

Cambridge University Assistants' Contributory Pension Scheme (CUACPS)

Career Revalued Benefits (CRB) Section

Factsheet 11 - Ill Health and Incapacity Benefits

If you are unable to work due to ill health or incapacity, you may be able to take your benefits early. This factsheet provides details of the benefits payable and the circumstances under which members can retire due to ill health or incapacity.

ELIGIBILITY FOR BENEFIT

Ill health or incapacity benefits are payable if you retire from Service with your Employer because you are unable to carry out your job due to ill health and this is expected to be permanent until Normal Pension Age.

Retirement due to ill health

Provided that you are under age 65, ill health benefits are payable if the CU Pension Trustee Limited (CUPTL) is satisfied that you are suffering from ill health, or another disability, which means you are unable to carry out the job you were employed to do and that this is likely to be permanently the case.

Retirement due to incapacity

Provided that you are under age 65, incapacity benefits are payable if the CUPTL is satisfied that you are suffering from ill health, or another disability, which means you are totally incapable of carrying out any kind of work with your Employer or taking up any other employment or occupation and that this is likely to be permanently the case.

Medical evidence

Before any ill health or incapacity benefits can be paid, it is likely that the CUPTL will obtain medical evidence of your condition.

In addition, as your condition may change over time, the Scheme Rules require the CUPTL to seek additional medical evidence from time to time. If your health improves before your Normal Pension Age then the CUPTL may suspend, terminate or change the pension paid to you.

On the other hand, if the condition which led to your retirement worsens, the Trustee may increase your pension payments.

WHAT BENEFITS WILL I RECEIVE?

Ill-health

If you retire early on the grounds of ill-health you will receive an immediate unreduced pension and a cash lump sum. This is calculated in the same way as your normal retirement benefits but includes a service enhancement. As set out below, the benefits payable depend on the date you joined CUACPS.

If you joined CUACPS before 1 December 2009, the benefits you will receive on ill health early retirement are calculated as follows:

1. A pension of $1/60^{\text{th}}$ of your final pensionable salary for each completed year* of pensionable service in the Scheme up to 31 December 2012.
Plus
2. A block of pension equal to $1/95^{\text{th}}$ of your revalued earnings for each completed year* of pensionable service from 1 January 2013 to 31 December 2017.
Plus
3. A block of pension equal to $1/100^{\text{th}}$ of your revalued earnings for each completed year* of pensionable service between 1 January 2018 and the day you retire due to ill health.
Plus
4. A tax-free cash lump sum equal to three times your pension earned on or after 1 January 2013.

If you joined CUACPS on or after 1 December 2009, the pension you will receive at your Normal Pension Age is calculated as follows:

1. A pension of $1/80^{\text{th}}$ of your final pensionable salary for each completed year* of pensionable service in the Scheme up to 31 December 2012.
Plus
2. A block of pension equal to $1/95^{\text{th}}$ of your revalued earnings for each completed year* of pensionable service from 1 January 2013 to 31 December 2017.
Plus
3. A block of pension equal to $1/100^{\text{th}}$ of your revalued earnings for each completed year* of

pensionable service between 1 January 2018 and the day you retire due to ill health.

Plus

4. A tax-free cash lump sum of $\frac{3}{80}$ ^{ths} of your Final Pensionable Salary for each completed year* of service in the Scheme up to 31 December 2012.

Plus

5. A tax free lump sum equal to three times your pension earned on or after 1 January 2013.

**part years of Pensionable Service based on completed days will also count towards your pension.*

Service enhancement on ill health retirement

If you retire due to ill-health you will be granted additional service of one additional year for each five years of service actually completed in the Scheme. This additional service will provide extra benefits under the CRB section based on the accrual rates that would apply over the period immediately following your ill health retirement.

Please note that extra pensionable service granted cannot exceed the pensionable service you would have completed between your ill health retirement date and your Normal Pension Age. In addition, the total service used to calculate your ill health pension cannot exceed 40 years.

Incapacity

If you retire on the grounds of incapacity you will receive an immediate pension and a cash lump sum calculated as if you had remained in pensionable service to Normal Pension Age. The amount of your benefits depends on when you joined CUACPS as described below:

If you joined CUACPS before 1 December 2009, the benefits you will receive on ill health early retirement are calculated as follows:

1. A pension of $\frac{1}{60}$ th of your final pensionable salary for each completed year* of pensionable service in the Scheme up to 31 December 2012.

Plus

2. A block of pension equal to $\frac{1}{95}$ th of your revalued earnings for each completed year* of pensionable service from 1 January 2013 to 31 December 2017 (or your Normal Pension Age pension age if earlier).

Plus

3. A block of pension equal to $\frac{1}{100}$ th of your revalued earnings for each completed year* of pensionable service between 1 January 2018 and your Normal Pension Age.

Plus

4. A tax-free cash lump sum equal to three times your pension in respect of service between 1 January 2013 and your Normal Pension Age.

If you joined CUACPS on or after 1 December 2009, the pension you will receive at your Normal Pension Age is calculated as follows:

1. A pension of $\frac{1}{80}$ th of your final pensionable salary for each completed year* of pensionable service in the Scheme up to 31 December 2012.

Plus

2. A block of pension equal to $\frac{1}{95}$ th of your revalued earnings for each completed year* of pensionable service from 1 January 2013 to 31 December 2017 (or your Normal Pension Age pension age if earlier).

Plus

3. A block of pension equal to $\frac{1}{100}$ th of your revalued earnings for each completed year* of pensionable service between 1 January 2018 and your Normal Pension Age

Plus

4. A tax-free cash lump sum of $\frac{3}{80}$ ^{ths} of your Final Pensionable Salary for each completed year* of service in the Scheme up to 31 December 2012.

Plus

5. A tax free lump sum equal to three times your pension in respect of service between 1 January 2013 and your Normal Pension Age.

**part years of Pensionable Service based on completed days will also count towards your pension.*

IMPORTANT NOTE

This factsheet provides a summary of your ill-health and incapacity benefits. However, your legal rights are governed by the Trust Deed and Rules of CUACPS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet.

A copy of the rules can be found using the following link: <http://www.pensions.admin.cam.ac.uk/cps>

Version 6: October 2020 (reviewed August 2023)