



National Agreement Ill Health Retirement Royal Mail and the CWU

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Ill-health Retirement

This Joint Agreement between the Post Office (or associated employer) the Communications Workers Union and the Communication Managers Association has been reached in respect of employees who are unable to continue to undertake their normal duties due to ill-health.

1. INTRODUCTION

The Terms of this Agreement, Definitions of Ill-Health Retirement, Memorandum of Understanding and Ill-Health Procedure replace the previous Definition of Medical Retirement and Procedures contained in Postal Instructions and People Management framework, regarding these issues.

2. AIMS

- To provide Employee Health Service (EHS) advice and Managerial support to assist employees with Ill-Health to recover.
- To find suitable alternative work within the Post Office to assist the employee to continue in employment.
- To ensure a supportive and fair approach to employees who are unable to continue to undertake their normal duties due to ill-health.
- To avoid Ill-Health Retirement without financial support.
- Where employees are permanently or for the foreseeable future incapable of undertaking any work or where alternative suitable work is not available, to maximise the benefits available on retirement.

3. SCOPE

It will apply to all Post Office (or associated employer) employees with the exception of casual or temporary contract staff, with less than 12 months service, from 1st April 2000 where consideration is being given for:-

- Alternative or adjusted duties in the Post Office for an employee due to Ill-Health
- Termination of an employees trial for ill-health grounds
- Ill-Health Retirement

4. DEFINITIONS OF ILL-HEALTH RETIREMENT

4.1 "Retirement on ill-health grounds with immediate pension" means the cessation of employment as a result of serious physical or mental ill-health (not simply a decline in energy or ability) such that, in the opinion of the Post Office or associated employer (whichever is the employer), the member is permanently incapable of:

a) carrying out his current duties;

b) carrying out such other duties for the employer as the employer might reasonably expect the member to perform; and

c) engaging in employment with any other employer of a type which, in the opinion of his present employer, would be reasonable and appropriate for the member.

4.2 "Retirement on ill-health grounds with lump sum payment" means the cessation of employment as a result of serious physical or mental ill-health (not simply a decline in energy or ability) such that, in the opinion of the Post Office or associated employer (whichever is the employer), the employee is, for the foreseeable future, incapable of:

a) carrying out his current duties;

b) carrying out such other duties for the employer as the employer might reasonably expect the employee to perform.

5. MEMORANDUM OF UNDERSTANDING

The following is an agreed understanding between the Post Office and the Unions on the interpretation of the Ill-Health Retirement Definitions contained in Paragraph 4

Where, through ill-health, an individual is unable to perform their normal duties then the Post Office and Trade Unions agree that suitability and reasonableness will be the prime factors in identifying appropriate alternative duties that the employer might expect the individual to undertake. This will enable the Post Office to effectively discharge its obligations under legislation including the Disability Discrimination Act 1995 and the Employment Rights Act 1996.

When assessing suitability and reasonableness, the factors that could be taken into consideration include : job content, skill & aptitude, the person's current status, current pay and future earnings opportunity, hours of work, location and travel arrangements, personal commitments & circumstances, age etc.

Permanent incapacity shall mean until normal retirement age or for at least 10 years from the date of medical opinion, whichever is the sooner.

Foreseeable future shall mean a period of at least 9 months from the date of medical opinion.

Due consideration would also be given to the degree of training required to enable the individual to undertake alternative work, and full support made available to those individuals able to demonstrate the necessary aptitude for acquiring those new skills.

6. ILL-HEALTH RETIREMENT BENEFITS

6.1 RETIREMENT ON ILL-HEALTH GROUNDS WITH IMMEDIATE PENSION

Members with 5 years reckonable service or more meeting the criteria for retirement on ill-health grounds will have their pension based on their full benefits calculated up to their last day of service plus 75% of future pensionable service up to age 60. This has been underpinned by the previously agreed enhancement terms.

In addition, the 75% projection of prospective service will apply equally to the widow(er)'s and children's pensions payable in the event of death in service of an employee in accordance with the provisions outlined above.

Benefits for employees with over 2 but less than 5 years reckonable service remain unchanged.

