

Earliest retirement age to change from April 2010

The earliest age for taking benefits from a pension scheme will increase from age 50 to 55 with effect from 6 April 2010.

Minimum Pension Age

Current rules allow members of all 'registered' pension schemes – including those administered by The Pensions Trust – to start taking their pension from the 'Minimum Pension Age' of 50. From 6 April this year, this will change to age 55.

The 'cliff-edge' nature of this change means that someone retiring on 5 April 2010 can take all their benefits at age 50, but someone retiring a day later cannot take any benefits until they reach age 55.

Exceptions

There are some exceptions to these new rules, as follows:

- Any pension benefits you are currently receiving are unaffected. For example, if you are under age 55 and you started to take your pension before 6 April 2010, then that pension will continue to be paid.
- If you were a member of a pension scheme administered by The Pensions Trust before 6 April 2006, you may have a 'protected pension age'. However, you must stop working for the employer at which you built up your pension in order to get your pension paid from age 50 after 6 April 2010.
If you were a member of a pension scheme administered by The Pensions Trust on 5 April

2006 and have then subsequently rejoined either the same or another of The Pensions Trust's pension schemes, you can only receive your pension from age 50 from the scheme you were a member of on 5 April 2006. All other pensions can only be received from age 55 after 6 April 2010.

- People who are retiring on grounds of ill-health – for which there are separate rules – are not affected by the change in early retirement age.

Do you need to do anything?

If you were planning to retire before age 55, or take benefits whilst continuing to work, you

should consider how the change in Minimum Pension Age will affect your own circumstances. You may need to act now, because after 6 April 2010 it will generally not be possible for your pension to be paid to you before age 55. If you are reading this article after 6 April 2010, then the earliest you can retire is age 55, unless you fall into one of the "exceptions" categories shown above.

The Pensions Trust is happy to provide information to help you with any queries you may have about the change to the Minimum Pension Age. Please get in touch with your usual contact at the Trust for assistance.

