

Hybrid Section

Factsheet 16 - 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 from CUACPS

Provided that you are under age 65, ill health benefits are payable if the C U 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.

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.

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 medical 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 medical condition which led to your ill health retirement worsens, the CUPTL may increase your pension to that you would have received had you been granted early retirement on the grounds of your incapacity.

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 may include a service enhancement.

The benefits you will receive on ill health early retirement are calculated as follows:

1. A block of Career Revalued Benefit (CRB) pension equal to $1/150^{\text{th}}$ of your revalued earnings for each completed year* of pensionable service.
- Plus
2. A tax-free cash lump sum equal to three times your CRB pension under (1) above.

**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, provided that you have been a member of the scheme for at least 5 years you will be granted one year of additional service 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.

The service enhancement only applies to your CRB benefits. No further contributions will be paid into your account held with the DC Scheme.

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 pension you will receive on early retirement due to incapacity is calculated as follows:

1. A block of CRB pension equal to 1/150th of your revalued earnings for each completed year* of pensionable service.

Plus

2. A block of CRB pension equal to 1/150th of your revalued earnings for each prospective year* of pensionable service up to your Normal Pension Age.

Plus

3. A tax free lump sum equal to three times your CRB pension under (1) and (2) above.

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

RETIREMENT DUE TO ILL HEALTH OR INCAPACITY FROM CUADCPS

Provided that you are under age 65, ill health benefits are payable if the Trustee of the CUADPS 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.

You will be able to use the funds held in your account in the CUADCPS to secure retirement benefits.

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 and CUADCPS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet.

A copy of the CUACPS rules can be found using the following link:

<http://www.pensions.admin.cam.ac.uk/cps>

More details on Defined Contribution Scheme manager, SEI, can be found on www.seic.com or by contacting the SEI Master Trust administrator at seic@capita.co.uk.