

Teachers Superannuation Order 2011

Ill-health Retirement Fact Sheet

This Fact Sheet provides important information for you to read if you are an employer or a scheme member of the Teachers Superannuation Order 2011 (the 'Scheme') considering applying for an ill-health retirement award.

Ill health retirement should be a last resort. If a member has health problems, in the first instance they should seek the necessary treatment and, when appropriate the employer should arrange for occupational health support to look at ways to help them remain in or return to work.

1. Key Points

Ill health benefits may be paid to scheme members, who are forced to retire early on health grounds before they reach the Normal Pension Age (NPA) for the section of the Scheme they are in (either age 60 or age 65), because they are assessed as being permanently unable to teach, or unable to teach and undertake any other gainful employment.

Applications should only be submitted when all other reasonable measures such as rehabilitation, re-deployment, workplace adjustments, flexible working or increased support have been considered. It is only when the disability caused by the ill health is likely to be enduring, and the above adjustments have been considered or tried and found unhelpful, that ill health retirement may be appropriate.

All applications must be made jointly by the applicant, their employer and the employer's Occupational Health Specialist.

2. What are the criteria for ill health retirement in the Scheme?

To satisfy the criteria for early retirement on grounds of ill health, it is necessary to demonstrate that:

- The applicant suffers from a recognised medical condition;
- The applicant has completed all reasonable treatment;
- The medical condition renders them incapable of teaching, either full or part-time or at another establishment;
- The incapacity is on the balance of probability likely to continue until normal retirement age 60 or 65.

This is a two tier scheme and information about any other gainful employment as well as teaching roles needs to be considered. This is important because if an application is made whilst in pensionable employment, within 6 months of being in pensionable employment, or whilst still in a contractual relationship with the employer and the individual is assessed as being unable to teach, they will be entitled to early payment of their accrued benefits.

However, should they be assessed as being permanently unable to teach and unable to undertake any other gainful employment, their service will be enhanced. If an application is made at any time other than that set out above, they will have to prove that they are

incapable of any gainful employment to qualify for ill health retirement benefits and those will not be enhanced.

When a medical condition is severe enough to warrant ill health retirement being a consideration, it would generally be expected that they would have had the benefit of a specialist opinion during their illness. In addition the work and health aspects of the condition should have been considered by an occupational health professional.

The medical part of the application form is designed to be completed by an Occupational Health doctor. If this is not possible, the GP, Specialist or Consultant may do so, attempting to answer the occupation related questions as best they can.

Copies of reports from specialists, and confirmatory test results that are available to the doctor completing the form should be enclosed.

All applications for ill health retirement will be considered on the basis of the medical evidence submitted at the time of application.

Information that becomes available subsequent to the application, that could not have been produced or reasonably foreseen at the time of the application, cannot be taken into account at a later date.

It is for this reason that the doctor completing the form must include all of the relevant information at the time.

In a majority of cases the Scheme Medical Advisers will not seek further medical evidence in support of the application. If there is insufficient evidence to allow the Medical Adviser to make a fully considered recommendation, the application for ill health retirement will not be accepted.

3. What is the difference between the two types of Ill Health Retirement?

The Scheme provides two levels of ill-health retirement that are dependent on the severity of an individual's condition and the likelihood of them being able to work again. In order to retire early on the grounds of ill health, the applicant will need to demonstrate that they have a medical condition that renders them incapable of any teaching at all and that despite appropriate treatment their incapacity is likely to be permanent i.e. until normal pension age.

If an application is made whilst in pensionable employment, or is made within 6 months of leaving pensionable employment, or whilst still in a contractual relationship with their employer, and the applicant is:

1. **Partial Incapacity:** assessed as being permanently unable to teach but able to undertake other employment, they will be entitled to the early payment of their accrued benefits;
2. **Total Incapacity:** assessed as being permanently unable to teach and in addition their ability to carry out any type of gainful employment is impaired by more than 90% and is likely permanently to be so up to their normal pension age, they will be entitled to the early payment of their accrued benefits plus their service will be enhanced.

4. Normal Pension Age

The Teachers' Superannuation Order 2011 has two sections of membership, who have a normal pension age of either 60 or 65.

Those who were members before 1 January 2007 will have a normal pension age of 60.

Those who became members on or after 1 January 2007 will have a normal pension age of 65.

5. How to qualify for ill health retirement

To qualify for ill-health retirement benefits the applicant must meet the following criteria:

- must be under normal pension age and have completed a qualifying period of 2 years pensionable service.
- must retire from pensionable employment because of illness or injury.
- The PSPA must determine that they satisfy one of the conditions of Partial or Total Incapacity as stated in 1 or 2 above.

