

Incapacity retirement for deferred members

Taking your pension early if you are ill and unable to work

Provided you meet certain criteria, you may be able to take your benefits early.

This factsheet sets out the circumstances under which you may retire due to ill health and the benefits you may be entitled to from USS.

Retirement on the grounds of incapacity

Eligibility criteria

Universities Superannuation Scheme Ltd (the Trustee) will consider an application for the early payment of your deferred benefits, without actuarial reduction, if you fall ill or suffer some other incapacity before attaining age 65. To approve an application it must be established that your illness or incapacity would have led to your retirement on medical grounds had you remained an active member of the scheme. The Trustee must be satisfied that you are suffering from a permanent medical condition that will prevent you carrying on employment in your former post, or any other office, post or employment.

Application form

If you want the Trustee to consider an application for the early payment of your deferred benefits you must complete Part I of the 'Incapacity retirement application' form, and arrange for Part II to be completed by the doctor mainly responsible for your medical care. The completion of Part III is optional and only needs to be completed if you have access to an Occupational Health Practitioner in respect of your current employment and wish to obtain their input. It will greatly improve the chances of early approval if all medical evidence thought relevant to the decision of the Trustee is submitted at the earliest opportunity. Therefore it may be appropriate that once you have filled in Part I of the form, you photocopy it and have Part II separately completed by more than one doctor, for example by a relevant specialist as well as your GP. Alternatively, you may obtain additional copies of the form from USS.

Details of former employment

In order for your doctor to comment on the effect of your medical condition on your ability to perform your former duties, you must provide as much information about the post that you held at the time that you left USS as you can. When you have completed Part I, you should forward the form to your doctor and ask for Part II to be completed. Your doctor should forward the completed form directly to the Trustee's medical adviser at the address on the form.

Trustee's medical advisers

We have appointed a panel of medical advisers who are all suitably qualified members of the Institute of Occupational Health Physicians to consider the medical evidence submitted and make recommendations to the Trustee.

Further examinations

Depending on the nature of your medical condition and the information provided by your doctor, it might sometimes be necessary to obtain some additional medical information. If additional medical information is required, the Trustee's medical adviser will contact you to arrange an examination by a suitable specialist.

Examination fees

You will be responsible for any fee that your doctor charges whether your application is successful or not. You will not have to pay for any further reports the Trustee's medical adviser may request.

Benefits payable

Your pension will be based on the amount of your deferred pension when you left the scheme increased by the amounts awarded each year up to the date your benefits come into payment. You will also receive a tax-free lump sum of three times the annual pension. You will not qualify for any service enhancement. Once a pension is in payment it will be increased, normally annually, in accordance with the scheme rules.

Date of payment

If your application is approved your benefits will normally be payable from the date of approval.

Commutation of benefits

It may be possible to commute all or part of your pension for an additional lump sum in certain exceptional circumstances of serious ill-health. This usually means where the expectation of life is unquestionably short, i.e. less than one year, and there are other circumstances that indicate that the provision of a pension is not suitable. If you are interested in this option you should ask for more details when you make your application.

Appeals

If your application is rejected, you may wish to appeal against the decision. You can appeal by completing USS form ME5 (Appeal) and sending it to the Trustee within six months, along with any new medical evidence not submitted previously.

Once an appeal is received, the Trustee will submit all of the medical evidence received in respect of your application to the panel of the Trustee's medical advisers. If the appeal is accepted, confirmation of the acceptance will be sent to you.

If the panel of medical advisers does not agree to accept the appeal, then all of the medical evidence will be submitted to an appropriate independent specialist in the illness or condition from which you are suffering. The specialist will be asked to make contact with you and will arrange to meet you, carry out a medical examination (including taking a medical history) and prepare an independent medical report. This report together with all evidence submitted will then be assessed by a member of the medical panel not involved in the original decision. After considering the appeal, if the recommendation is to accept it then we will advise you accordingly. Your pension will normally only be paid from the date when the appeal was accepted. It will not be paid retrospectively to when your case was first submitted.

Re-application

If your application is not approved, you may make a further application if you arrange for an updated medical report to be sent to the USS medical adviser. A re-application can only be considered if it is submitted more than six months after the date that your previous application was rejected. This will be treated as a separate application and the payment of benefits will not be linked to the earlier application.

This publication is for general guidance only. It is not a legal document and does not explain all situations or eventualities. USS is governed by a trust deed and rules and if there is any difference between this publication and the trust deed and rules the later prevail. Members are advised to check with their employer contact for latest information regarding the scheme, and any changes that may have occurred to its rules and benefits.