pension Scheme Implementation Programme

Employer Impacts

Your responsibilities – Ill-Health Retirement (IHR)



2015

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Purpose

You have a number of responsibilities related to the introduction of the 2015 pension scheme. This document explains Ill-Health Retirement (IHR) in the 2015 pension scheme and the impact of an outstanding part 1 IHR application on the enrolment of a member into the 2015 pension scheme.

When reading this document, the term 'part 1 pension scheme' means all sections of the Principal Civil Service Pension Scheme (PCSPS); classic, classic plus, premium and nuvos.



Key points

1. Outstanding part 1 pension scheme IHR applications and 2015 pension scheme enrolment.
2. 2015 pension scheme IHR.
3. Interface – data.

This document describes each of these points in more detail.

1 Outstanding part 1 pension scheme IHR applications and 2015 pension scheme enrolment



What you need to know

Members of the part 1 pension scheme who have a part 1 IHR application in progress at the time they are due to be enrolled into the 2015 pension scheme must not be enrolled into the 2015 pension scheme. They should remain in the part 1 pension scheme until the 'final IHR decision' date.

For further guidance on enrolment please refer to the 'Your Responsibilities - Enrolment and Eligibility' document.



What you need to do

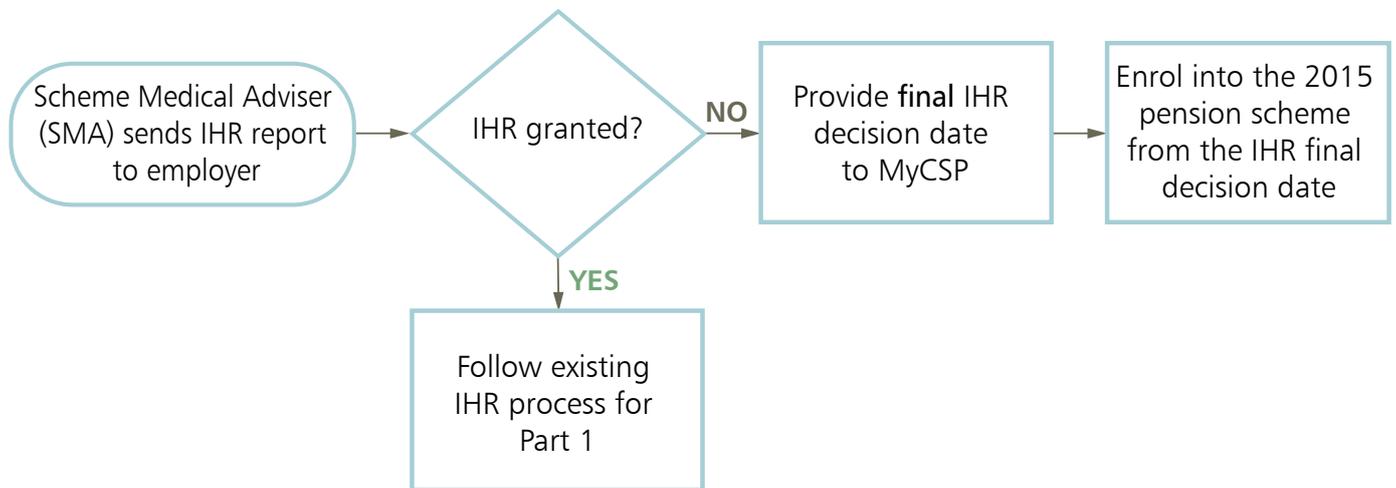
You will need to identify members who have a part 1 IHR application in progress at the time they are due to be enrolled into the 2015 pension scheme. You must then notify MyCSP of those members who are to be withheld from enrolment into the 2015 pension scheme as a result of having a part 1 IHR application in progress.¹

Once the final IHR decision has been made, which will either be the date on which IHR is granted or the date on which all avenues of appeal against the decision not to grant IHR are exhausted / expire, you will need to follow the process on page 5.

See Process chart on page 5

¹ MyCSP will not require you to send this data via the Payroll Interface. Further guidance will be provided at a later stage.

Final IHR decision process



What we will do

Upon receipt of the notification from you detailing those members who are being withheld from enrolment into the 2015 pension scheme due to having an outstanding part 1 IHR application on their enrolment due date, MyCSP will:

- record this information on the member's record.
- ensure that the reason of 'Part 1 IHR application in progress' is recorded against the member's record.

Where IHR is granted, MyCSP will calculate the member's part 1 IHR pension scheme benefits upon receipt of the relevant IHR notification and documentation from the employer, as per the existing IHR process.

Upon receipt of the final IHR decision date from you, where the member is not granted IHR, MyCSP will:

- update the member's record with this decision date.
- commence data validation to ensure that the member is enrolled into the 2015 scheme from this date.

2 2015 pension scheme IHR



What you need to know

Members of the 2015 pension scheme must have at least two years qualifying service to be eligible for 2015 IHR pension scheme benefits. This is the same criteria as the part 1 pension scheme. Where a member has moved from the part 1 pension scheme into the 2015 pension scheme, the member's 2015 qualifying service is the sum of their part 1 and 2015 pension scheme qualifying service. As in the part 1 pension scheme, the Scheme Medical Adviser (SMA) will be responsible for performing IHR assessments and for advising whether they consider the member to satisfy the criteria for lower or upper tier IHR pension benefits.

The Normal Pension Age (NPA) for a member in the 2015 pension scheme will be the later of age 65 or their State Pension Age (SPA). Therefore it is possible for the member's NPA to change over time, in line with the government's stated policy for future SPA changes². Where a member's SPA will change before they reach their current NPA, the member will have a 'provisional NPA'. Where a member has a provisional NPA, this will be used by the SMA when performing the IHR assessment. It will also be used in the calculation of 2015 IHR pension benefits if IHR is granted.



What you need to do

When processing an IHR application for a member of the 2015 pension scheme, you will need to contact MyCSP to get the member's provisional NPA. This information must be supplied to the SMA on the IHR assessment referral form.

You should follow the existing IHR process for handling applications and requesting calculation of IHR pension benefits for a member of the 2015 pension scheme.

² You can find more information on SPA at <https://www.gov.uk/new-state-pension/overview>

3 Interface - data



What you need to do

You will need to supply MyCSP with the following data for the 2015 pension scheme:

- Details of part 1 pension scheme members who will be withheld from enrolment into the 2015 pension scheme as a result of having a part 1 IHR application in progress on their enrolment due date.
- Final IHR decision date, where IHR is not granted to a part 1 pension scheme member who was withheld from enrolment into the 2015 pension scheme as a result of having a part 1 IHR application in progress on their enrolment due date.

MyCSP will not require you to send this data via the Payroll Interface. Further guidance will be provided at a later stage.



What we will do

MyCSP will carry out data validation checks to ensure that:

- Where a member has a reason of 'Part 1 IHR application in progress' recorded, that the employer does not enrol them into the 2015 pension scheme.
- Where a member has a final IHR decision date recorded, that the part 1 pension scheme member is enrolled into the 2015 pension scheme from that date.

If any of these validation checks fail, MyCSP will advise you of this through the appropriate reporting process.