6. What benefits will be paid?

The ill health arrangement is two-tiered.

1 Partial Incapacity - If the applicant is in pensionable employment, or applies within 6 months of leaving pensionable employment, or applies whilst retaining a contractual relationship with their employer and they are assessed by the Scheme's medical adviser as being permanently incapable of continuing teaching, their benefits will be calculated based upon the service accrued up to their retirement date.

Although the benefits are being paid before normal pension age, they will not be subject to a reduction as a result of this early payment.

2 Total Incapacity - If the applicant is in pensionable employment and is assessed by the Scheme's medical adviser as being permanently incapable of teaching, and it is also considered that they are unable to take up any other type of gainful employment, due to an impairment of their ability of more than 90%, their benefits will be based upon the service they have accrued up to retirement date plus they will also receive an enhancement to their service period.

7. Payment of Preserved Pension benefits on ill-health

For applicants who have previously left pensionable employment, their service will not be enhanced if retired on ill-health grounds. To qualify for ill-health benefits where a member has left pensionable employment, they must satisfy the criteria for **Total Incapacity** as set out in point 3.

8. 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 Deferred Ill-health Retirement Application Form and any other supporting medical evidence provided with the application. The PSPA will then decide if all the criteria are met, along with the tier of benefits, based upon the medical adviser's recommendation.

9. How do Active members apply for benefits?

For members in teaching employment, the first step would be to discuss the application for ill-health retirement benefits with their employer. Employers should be made aware of the member's individual circumstances and the effect that it has on their working life.

Employers and their occupational health advisers will consider all the relevant circumstances of each individual case. In most cases, this will include an assessment of the component parts of the member's job, including the skills, experience and qualifications required for their current job and also those that may be transferrable to another job on a similar salary.

Employers will look at ways of helping the individual return to work, e.g. re-deployment to a comparable post, part-time working, a transfer to a post with less responsibility, or consider other workplace adjustments before ultimately concluding that ill-health retirement may be appropriate.

If there is agreement that an individual may qualify for ill-health retirement benefits they should, in conjunction with their employer, complete a Teachers Ill-Health Retirement Application Form.

The form can be obtained from your employer or from the PSPA by emailing pensions@pspa.im or write to PSPA, Prospect House, 27-29 Prospect Hill, Douglas IM1 1ET.

10. Completing the Application Form

The Teachers Pensions Ill-Health Retirement Application Form is split into three Parts.

Part A – To be completed on behalf of the Employer

The fee for completing this form and making the application will be paid by the teacher's employer.

Part B – To be completed by the applicant

Part C – To be completed by the Occupational Health Doctor/Adviser

It is important to mention that the Ill Health application should be completed as requested and responses given to all questions where possible. For applications to be successful it is important that quality medical evidence is given. Analysis has shown that a common reason for applications failing initially is because insufficient evidence is supplied. The Medical Advisers to the Scheme rely exclusively on what information is submitted and will only request further medical evidence except in exceptional circumstances, which can cause delays to their assessment of the case.

Generally, cases where there is insufficient evidence will be rejected.

The Scheme is a two tier scheme. To satisfy the criteria for early retirement on grounds of ill health, it is necessary to demonstrate that the applicant has a medical condition that renders them incapable of teaching either full-time or part-time, and that in spite of all reasonable treatment the incapacity is likely on the balance of probability to be permanent. If the level of incapacity is greater than this and the applicant is incapable of any gainful employment, their service may be enhanced and they will receive a higher level of benefit (provided the applicant is 'in-service' at the point of application).

11. How do Deferred Members Apply?

Deferred Members must complete the Teachers' Pension Scheme Deferred Ill Health Application Form. You can obtain a copy of this form from the forms and guides page on our website www.pspa.im or by emailing pensions@pspa.im or by writing to PSPA, Prospect House, 27-29 Prospect Hill, Douglas IM1 1ET.

The application form has been constructed so that evidence required for each of the relevant decisions can be presented in sequence.

Before completing Part C the Occupational Health Specialist should ensure that consent for the release in Part B has been completed.

The following notes are to assist the Occupational Health Specialist in completing Part C.

Questions 1 and 2

The Medical Advisors are interested in any medical conditions that could impact on the applicant's capability. Sometimes it is the accumulated burden of ill health from several conditions that tips the balance, sometimes it's a single major condition. You should list all the relevant conditions and any complications of the conditions here. It is expected that all appropriate supporting medical evidence will be provided. Please do not send x-rays, photographs or CD Roms.

