

# Isle of Man Government Unified Scheme Deferred Members' Ill-health Retirement Fact Sheet

This Fact Sheet provides important information for Deferred Members of the Isle of Man Government Unified Scheme 2011 (GUS) who considering applying for an ill-health retirement pension.

Active Members wishing to apply for an ill-health retirement pension should refer to the Active Members' Ill Health Retirement Fact Sheet.

This Guide aims to provide a broad summary of ill-health retirement benefits under GUS for Deferred Members and in the event of any conflict, the GUS Rules will prevail. For further detailed information please refer to the Rules which are available on the of the Isle of Man Public Sector Pensions Authority (the "PSPA") website at [www.pspa.im](http://www.pspa.im)

To make an application you should complete a GUS9 Deferred Ill-Health Retirement Application Form which is available on the PSPA website.

## 1. Key points

Ill-health benefits may be paid to Deferred scheme members who can no longer work because they are permanently incapable of undertaking their job due to illness or injury. The GUS9 Deferred Ill-Health Retirement Application Form provides guidance on the process to be followed. All applications must include medical evidence that the illness permanently prevents the member from undertaking their current job and that they have undertaken appropriate medical treatment to reverse their condition.

## 2. What is the criteria a Deferred Member will need to meet?

The criteria is known as the Upper Tier and is as follows:

**Upper Tier Ill-Health Criteria:** ill health or mental or physical incapacity that renders the person incapable of Gainful Employment in circumstances where the PSPA, having regard to the medical advice of a Registered Medical Practitioner, determines that:

- The ill health or incapacity is likely to continue at least until the deferred member is age 65, or in the case of a former Section 7 Member (fire fighter), to age 55; or in the case of an existing deferred member the normal pension age that their benefits are payable from; and
- In the opinion of the PSPA, having sought the advice of a Registered Medical Practitioner, the member has undertaken all Appropriate Medical Treatment to reverse the ill health condition.

## 3. Who will decide if an ill-health retirement can be awarded?

The medical advisers contracted by the PSPA will consider the application on receipt of a completed GUS9 Deferred Ill-health Retirement Application Form and any other supporting medical evidence provided in respect of the application. The PSPA will then decide if all the

criteria is met, along with the tier of benefits, based upon the medical adviser's recommendation.

It is important to understand that the eligibility criteria are strict and your application may not be approved. Leaving your current employment for ill health reasons and/or having the support of your GP, does not necessarily mean you will qualify for an deferred ill health pension from this Scheme.

#### **4. What if life expectancy is less than one year?**

Members who are deemed terminally ill may be able to commute their pension into a lump sum. Members must evidence and request this when an application for ill-health benefits is made, as it cannot be made after an ill-health pension has been awarded.

If, based on the existing medical evidence, it is clear that the expectation of life is unquestionably less than one year and the members current medical practitioner or any specialist medical adviser with whom they are currently consulting confirms this in writing, then in order to expedite payment of benefits, further medical evidence from the PSPA's medical advisers may not be required but a completed GUS9 Deferred Ill-health Retirement Application Form (as appropriate to the case) is still likely to be required (see below).

The requirement for any further medical evidence and application forms will be entirely at the discretion of the PSPA.

#### **5. How do deferred members apply for benefits?**

Members must follow a process, as outlined on the GUS 9 Deferred Ill-health Application Form. The onus is on the applicant to ensure that the application has been completed in full and that all the relevant information asked for has been provided. Failure to provide the information may mean the application is delayed or rejected.

#### **6. What happens after the PSPA receives an Ill-Health Retirement application?**

The form and accompanying medical evidence will be considered by the PSPA. In most cases during this process, it will be referred to its independent Scheme Medical Advisers, who will make a recommendation on whether or not the medical criteria for payment of ill-health benefits has been met.

Subject to there being no requests for further information, this should take about 20-30 working days. However, be prepared for it to take longer, especially if the medical advisers need to refer to your own doctors for more information. In all cases, the PSPA will do their best to keep you updated on progress.

If an ill-health retirement application is rejected, the PSPA will write to the member to explain why and what elements of the criteria have not been met and why. In all cases members will be informed of the official appeals process and further information on this can be found later in this factsheet.