Employees must be members of the Post Office Pension Plan (POPP) to receive an immediate pension. Where an employee meets the criteria for Medical Retirement due to permanent incapacity but is not a member of the POPP, then they will be eligible to the benefits applicable for Retirement on Ill-Health Grounds with a Lump Sum Payment.

6.2 RETIREMENT ON ILL-HEALTH GROUNDS WITH A LUMP SUM PAYMENT.

Where an employee meets the criteria for retirement on ill-health grounds with a lump sum compensation payment, as detailed in the ill-health definition and Memorandum of Understanding. Lump sum payments will be determined as follows:

Up to 2 years service: 1/8th annual basic pay per year, up to 3 months Pay.

2 to 5 years service: Basic payment of 3 months annual basic pay, plus 1 month's basic pay per year for each year over 2 years up to an additional 3 months pay.

Over 5 years service: Basic payment of 6 months annual basic pay, plus 1/80th annual basic pay for each year over 5 years completed service.

The lump sum payments relating to those retiring under this category will be tax-free up to £30,000 in accordance with existing Inland Revenue provisions and will be paid by the Post Office and not the pension schemes. A deferred pension will also be payable to all pensionable employees.

6.3 FORMAL NOTICE PERIOD

Retirement on Ill-Health Grounds in both cases will be subject to normal contractual notice of termination of employment or 9 weeks notice whichever is the greater.(9 weeks notice will also apply to employees on trial where they are being terminated on ill-health grounds). This will be with pay. Payment in lieu of contractual notice will be available if requested. In accordance with normal practice this will be in gross terms with Inland Revenue and National Insurance contributions not being deducted at source.

6.4 PENSION ENTITLEMENTS

These ill-health retirement benefits will not reduce or affect any of the other members pensionable benefits due under the pension schemes.

7. ILL-HEALTH/RETIREMENT PROCEDURE

7.1 ACCESS TO THE PROCESS

Employees will enter the first stage of the process on referral to the EHS. This referral may be via a variety of routes which include an event such as a long illness or accident, a personal request (which, if the individual wishes, could be via their Trade Union representative) or from one of the other internal Personnel Processes e.g. Attendance Procedure or IPP, including employees under notice of dismissal who are appealing for ill-health retirement. A flowchart outlining the procedure is contained in Appendix 1 to this agreement.

7.2 EHS REFERRAL/RECOMMENDATION (STAGE 1)

The purpose of referral is firstly to establish whether there is underlying ill-health adversely affecting the individual's ability to undertake normal/adjusted duties efficiently and regularly, and secondly to form a prognosis for recovery to enable resumption to the same or alternative work.

Adequate notice, which would normally be 2 weeks, of the consultation appointment will be given and individuals will be encouraged to gather together all supporting medical evidence, including any sealed evidence provided by medical advisors, or any other information that may be of assistance at the referral.

It is the aim that the referral discussion between the EHS and the individual will lead to general agreement on the advice being prepared, based primarily on medical evidence. Where this has not been possible and it becomes apparent that additional medical evidence is needed, the consultation will be adjourned to be reconvened upon receipt of the evidence requested.

The practical stages of referral are:

Consultation with the individual to establish the individual's personal circumstances. This may involve a medical examination.

Evaluation of information provided by line management regarding attendance and work performance, which is germane to the referral.

Evaluation of all other relevant information provided by specialist functions e.g. Welfare Services or Personnel Departments.

Evaluation of any medical evidence supplied by the GP or Consultant, following disclosure authority from the individual concerned.

The EHS conclusions and opinions will be discussed with the individual as part of the consultation and will make it clear whether; in accordance with the Ill-Health Definition, Memorandum Of Understanding and agreed Procedures:-

He/she should:-

a) Be able to undertake their normal duty or be able to work normally with modifications to their current duty. In this case the EHS would advise Line management that there are no underlying ill-health reasons affecting the individual and the process would not continue.

b) Be able to undertake suitable alternative work in the Post Office following any necessary reasonable adjustments and or training. In this case the EHS will provide advice on:

- The type of work that would be suitable e.g. sedentary or active, and any special requirements e.g. non driving or chargeship responsibilities etc.
- Aptitude, capability, skill requirements and any other qualifying conditions.
- The hours of attendance required and whether these are limited to certain times of the day or week.
- The location of the work and the limitations on daily travel for either attendance or discharging of duties involved.

