

HR 5.01 POL Early retirement and severance compensation scheme

6.3 Injury Benefits Scheme

The Injury Benefits Scheme provides a guaranteed minimum income to employees in the event of impairment of earnings capacity resulting from injury in the course of duty, or from injury or disease directly or mainly attributable to their employment with the MRC.

Where service is ended at the request of the employer, an annual allowance and lump sum may be paid immediately, according to the medical assessment of impairment of the member's earning capacity, the length of the member's service and the pensionable salary when service ends.

Where service is ended at the member's own request an annual allowance and lump sum, calculated according to the medical assessment of impairment of the member's earning capacity, the length of the member's service and the pensionable salary when service ends, may be paid on attainment of normal retiring age.

Where the member is receiving sick pay for the injury, or entitlement to sick pay has expired and total income (including sick pay, occupational pension payable by virtue of service with the MRC or from public funds, or any personal pension or state earnings related pension; and national insurance benefits) amounts to less than the guaranteed minimum income provided for total incapacity, a temporary allowance may be paid to bring the total income up to that level.

Where the member continues in service, but experiences a reduction in earnings, an allowance may be paid in accordance with the medical assessment of the impairment of earning capacity, of an amount equal to the additional allowance which would have been paid if the member had been retired on ill-health grounds. The total income is subject to the maximum of the amount of pensionable salary before the reduction in earnings.

Where the member has received only a temporary allowance under this section, and subsequently retires on age grounds, an annual allowance and lump sum calculated according to the medical assessment of impairment of the member's earning capacity, the length of the member's service and the pensionable salary when service ends may be paid.

The annual allowance will be the amount which - when added to any occupational pension payable by virtue of service with the MRC or out of public funds, any personal pension or state earnings related pension and any national insurance benefits - will provide an income of not less than guaranteed minimum shown in the following table and appropriate to the circumstances of the case:

Guaranteed minimum income as proportion of pensionable salary

Impairment of earning capacity	Reckonable service			
	Less than 5 years	5 years and over but less than 15 years	15 years and over but less than 25 years	25 years and over
Slight impairment (10%-25%)	15%	30%	45%	60%
Impairment (25%-50%)	40%	50%	60%	70%
Material Impairment	65%	70%	75%	80%

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(50% - 75%)				
Total impairment (Over 75%)	85%	85%	85%	85%

The lump sum will be calculated according to the degree of impairment of earning capacity and the amount of pensionable salary:

Impairment of earning capacity	Proportion of pensionable salary
Slight impairment	one-eighth
Impairment	one-quarter
Material impairment	three-eighths
Total impairment	one-half

Where a member dies as a result of injury leaving a widow, widower or eligible children, an annual allowance will be paid. The amount of the allowance will be such that - when added to any pension to which the dependant is entitled under the MRC Pension Scheme, or any occupational pension payable by the MRC or from public funds, or any personal pension or state earnings related pension payable as a result of the member having opted out of a pension scheme to which the MRC would have paid contributions - will provide an income of not less than 45% of the member's pensionable salary. Minimum income levels will be guaranteed in a similar way for children, at 10% of pensionable salary per child where there is a widow or widower, with a maximum of four children being entitled to the guarantee. Minimum income levels may also be guaranteed for other dependent relatives. A lump sum will also be payable on the member's death, equal to six months pensionable salary. The rules of the scheme are available at local administrative offices or from Pensions Secretariat at MRC Head Office.

Where an injury or disease is deemed to be mainly attributable, the practice of apportionment will be used. Injuries deemed to be greater than 50% will receive benefits on a sliding scale and the table below represents the proportion of Guaranteed Minimum Income payable (see table above)

	Degree of injury attributable to duty	Proportion of Guaranteed Minimum Income payable (GMI is set out in the above table)
Low	50-70%	60%
Medium	71-90%	80%
High	91-100%	100%

7 Effective Date

This policy is in force from 5 June 2006

8 Amendment History

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Date	Version	Date in force	Date expired	Status	Summary of amendments	Author	Publisher
26/4/6	0.1			Draft 0.1	Staff Code re-organised to support shared service centre implementation	Phil Hunt, AEP HR	
18/5/6	0.2	5/6/6		Published in portal	Global update from Corporate HR	Rebecca Hill, AEP	Alice Kerman, LogicaCMG