#### **7. How long will it take?**

From the receipt of a completed Ill-Health Application Form, the PSPA aim to be able to confirm the determination of the application within 20-30 working days. Please note if

the application is incomplete, or the medical advisers require more information, such as further medical evidence then applications will be delayed over the 20-30 days. The PSPA administrators will ensure that both the employer and the member are kept up to date with the applications progress.

## 8. How is the ill-health pension calculated?

- **Upper Tier pension:** – ill health retirement benefits will be calculated using the accrual rate at age 65 in the Standard section (Section 1) unless you are a fire fighter (in which case the age 65 rate in Section 7 is used) and the current value of your Final Pensionable Pay. This provides benefits at the rate of 1.5% (2.23% for a fire fighter) of Final Pensionable Pay multiplied by your Ill Health Pensionable Service only (i.e. no enhancement to service). Although your benefits are being paid before age 65, they will not be subject to a reduction as a result of this early payment. Pension accrued from service accrued after 1 April 2017 (including the enhancement of service to age 65 or 55) is reduced by 6%.

For Existing Deferred Members the amount of pension will be as set out in their Benefit Statement.

## 9. How are pension's increased each year?

Ill health retirement pensions will increase from your retirement date. Pensions are increased each April in line with the Treasury Pensions Increase Order.

## 10. Can members awarded an ill-health pension return to work?

Ill-health benefits are awarded because members were deemed permanently medically unfit to work in the public service with Isle of Man government or with any other employer for any Gainful Employment.

Therefore, for those in receipt of an Upper Tier ill-health pension:

- They must notify the PSPA if they take up any Gainful Employment before age 65 (55 if a firefighter);
- with effect from the date on which they take up any Gainful Employment, their pension may be adjusted.

Each year, the PSPA will write to members in receipt of an ill health pension asking them to declare that they are not in employment that impacts on their continued right to receive their pension.

**Important Note:** Any members who fail to tell the PSPA about any re-employment whilst receiving a pension, that they think may impact on their right to receive it, who are subsequently overpaid their pension, will be asked to re-pay any overpaid pension. The PSPA is obligated to take steps to recover all overpayments of pension in all circumstances.

## 11. Will payment of ill-health benefits be re-assessed?

The PSPA may request a medical review of an individual who is in receipt of an ill-health pension (known as an "incapacity pension" under the GUS rules).

The PSPA will not request a review more than once every three years unless, after receiving the advice of a Registered Medical Practitioner, it is of the opinion that an earlier review is necessary.

If following a review, the PSPA is, after receiving the advice of a Registered Medical Practitioner, of the opinion that an individual no longer satisfies the conditions for an ill-health pension, the PSPA may vary, suspend or stop the pension.

## Ill-Health early retirement appeals process

### 12. What is the appeals process?

Within the GUS Rules there are arrangements for members of the Scheme and the PSPA to resolve disagreements and as such, the PSPA have a separate policy for dealing with appeals which is set out in its Formal Appeals Process: Ill Health Retirement and Injury. A copy of the policy can be downloaded from the PSPA website or by clicking [here](#).

### 13. What is an ill-health appeal?

Applicants have the right to make an appeal against a decision taken in respect of their application for ill-health early retirement benefits.

Appeals must be made within **3 months** from the date when the PSPA notifies them in writing that their application for an ill health retirement award has been unsuccessful.

The appeals process is a 3 stage process and appellants can appeal against the aspects of the decision that has been made i.e.

- the decision not to grant ill-health benefits.

Appellants must provide additional information in support of their appeal and state why they disagree with the PSPA's reasons for not awarding the ill health pension. The additional information plus all the original information will be considered by the PSPA to determine if the recommendation should be changed. The PSPA reserves the right to request further information from the applicants usual Registered Medical Practitioner, any hospital doctor/consultant consulted by them, from its own independent medical adviser or from occupational health specialists within government.

### 14. Can applicants see the medical reports that were considered at the time of the original decision?

Applicants who wish to have a copy of the medical report(s) received in connection with their application for ill-health benefits should ask the relevant doctor(s) or the PSPA.

