This document is for investment professionals only
and should not be relied upon by private investors.

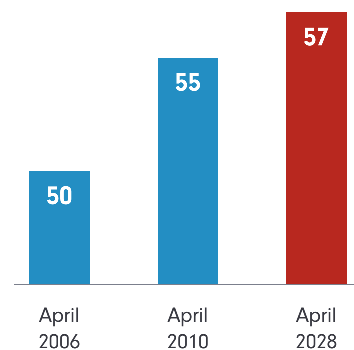
The Normal Minimum Pension Age and protected retirement ages

The government stipulates at what age an individual may start to take pension benefits. This is known as the Normal Minimum Pension Age (NMPA). Since it was first introduced, the NMPA has changed over time. As such, different forms of protected retirement age have been introduced. Where held, these protections allow scheme members to access their pension savings earlier than the current NMPA, subject to certain conditions.

Adviser Solutions

What is the Normal Minimum Pension Age?

The NMPA is the age at which a pension scheme member may take their benefits within the standard retirement framework. If a member takes benefits before this age, these are treated as an unauthorised payment – unless the member satisfies certain ill-health conditions or they have a protected pension age.



When the NMPA was first introduced in April 2006, it was set at age 50. This was subsequently increased to the current level of age 55 in 2010. Then a proposal to increase this minimum age to 57 in April 2028 was announced in 2014. After a number of consultations, this was ratified as legislation by the Finance Bill in November 2021.

The increase to age 57 will impact clients in the following ways:

- Those born before 6 April 1971 will be unaffected by the change.
- Those born between 6 April 1971 and 5 April 1973 will be able to access benefits on their 55th birthday but they may have to wait to between 6 April 2028 and their 57th birthday to access benefits if they have not done so before.
- Those born after 6 April 1973 will not be able to access benefits before age 57 (the exception will be if they have a protected pension age).

2010 protected pension age

The first form of protection is the 2010 protected pension age, which offers a protected pension age of less than 55 (the exact age is dependent on the type of protection held as laid out opposite). Qualification and the attached conditions depend on the type of scheme the client was a member of on the 5 April 2006.

It should be noted the protected pension age is specific to a scheme as opposed to all the pension arrangements the client may have. The protection applies to all benefits under that scheme, including new benefits built up after 5 April 2006 and any subsequent transfers to that scheme.

Two different types of 2010 protected pension age

An individual with a **personal pension or retirement annuity contract** will have a protected pension age if they were a member of that scheme on the 5 April 2006 and, on that date, had an unqualified right to take their benefits before age 50, based on pre-2006 HMRC rules for some sports and hazardous occupations.

An individual with an **occupational pension scheme or public service scheme** will have a protected pension age if they were a member of that scheme on 5 April 2006 and, on that date, had an unqualified right to take their benefits before age 55, based on the scheme's rules as at the 10 December 2003. Their protected pension age for the scheme is the age at which they had the right to take their benefits on the 5 April 2006.

Individuals can lose their 2010 protected pension age if they take their benefits before the NMPA and remain employed, or are re-employed by an employer connected to those benefits. Further details of this can be found in the pension tax manual PTM062230

- For both types of protection, a condition when taking benefits is the client must crystallise all benefits in that scheme at the same time. Phased or partial crystallisation is therefore not possible if taking benefits before the NMPA.
- If a protected pension age is used to take benefits before age 50, a lifetime allowance reduction normally applies, with an exception for some uniformed service schemes. Although the lifetime allowance tax charge has now been removed, this may still affect the maximum amount of Pension Commencement Lump Sum available.
- If benefits are transferred away from a scheme with a 2010 protected pension age, protection will be lost unless either the benefits are already in payment or the transfer is part of a block transfer exercise[1].

1. Broadly speaking, the conditions for a block transfer are that two or more members of the same scheme transfer all their benefits to the same new scheme as a single transaction and that these members had not been a member of the receiving scheme for more than 12 months. Any conditions of payment, such as employment or re-employment conditions, will be inherited by the receiving scheme.

2028 protected pension age

Like the 2010 protected pension age regime, 2028 protected pension ages will be specific to membership of individual schemes, as opposed to all the pensions a client may have. Protection could apply to any scheme, whether it is an occupational or personal arrangement.

To qualify for this protection, the following conditions must be met:

- Before 4 November 2021, the member had the right to take a pension, a lump sum, or both, before they reached age 57. This would be the case if they were a member of a scheme, or had made a substantive request to transfer to a scheme, that gave them this right.
- The right to take benefits was unqualified (i.e., the member did not need anyone's consent to take the benefits).
- The scheme rules included provision to pay benefits before age 57 on 11 February 2021.

Unlike the 2010 protection regime, there is no provision requiring the client to take all their benefits at the same time, meaning that phased retirement of benefits is possible. Furthermore, there are no employment or re-employment restrictions.

If a client stays in their original scheme, their 2028 protected pension age applies to all their benefits in the scheme, including future contributions and benefits transferred in. If they transfer away from the original scheme, different types of ongoing age protection apply, depending on whether they make an individual or block transfer[2].

Fidelity's pension and the 2028 protected pension age

Fidelity's pension had provision for benefits to be paid unconditionally from age 55 written into the scheme rules on 11 February 2021. So, provided a client was a member of the Fidelity pension scheme, or had made a substantive request to transfer to the scheme by 4 November 2021, then they will have a protected pension age of 55.

2. If the member transfers their benefits as part of a block transfer exercise, the 2028 protected pension age applies to all their benefits in the receiving scheme. This will include any existing benefits as well as future contributions and transfers. Like the block transfer conditions for 2010 protection, the main condition is that two or more members from the same scheme transfer to the same new scheme as a single transaction. However, there is no time limit for any existing membership of the receiving scheme. If the member transfers benefits on an individual basis, then, unlike 2010 protection, the protection will not be completely lost. However, the protected pension age will only apply to the benefits transferred and any future growth on those assets. In essence, this will mean these benefits will need to be ring-fenced from any other assets in that scheme, unless the receiving scheme also has a protected pension age.

Important information

This document provides information and is only intended to provide an overview of the current law in this area and does not constitute financial advice, tax advice or legal advice, or provide any recommendations. Tax treatment depends on individual circumstances and all tax rules may change in the future. You cannot normally access your pension savings until age 55 (57 from 2028). Different options may have different effects for tax purposes, different implications for pension provision and different impacts on other assets and financial planning.

More insights on pensions and tax

We're committed to providing you with technical support to help you keep pace with the latest rules and regulations. Our range of practitioner materials is designed to help keep you on top of all aspects of retirement planning. Themes covered include death benefits, pensions and divorce, the State Pension, pension withdrawals taxation and much more.

Visit the Technical matters hub on our website

fidelityadvisersolutions.co.uk/technicalmatters

Adviser Solutions

Issued by Financial Administration Services Limited, authorised and regulated by the Financial Conduct Authority. Fidelity, Fidelity International, the Fidelity International logo and F symbol are trademarks of FIL Limited.

UKM0723/381957/SSO/NA