

Superannuation (NHS) Circular No. 15 /2009

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Dear Colleagues

CHANGE IN MINIMUM PENSION AGE TO AGE 55 FROM 6 APRIL 2010

This circular is to remind employers that in line with new HMRC tax rules the minimum age at which a pension scheme member can take a pension will increase to age 55 years from 6 April 2010. Some scheme members will however retain a protected pension age of 50 years if they fulfil certain criteria.

In order for a member to retain a protected pension age of 50 years they must either have been a member of the NHS pension scheme on 5 April 2006 or have been part of a bulk TUPE transfer after that date and had a right to take pension at age 50 years in their previous scheme.

When a member of the NHS pension scheme indicates that they wish to take early retirement on an actuarially reduced pension before age 55 years employers are requested to ensure that the member is eligible. Any payments (pension and lump sum) made to members before age 55 years who do not have a protected right to retire at age 50 years will be considered "unauthorised" by HMRC and be subject to substantial tax charges to be paid both by the member and SPPA. SPPA will therefore check all early retirement applications they receive to ensure that the member meets the minimum pension age criterion and return forms to the member's employer where the criterion is not met.

Employers who are considering redundancy options under the transitional arrangements detailed in SPPA circular 2007/1 should also be aware of this change and not offer staff under the age of 55 years the choice between taking an unreduced pension or lump sum redundancy payment until they have confirmed that the member has a protected minimum pension age.

Members who have preserved pensions in the NHS pension scheme have, since 31 March 2000, also had the option to take their benefits early on an actuarially reduced basis and the changes will also apply in these cases. In order for a member to access preserved benefits before age 55 therefore the member has had to have either been a member of the scheme at 6 April 2006 or had benefits preserved in the scheme at that date.

Please note that the new rules do not apply to retirement on ill health grounds.

If you any questions about the content of this circular or concerns about any particular application for early retirement or payment of pension early due to redundancy please contact the SPPA Awards team on the above telephone number.

Yours faithfully



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