

**SCOTTISH TEACHERS' SUPERANNUATION SCHEME
CIRCULAR 04/2010**

- WHO SHOULD READ:** STSS Members, Directors of Education, HR Managers and stakeholders with an interest in the STSS ill health retirement process.
- ACTION:** This circular has been emailed to all stakeholders on SPPA's circulation list and should be circulated widely to all STSS members, particularly those who have submitted an application for ill health retirement or are considering applying for ill health retirement.
- SUBJECT:** ILL HEALTH RETIREMENT APPLICATIONS
INTERNAL DISPUTE RESOLUTION PROCEDURES STAGE 2

The purpose of this circular is to notify STSS members, their employers and representatives, that changes will be implemented to the way SPPA process IDRPs Stage 2 medical appeals with effect from 1 November 2010.

Background

The 2007 reform of STSS ill health provisions introduced two-tier ill health arrangements under which applicants are considered for Partial or Total Incapacity Benefit. The application process results in one of three outcomes:

- award of Partial Incapacity Benefit (PIB) (granted to teachers who are permanently incapable of teaching, but can undertake other employment);
- award of Total Incapacity Benefit (TIB) (granted to teachers who satisfy the PIB criteria and whose ability to carry out any work is impaired by more than 90% and is likely permanently to be so);
- no award (teacher does not satisfy the criteria for PIB or TIB).

Applicants' rights of appeal against the management of and decisions on their application are set out in regulations and incorporate: the right to invoke the STSS Internal Dispute Resolution Procedure (IDRP); the right to request the Pensions Ombudsman to review the handling and/or outcome of their application; the ultimate right to legally challenge outcomes through the appropriate courts.

Where a teacher's application for ill health retirement is refused or where a teacher wishes to appeal against SPPA's decision to award Partial Incapacity Benefit as opposed to Total Incapacity Benefit, that teacher can apply for a review of the decision through IDRPs. If a teacher's application is refused at IDRPs Stage 1, he or she can appeal against that decision at IDRPs Stage 2, which is handled by SPPA's Policy Directorate on behalf of the Scottish Ministers.

From 1 October 2008 both the initial application and IDRPs Stage 1 process have been dealt



with by the SPPA's medical advisers, Atos Healthcare, who examine the medical evidence provided and without the need for a face to face examination (in most cases) make a recommendation on the outcome of the ill health application.

New process being introduced to medical IDRPs Stage 2 appeals

Following agreement with teachers' employers and representatives through the Management Advisory Group (Scotland), SPPA will no longer appoint an independent medical adviser to examine the appellant in a face to face consultation. **This change will take effect for all IDRPs Stage 2 medical appeal cases received by SPPA from and including 1 November 2010.**

Atos Healthcare have been appointed to consider and make recommendations on IDRPs Stage 2 requests. Atos Healthcare will make a recommendation to SPPA solely on the basis of the medical evidence provided by the teacher and his or her employer (ie a paper-based assessment), although the facility to have a face to face examination as in IDRPs Stage 1 applications, will still be available in exceptional circumstances.

Our reasons for making this change are:-

- to achieve a faster turnaround in decision-making (IDRP Stage 1 cases are currently dealt with by Atos within a week of receiving all the relevant information);
- to reduce the average cost of medical advice by around half the current cost
- to eliminate the potential for variability in medical advice inherent in the current approach.

SPPA places considerable importance on the need for any supplier of medical advice to assure the independence of that advice and is alert to the risk of a conflict of interest within a provider of independent medical advice for both IDRPs Stage 1 and Stage 2 requests. A formal, transparent process of separation of involvement has therefore been agreed with Atos Healthcare for IDRPs Stage 2 appeals. Similar approaches to IDRPs Stage 2 have been in operation in the Teachers' Pension Scheme (TPS) England and Wales for a number of years.

In summary, the paper-based approach simply changes the basis on which evidence is considered in order to make the process more efficient and effective and emphasises the importance that all relevant supporting evidence is provided with the members application. This change does not alter the right for the teacher to go to the Pensions Ombudsman if dissatisfied with the outcome.

General information about the SPPA IDRPs process can be found on the SPPA website at <http://www.sppa.gov.uk/documents/IDRPSEP10.pdf>

Jim Preston
Senior Policy Manager
28 October 2010



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