## 15. How do they appeal?

The process is laid down in the Formal Appeals process for Ill Health Retirement and Injury Benefits. All appeals must be made in writing either by the applicant, or by a person they have chosen to act as their representative. They do not have to appoint a representative if they wish to handle the appeal themselves.

If they do choose to select a representative to act on their behalf, they will need to provide the PSPA with the name and address of the person appointed, and give their written permission for PSPA and their Doctor to release information about their application to that person. A representative could, for example a partner or a parent.

Applicants cannot submit another type of retirement application at the same time as appealing against an ill-health application that has been turned down until the appeal is finalised.

Applicants should set out in writing all the detail and information which they feel is relevant to their case and state why they disagree with the PSPA's reasons for not awarding a ill health pension.

## 16. What information can I submit with my appeal?

There are no forms to complete, nor does it necessarily involve a medical examination by a Registered Medical Practitioner. Applicants should submit any information they feel is relevant to their appeal.

For example, reports that have been written by a doctor, consultant or other medical professional who has been treating them. **Applicants will be responsible for any costs incurred in providing such reports.**

All relevant information will be considered by the PSPA and if it so chooses, an independent medical or occupational health adviser to determine whether it meets the appeals criteria, for example, information about their health which was not submitted, for whatever reason, with the original application.

However, 'new evidence' that could not have been available at the time of the original application is unlikely to change the original decision. It is not accepted that a current diagnosis can be applied to a previous date. This does not rule out that 'new' information could lead to a successful appeal. If the evidence shows that all the criteria was met at the time of the original decision, then the appeal may not be successful.

In all cases please refer to the Formal Appeals Process: Ill Health Retirement and Injury Benefits for further information.

## 17. Case Study Examples:

Below are 2 examples that show cases where it is clear when the information meets the appeals criteria and when it does not. Please note that each actual case will be considered on its own merits.

**Example 1:** An applicant submits an application. After consideration, the independent medical adviser's opinion is that the application should be rejected because there is

insufficient evidence to enable them to assess whether the applicant meets the criteria for an ill-health pension. The applicant then realises they did not include a report which was available at the time the original application was submitted. The applicant lodges an appeal and asks for that further medical evidence to be considered.

The independent medical adviser considers the information against the appeal criteria. The application is accepted as the evidence shows that the applicant now meets the criteria for an ill-health pension.

**Example 2:** An applicant submits an application. The independent medical adviser's opinion is that the application should be rejected because there is insufficient evidence to accept the application.

The applicant submits a report obtained and dated after the original application was submitted. This report is considered in order to determine whether it meets the appeal criteria, i.e. that the information was available at the time that the original application was submitted. In this case the information was not available when the original application was received as the applicant saw their consultant after submitting their application. The applicant is advised of this, and asked if they wish to resubmit the evidence as a new application.

If an appeal is successful, the PSPA will determine the date on which the ill-health pension should commence or be amended based on the evidence presented as part of the appeals process.

## **18. What if my appeal is unsuccessful?**

If your appeal is unsuccessful, the PSPA will tell you why. If any appeal is not successful, applicants may wish to ask Isle of Man Pensions Ombudsman to investigate and determine any complaint or dispute of fact or law in relation to a pension scheme. The Isle of Man Pensions Ombudsman contact details can be found on the PSPA website or directly from the PSPA.

Please refer to the Formal Appeals Process: Ill Health Retirement and Injury Benefits for further information

## **Disclaimer**

This fact sheet is a guide only and does not represent any entitlement to the provisions described. This fact sheet provides an overview of the provisions of the Unified Scheme and does not cover every aspect. The full details are contained only in the Rules of the Isle of Man Government Scheme 2011, which are the legal basis of the scheme. Nothing in this fact sheet will override the Rules, and in the event of any unintentional difference, the rules will apply.

## **Where can I go for help?**

Contact the Unified Scheme administrators at the PSPA:

Email: [pensions@pspa.im](mailto:pensions@pspa.im)

Write to:

PSPA, Prospect House, 27-29 Prospect Hill  
Douglas ISLE OF MAN IM1 1ET

You can telephone us on 01624 685598, however we always recommend putting your enquiry in writing if you can, so that there is a written record of your enquiry and our response.

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