- Guidance on disability and implications in relation to the Disability Discrimination Act.

Discussion with the individual will enable the EHS to provide clear advice to line management on the types of work that would be suitable and the related adjustments needed.

c) Be unable to work again for the foreseeable future but should recover and be able to be employed in some capacity at a later date. In this case the EHS would have concluded that whilst the individual may be able to resume some duties in the future, the time frame involved may be unacceptable to the Business, or that the appropriate adjustments necessary are such that suitable alternative duties of this type may not exist or be achievable in the Post Office. The recommendation would therefore be ill-health retirement with a lump sum payment.

d) Be unable to work again.

The recommendation would therefore be Ill-Health Retirement with immediate enhanced pension.

NOTE:

Where consultation has resulted from self referral, the considerations and outcome will be in accord with those described above, but because the referral is essentially to provide advice on future capability and eligibility for retirement on ill-health grounds to the individual, then the advice provided will be confined to the individual, unless they request otherwise. The EHS would however be bound under duties of care to communicate with Line management where the consultation raised an issue that was pertinent to the individual's health and safety at work, or the safety of the public or other employees. The individual would naturally be informed that this communication was necessary.

7.3 FUTURE REFERRAL

Where in future an individual's condition/circumstances change or new medical evidence becomes available a further referral may be requested and the process effectively restarts at the referral stage.

8. DECISION (Stage 2)

In many cases, professional advice is a prerequisite to informed decision making, and where underlying medical conditions are concerned the opinion of the EHS is imperative.

The responsibility for making the decision based on the advice/recommendation from the EHS will rest with senior Line Management. The rank will be in accordance with the Authority Levels contained in the appropriate Conduct Code for dismissal.

Where a decision to retire on Ill-Health Grounds with an immediate pension or lump sum payment is made this will normally be conveyed at an interview and confirmed afterwards in writing. This confirmation should detail the proposed last day of service and a summary of the reasons and basis for the decision. The financial arrangements regarding retirement will be provided by the appropriate Personnel function.

9. RIGHT OF APPEAL (Stage 2.1)

- a) There will be a right of appeal against the decision and where the employee wishes to appeal he/she should inform the manager and confirm this in writing within five days of the written notification of the decision. At the same time the individual should state whether they will be seeking the support of their Union and confirmation from the Union of their support must be provided within a further seven working days.
- b) The appeal, which must be supported by appropriate medical evidence, must be made before the day on which any notice to terminate the employee's contract of employment is due to expire, or within 12 weeks from the date on which notice of termination of contract was given, whichever is later.
- c) The employee, or the Union if involved, should inform the Line Manager immediately if it is decided not to proceed with the appeal.
- d) All appeals will be concluded with an interview with the line manager who is due to make the decision based on the EHS advice.
- e) These appeal procedures do not apply to cases of refusal to reinstate persons who have been retired on medical grounds and who assert that they have recovered; for cases of rejection on medical grounds for employment with the Post Office; or for disciplinary cases (e.g. where an employee may be suspected of malingering)

9.1 APPEAL PROCESS

The appeal will be for or against one of the decisions detailed in Paragraph 7.2.

- a) An appeal AGAINST retirement of an employee on Ill-Health Grounds must be supported by a full report on the employee's medical condition from a registered medical practitioner to the effect that the appellant is fit to perform their normal, adjusted or alternative work and can be expected within the foreseeable future to give regular and efficient service.
- b) Appeals FOR retirement on Ill-Health Grounds must be similarly supported by medical evidence to the effect that the employee is, for the foreseeable future or permanently unfit to discharge their normal, adjusted or suitable alternative work.
- c) In either case a simple statement that the appellant can or cannot work or discharge a particular duty, will not suffice and where an appeal is not accompanied by medical evidence, as defined above, it cannot be accepted.
- d) An appeal may be presented either by the employee or by their Union acting on their behalf. An employee who wishes to appeal will be advised to seek the support of his Union but they are not obliged to do so. If, either at the outset or later, a Union decides not to take up his case, the employee is at liberty to proceed on their own behalf.
- e) If an employee wishes to appeal on their own behalf (i.e. without the assistance of their Union) but is not sure what evidence is required to support the appeal, the appellant may ask the EHS to let their private doctor know the types of evidence needed.
- f) All appeals will in the first instance be referred via the appropriate Line Manager to the EHS for consideration of the medical evidence furnished by the employee in support of their case. Any medical evidence received under sealed

cover from the appellant's medical adviser will be forwarded unopened to the EHS. The EHS will normally communicate directly with the appellants medical adviser.

