

To: Chief Executives
Salaries and Wages
Human Resources
Pension Contacts

Circular 01/2026
19 January 2026

At: All Employing Authorities

Dear Colleagues,

III-Health Retirement in the LGPS (NI)

This circular has been issued to remind employers of the ill-health retirement process in the LGPS (NI) ('the Scheme'). It sets out your employer duties and asks that all employers review their recent terminations for compliance with these processes.

III-health retirement: Process and background

Under the 2015 Scheme, to qualify for ill-health benefits two conditions must be satisfied:

- **the member's ill-health or infirmity of mind or body renders the member permanently incapable of discharging efficiently the duties of the employment the member was engaged in; and**
- **the member, as a result of ill-health or infirmity of mind or body, has a reduced likelihood of being capable of undertaking any gainful employment before reaching normal pension age.**

If NILGOSC is satisfied that the required paperwork has been submitted (see Appendix) then the case will progress to assessment by an Independent Registered Medical Practitioner (IRMP) who will assess the member against the Scheme's ill health criteria. The IRMP will make a recommendation to NILGOSC, and the decision on award of an ill-health retirement benefit will then be made by NILGOSC.

A member is entitled to a Tier 1 benefit if they are considered unlikely to be capable of undertaking any gainful employment before Normal Retirement Age, or a Tier 2 benefit if they are considered likely to become capable of undertaking any gainful employment before reaching Normal Retirement Age. More information on these benefit entitlements and definitions are on the [ill-health section of our website](#) and in the [Employer Guide](#).

If a member is found to meet the criteria for ill-health retirement, the employer is required to provide their assumed pensionable pay (APP), in order to calculate the enhancements. (See [calculation of APP](#) on our website, which also has links to support videos).

Note that for members who were working at reduced contractual hours or at a lower grade during the period prior to the referral as a consequence of the same ill-health condition, (and this is evidenced and agreed by the IRMP), there is a protection in the regulations that this will not have a detrimental impact on the members ill-health enhancement awarded.

Employer responsibilities

If you have a member who is ill and no suitable alternative job has been identified, you may refer the member for an ill-health medical examination, with NILGOSC's Independent Registered Medical Practitioner ('IRMP'). The relevant forms and how to do this is outlined in the Appendix.

As an employer there are a number of important points to note:

- **It is expected that employers will put ill-health retirement applications forward before terminating a member's employment contract.** Ill-health benefits as an active member of the Scheme receive an enhancement compared to deferred member ill-health benefits. Therefore, the timings of your referral have a significant financial impact on the member.
- **It is your duty as an employer to submit this application, and only applications from employers can be considered.**
- **It is NILGOSC who decides whether a member meets the criteria for ill-health within the LGPS(NI) regulations, and not an occupational health doctor or other stakeholder. This is after NILGOSC receives the recommendation from the IRMP.**
- **The strain costs of ill-health retirements are funded and shared across all employers in the LGPS (NI).**

In submitting a referral, you should:

- **Already have sought an opinion and report from an occupational health doctor;**
- **Be able to provide full supporting (relevant) medical evidence and a job description with the referral; and**

- **For employees who are on reduced hours / grade due to ill-health, you should retain evidence of the ill-health condition as to why someone may have reduced their hours or grade as this will be required at a later date when calculating any enhancement that may apply.**

Not complying with these responsibilities may mean that you, as an employer, cause loss to the member during this process.

Action: We ask that employers review recent terminations and ensure that the LGPS ill-health process was correctly instigated if the employee had a medical condition which merited referral for ill-health retirement.

Should a member be approved to receive ill-health benefits it should be noted that these are not optional and must be paid. NILGOSC have a high number of unclaimed ill-health pensions where, following approval, members have not completed the required paperwork. We therefore ask employers to be mindful of keeping members informed of the process and ill-health benefits during their referral. You can direct employees to further information on this in the [Retirement Guide](#).

Yours sincerely,



Sinead Heath
Chief Pensions Officer

Appendix – Process of application for ill-health medical examinations

Action for Employers	Timescale
Submit a Request for Medical Examination Form LGS22A to NILGOSC accompanied by a job description for the post in question and medical evidence that indicates the permanence of the member's illness or condition. LGS22 forms should be sent to medicals@nilgosc.org.uk	Within 30 days of the employer being made aware that the member has a medical condition which merits referral for ill-health retirement and before the intended date of retirement
On receipt of the LGS22A NILGOSC will arrange a telephone consultation with one of the IRMPs appointed by NILGOSC. NILGOSC will inform the employer of the outcome of the medical examination. If the member is found to meet the criteria for ill-health retirement the employer should forward completed Leaver's Forms LGS16 and LGS15.	LGS 15 within 10 days of the leaving date, or final payment date, if later LGS 16 as soon as date of leaving known.