Question 3

The Medical Advisors would like to know how the condition(s) impacts on the applicants general health and capability. On the physical side is there an impact on walking, sitting, standing, vision, hearing etc. On the psychological side is there an impact on personality, mood, affect, memory etc. How do any changes affect the application in her/his personal life?

Question 4

The scheme rules require that an applicant has completed all reasonable treatment before a condition's long term impact can be considered permanent. You must set out the treatment that has been undertaken and any that has been described as inappropriate, along with the reasons involved. This includes treatment, not only to enable the applicant to return to work, but also treatment aimed at improving the quality of the applicant's life.

Question 5

This is also about treatment and it is worded to prompt enquiry about any other treatment that might be relevant to the applicant's condition(s).

Question 6

On the basis of your assessment and that of any specialist what is the scope for improvement over time or with treatment in the applicant's functional ability. This is about the likelihood of the persistence of the condition. Is there, for example, an established pattern?

Question 7

This is a specific enquiry about the impact the condition has on the applicant's normal role. Are they unable to do all of their role or just elements of it? Would they be able to manage part-time work in a similar role? Or work at a different establishment?

Question 8

Bearing in mind the answer to question 7 has the employer made any attempts at adjustments. If so what has been tried and what was the outcome?

Question 9

By workplace issues we are seeking to understand if events such as interpersonal disputes or disciplinary procedures are an impediment to a return to working.

Questions 10 and 11

These questions allow you to summarise the evidence that is relevant to the applicant's case. Whilst the decision will be made by an independent medical advisor these questions do allow you an opportunity to highlight the relevant evidence and present an evidence based rationale for any opinion you might wish to offer.

Question 12 – Information about terminal illness or harmful information

Members of the Scheme have additional benefits in respect of terminal illnesses. In the event of life expectancy of twelve months or less you should indicate so on the form. If you believe that this or any other medical information may be harmful to the health of the applicant, please indicate this in your submission and if possible include it on a separate sheet, marked 'Harmful Information'.

12. 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, and recommend the appropriate tier of benefits that will be applicable. Subject to there being no requests for further information, this should take about 30-50 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.

For applications relating to cases of the terminally ill, then these will be actioned within 5 working days.

The PSPA will notify the member, the employer (as detailed on the application form) and the occupational health adviser of its decision.

If the application is accepted, employers must make the necessary arrangements for members to cease employment immediately. Employers will have a procedure and timescales for progressing these dismissals from employment on health grounds and will agree with members the required notice period and the last day of service.

For those applications that are accepted and the member is still in pensionable employment, benefits are due from the day after their last day of pensionable employment.

For those members that are accepted after leaving pensionable employment benefits will be due, depending on circumstances (as determined by the PSPA), either:

- the day after their last day of pensionable employment; or
- the day on which they became incapacitated; or
- the day six months before the date of the last medical report used to accept their application.

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. The employer and or Office of Human Resources will be advised of the outcome, but no personal medical details will be shared. In all cases members will be informed of the official appeals process and further information on this can be found in this factsheet.

13. 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 30-50 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 30-50 days. The PSPA administrators will ensure that both the employer and the member are kept up to date with the applications progress.

14. Ill-Health early retirement appeals process

The criteria for payment of an ill health or incapacity benefits are strict. The PSPA will reject claims in cases where it deems the criteria have not been met. In its determination the PSPA will explain to you which elements of the schemes criteria are not met and point to the medical evidence and reports that it is relying on.

You can appeal in writing against the PSPA determination. It is important to note that the burden of proof rests with the member and as such it is your responsibility to gather all the medical evidence you believe will be relevant to support your appeal.

For more information on the appeals process and how to make an appeal please refer to the PSPA Appeal process: Ill Health and Injury Benefits which is on the PSPA website at www.pspa.im

15. What if my appeal is unsuccessful?

If your appeal is unsuccessful, the PSPA will tell you why. There is no right of further appeal unless you provide (in the opinion of the PSPA) compelling evidence that a further appeal should be considered.

You should set out in detail in a letter why a further appeal should be considered by the PSPA, and this should be sent to the PSPA. 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.

Disclaimer

This fact sheet is a guide only and does not represent any entitlement to the provisions described. The full details are contained only in the Rules of the Teachers Superannuation Order 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 Teachers Pension Scheme administrators at the PSPA:

Email: pensions@pspa.im

Write to: 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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