g) The EHS may, at their discretion seek a second opinion or refer the appeal to an independent medical board. If the latter were necessary at this stage, then there would be no further referral to a medical board at any subsequent stage in the process.

h) The outcome of the appeal based on this additional medical evidence would be further EHS advice to Line management, that the appellant is:

- Able to return to normal or adjusted duties
- Able to undertake suitable alternative work in the Post Office.
- Unable to work on alternative duties within the Post Office for the foreseeable future and is therefore recommended for Ill-Health Retirement with a Lump Sum payment.
- Permanently incapable of undertaking work in accordance with the definition and therefore eligible for Ill-Health Retirement with immediate pension

In the event that the appeal is dismissed, the appropriate Line Manager will inform the individual of the reasons for the conclusion. Where requested the EHS will inform the appellant's medical adviser or, if appropriate, the medical adviser to the Union which acted on the appellant's behalf.

9.2 APPEAL TO A MEDICAL BOARD (STAGE 2.2)

An appellant whose appeal for or against retirement on Ill-Health grounds has been disallowed on the basis of the medical evidence provided can request that the case be referred to an independent medical board. The appellant must notify their intention in writing, either personally or through their Union, within 7 days of the date on which they were formally notified that their original appeal was unsuccessful.

The medical board will be organised by the EHS and will comprise two Medical Specialists from outside of the Post Office. One will be a Specialist in Occupational Health, and the other a Specialist in the particular ill-health condition of the appellant.

The employee will normally attend this board in person and will be given a minimum of 48 hours notice of the date and venue. There may be a need for the individual to have a medical examination during the course of the appeal. Travel and subsistence expenses for attending the Medical Board will be met by the Post Office.

The outcome from the Medical Board will be advice to line management in accord with the possible outcomes contained in 9.1 above.

At the conclusion of the appeal the appellant will be formally notified of the decision within 5 days.

No further appeal in respect of ill-health retirement will be allowed unless from a new referral.

9.3 SUCCESSFUL APPEALS AGAINST ILL-HEALTH RETIREMENT

Where an appeal against Ill-Health Retirement on medical grounds is upheld, the notice of retirement will be withdrawn and the appellant will continue to be employed under the terms of their existing contract.

Where the contract of employment has already expired, the appellant will be offered reinstatement in his former grade and treated in all respects as if they had never been retired. If however the appellant does not return to duty on the date stipulated in the offer of reinstatement and can give no acceptable reason for their absence, the offer will be withdrawn and the Post Office will regard that it has discharged all of its obligations.

9.4 SUCCESSFUL APPEALS FOR ILL-HEALTH RETIREMENT

Where an employee's appeal succeeds and the individual is under notice of retirement or has already been retired without immediate pension arrangements will be made to vary the terms of his notice accordingly.

10. ADJUSTED DUTIES OR ALTERNATIVE WORK IN THE POST OFFICE

Where the advice following referral is to offer adjusted duties or suitable alternative work.

Careful consideration needs to be given to the type of work suggested and the attendance or travel adjustments necessary. These should be discussed by line management with the individual, their TU representative if requested and if necessary the EHS to ensure commonality of understanding on the parameters within which work is being sought.

These discussions should take due account of the "Memorandum of Understanding" and ensure the alternative work meets the employees capability, aptitude and fully complies with the medical advice received.

Possible roles should be identified, even if there are currently no open positions. If necessary the EHS could be consulted on the suitability of such roles prior to investigating placement opportunities.

All practical and reasonable measures ought to be exhausted by Line Management to secure a placement opportunity within their own sphere of influence in the first instance, especially where the type of work identified already exists under their control. This applies progressively from local unit to Business Level.

