First Briefing, August 2026
Change to Normal Minimum Pension Age

The Normal Minimum Pension Age (NMPA) is set to increase from 55 to 57 from 6 April 2028.

The increase has been brought about by the Finance Act 2022, which also provides the framework for a 2028 Protected Pension Age.

Key actions for trustees of both Defined Benefit and Defined Contributions schemes include:

- Taking appropriate legal advice
- Reviewing scheme rules
- Informing members of the forthcoming NMPA increase
- Recording Protected Pension Ages
- Updating information in transfer value quotation packs.

Introduction

The NMPA is the earliest age at which a member can bring their benefits into payment in a registered pension scheme without incurring penal tax charges.

Benefits may be brought into payment before NMPA if an individual has a Protected Pension Age, or satisfies the ill-health condition.

The Protected Pension Age concept

The concept of a Protected Pension Age was introduced when the NMPA was last increased, from 50 to 55, in 2010. It allows a member to retain their previous NMPA if they had an unqualified right (that is, not requiring trustee and/or employer consent) to bring their scheme benefits into payment.

Note that an NMPA is protected even if the benefit is reduced on early payment. It is the lack of a need for consent which makes the NMPA protected, not the availability of an unreduced pension.

The 2010 Protected Pension Age

The Finance Act 2004 states that to qualify for a 2010 Protected Pension Age, a member must (on 5 April 2006) have had a right to draw benefits before age 55 without requiring third-party consent (from an employer or the trustees, for example).

That lower age is usually 50. These members retain 50 (for example) as their Protected Pension Age.

This 2010 Protected Pension Age applies to all their benefits in the scheme. Indeed, the right is lost if they do not draw all their benefits – including additional voluntary contributions (AVCs) – at the same time.

New NMPA increase from 55 to 57

The NMPA currently stands at 55. The Finance Act 2022 increases it to 57 with effect from 6 April 2028. The increase in NMPA will not apply to either:

- Members of certain public service pension schemes (for example, firefighters, police and armed forces schemes)
- Individuals who have a 2010 Protected Pension Age or a 2028 Protected Pension Age.

2028 protection framework

The Finance Act 2022 provides a new protection framework, which gives members the right to bring their benefits into payment before age 57.

An individual will qualify for a 2028 Protected Pension Age if both of these conditions apply:

- They were a member of the scheme on or before 4 November 2021
- They had an unqualified right to bring their benefits into payment before age 57, under the scheme rules as at 11 February 2021.

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Note the two different dates applying to the tests undertaken.

Transitional regulations are expected to come into force ensuring that individuals who are entitled to and have already begun to receive their pension benefits can continue to do so without interruption.

Effect of transfers on 2028 Protected Pension Age

Block transfers

In the event of a "block transfer", any member with a 2028 Protected Pension Age will retain that entitlement in the receiving scheme.

Under HMRC rules, a block transfer occurs when:

- Two or more members transfer their benefits out their pension scheme,
- The transfer is made as a single transaction, and
- The transfer represents all the benefit rights under the scheme for the transferring members.

The Protected Pension Age will apply to all benefits (transferred and future benefits) in the receiving scheme.

The 2028 Protected Pension Age should be retained by members on subsequent transfers.

Individual transfers

Members with a 2028 Protected Pension Age will retain their entitlement if they transfer their benefits out of the scheme to another pension arrangement.

The 2028 Protected Pension Age will apply only to the transfer value (including any future investment growth or losses). The Protected Pension Age will not apply to any benefits accrued in the receiving scheme.

To allow members with transferred-in benefits to retain their Protected Pension Age in the scheme, trustees will need to *ringfence* the transferred-in benefits from any benefits accrued in their scheme.

The 2028 Protected Pension Age should be retained by members on subsequent transfers, although this will continue to apply only to the benefits that were subject to the Protected Pension Age in the receiving scheme.

Key actions for trustees

Check scheme rules

Trustees should check in their scheme rules whether members have an unqualified right to retire before age 57. Given the complexities here, we would advise that trustees take legal advice.

Communications

Trustees should inform members of the change to the NMPA and how it affects them. While the changes do not come into effect until 2028, trustees may wish to inform members of the change earlier in their regular communications.

Administration

Where a scheme has members who are entitled to a 2028 Protected Pension Age, the trustees should ensure their administrators record this information.

Transfers

For schemes that still accept transfers-in of benefits, trustees may wish to consider any policies around this and ask their administrators to confirm that they will:

- Record information on Protected Pension Age at transfer
- Ringfence the transfer value received as required.

Where schemes have members with a 2028 Protected Pension Age, trustees should ensure transfer value quotation packs include information on the potential implications of the transfer for their benefits.

Further information

For further information, please contact your usual First Actuarial consultant.