Where no such roles or opportunities are identified, Line management should broaden their efforts to other parts of the Corporation in accordance with any geographical or travel adjustments contained in the EHS advice. To accomplish this it is essential that the Personnel function is formally involved.

Where suitable alternative work is identified in another Business, arrangements should be made to enable the individual to undertake their duties without delay. In these circumstances it would be reasonable for the current or releasing Line Manager to meet any necessary training or familiarisation costs including the time involved.

The Line Manager will make the offer of adjusted duties or alternative work following the outcome of the discussions detailed above.

a) Where the alternative work is accepted this will conclude the process.

b) Where the alternative work is accepted but later proves unsuitable the employee will be returned to the referral stage of the process.

In the event of a disagreement on suitability of the alternative work identified, the EHS should be consulted again on compliance to the adjustments called for by the underlying ill-health condition. In such cases discussion between the Line Management, the individual, the EHS and where requested a TU Representative, would be advisable, to ensure common understanding of the actual position.

10.1 APPEALS IN RESPECT OF WORK OFFERS (STAGE 3.1)

a) Where an offer of alternative work is not acceptable to the individual there will be an opportunity to appeal against the suitability of the work being offered. If the employee intends to appeal they should inform the Line Manager as soon as possible and confirm this in writing within 5 days of the offer of work being notified.

b) The employee may seek representation from their trade union to assist them or present their case at the appeal.

c) These appeals will be heard at the next level of authority from that which the original decision was made. As the appeal is concerned with the suitability of work offered, which may be in a different Post Office business, Personnel will take responsibility for identifying the appropriate senior managers(s) to be involved.

d) Employees will be encouraged to attend a personal appeal hearing but they may appeal in writing if they so wish. As part of the process it may be necessary to seek further advice from the EHS on the suitability of the work being offered.

e) Appeal Hearings would normally be held within 2 weeks of the request from the employee being received. A minimum of 48 hours notice of the date and venue of the appeal will be given. Decisions would be conveyed face to face at an interview normally within 5 days of the hearing.

10.2 APPEAL DECISION

The outcome of the appeal will be one of the following:-

a) The appeal is upheld and further discussion will take place as detailed in paragraph 10. to identify appropriate and suitable work.

b) The appeal is upheld but no suitable alternative work can be identified as confirmed by the Personnel function and senior operational management. The EHS would be advised in order to provide the opportunity to review the adjustments proposed if appropriate. Where no suitable alternative work is identified and no further adjustments can be made the EHS will confirm their support to retirement on ill-health grounds with lump sum payment.

c) The appeal fails and the job is formally offered for a final time. If refused the process will be considered complete and the individual subject to normal procedures.

11. RE-EMPLOYMENT FOLLOWING ILL-HEALTH RETIREMENT

Where an individual has been retired for Ill-Health they will have opportunity to request re-employment within the Post Office when/if they are again able to carry

out their previous duty or another duty for the employer and there will be no artificial barriers to their re-employment.

The Post Office is an equal opportunities employer and will consider all applications on their merit, including those from previous employees. Experience gained from working within the Corporation in the past is an advantage in any recruitment process, and this applies equally to individuals that have been retired on ill-health grounds. In such cases however, it would be essential for an individual to demonstrate that they have recovered sufficiently to be able to perform a normal range of duties.

Re-employment will be subject to a referral to the EHS to confirm the individual has recovered from the ill-health that supported the recommendation for retirement. The individual will be required to provide supporting evidence that they have recovered from their ill-health and may be required to have a medical examination.

Their previous overall attendance record will be considered in the normal way but they will not be disadvantaged due to absences related to their ill-health retirement.

It is also important to recognise that:

- It will be unlikely individuals will be able to return to their original former job.
- It will be dependant on an appropriate vacancy being available.
- They may be expected to be flexible in terms of job location and date of return.
- Where retraining is required it will be given.
- Their pension will be based on the actual length of service minus the period of retirement on Medical Grounds. There may however be the opportunity to have the option to buy back the difference upon their return to the Post Office.
- They will return to the appropriate Pension Scheme for new employees.

12. REVIEW

There will be a formal Joint Review of the provision of benefits and new arrangements when the next Scheduled Valuation of the Superannuation Funds takes place in 2003. This review will consider any further improvements in benefits that can be made available and incorporated for the future.