

Normal Minimum Pension Age (NMPA) Increase to 57 – Trustee Actions

June 2026

Summary

From 6 April 2028, the Normal Minimum Pension Age (NMPA) will increase from 55 to 57. This was legislated in the Finance Act 2022.

HMRC has recently confirmed that implementation remains on track with clarification on payments where members' retirement dates straddle the increase in age. We should note that transitional regulations are still being developed.

The change will affect all registered pension schemes except where individuals or scheme rules benefit from transitional protection, such as:

- A Protected Pension Age (PPA) based on an unqualified right that existed as at 4 November 2021; or
- Existing pre-A-Day protected ages (e.g., PPAs below 55 based on rights as at 5 April 2006).

Trustees must review scheme rules, identify affected members, and communicate clearly to prevent unauthorised payments from 2028.

This document is intended for professional trustees, scheme sponsors and advisers and is not directed at retail clients.

Protected Pension Ages (PPAs)

PPAs allow a member to take benefits before the new NMPA (57) without unauthorised payment charges.

There are two distinct groups of PPAs:

Pre-A-Day PPAs (based on rights as at 5 April 2006)

Individuals had a protected age if:

- They had an unqualified right to take benefits under the scheme below NMPA on 5 April 2006, and
- Scheme rules granting that right were in place on 10 December 2003, and
- The individual was a member on 5 April 2006 (or joined later under the same rules as above).

Important features:

- The PPA can apply to any or all benefits under the scheme, including post-2006 accrual and transfer-in rights.
- Members cannot take benefits in stages—all benefits must be taken at the same time (including AVCs).
- Failure to crystallise all rights at once generally renders any payments before NMPA unauthorised.
- Pension Advice Allowance payments do not break PPA entitlement.

New PPAs

When NMPA rises to 57, individuals may keep an age 55 right if they had an unqualified right in scheme rules as at 4 November 2021 to take benefits before age 57.

- This applies only to rights existing on or before that date.
- Transfers may preserve the PPA if part of a block transfer or if scheme rules expressly maintain it.
- Individual transfers may lose the protection unless the receiving scheme supports it.

HMRC reminder in their recent newsletter is that Scheme rules remain central. Even where legislation permits access from 57, a member can only take benefits where the scheme rules allow it, and those rules may be more restrictive.

Unqualified Right – Key Concept

An unqualified right exists if a member can take benefits without needing:

- Trustee consent,
- Employer consent, or
- Discretionary approval.

For example, if active members have an automatic right from age 55, but deferred members require trustee consent, only active members hold PPAs. If redundancy is the trigger, the PPA applies only on redundancy.

Key Risks for Schemes

1. Unauthorised payments from 2028 if members access funds aged 55–56 without a PPA.
2. Drawdown sequencing traps:
 - Taking PCLS in original scheme then transferring remaining funds for drawdown is an unauthorised payment (unless done as a block transfer).
3. Confusion among members turning 55 between 2026-2028.

Unauthorised payments of ongoing pension benefits over a long period can escalate and compound with tax charges and should be avoided where possible.

What Trustee Boards Should Do Now

Examine Scheme Rules

Trustees (in conjunction with their legal advisers) should review scheme documentation to:

- Identify where the rules state early-retirement rights at age 57, 55 or below.
- Confirm whether rights are unqualified, qualified, discretionary or employer-consent based.
- Clarify whether amendments after 5 April 2006 or 4 Nov 2021 altered those rights.
- Determine whether the scheme's drafting triggers scheme-level or member-level PPAs.
- Identify benefits where there is a risk of crystallisation out of sequence. AVCs and sectionalised benefits are key risk areas.

Questions to answer:

- Do our rules provide an unqualified right to benefits before 57?
- Does this apply to all members, or only certain cohorts?
- Do amendments risk inadvertently removing PPA protection?

Depending on the outcome of the investigations trustees should ask administrators to identify members within PPA cohorts.

Communications Strategy

Trustees should consider a communications plan to inform members of the NMPA increase. The extent of the plan may be determined by the existence of PPAs, and the risk of benefits not being taken together.

Phase 1 – Awareness

Inform members that NMPA increase to 57 from 6 April 2028 and that protection may apply only in limited circumstances.

Phase 2 – Targeted Member Notifications

Focus on members approaching age 55. Explain:

- Differences between NMPA and PPA.
- Risk of unauthorised payments
- Transfer consequences

Phase 3 – Pre-April 2028 Support

- Ensure administrators are prepared for higher volumes of early retirement queries.
- Disclaim any expectation that trustees can provide “advice” on the consequences (to avoid Targeted Support/regulated advice issues).

Administrator Readiness and Processes

- Review retirement quotations and template packs and update if necessary.
- Ensure benefit calculation engines can handle mixed NMPA/PPA scenarios.
- Validate sequencing rules.
- Ensure accurate flagging of member protection status.
- Training for administrators to identify the scenarios when PPAs apply.

Transfer Policy

HMRC has recently re-emphasised the conditions under which a PPA is retained or lost on transfer. Trustees should assume that block transfers generally preserve PPAs. Individual transfers may result in a loss of protection, depending on receiving scheme design. The position can differ for crystallised vs uncrystallised rights.

Broadstone Comment

The increase in NMPA to 57 is not new news for most trustee boards, and many will understandably feel they “dealt with this” during earlier rounds of legislative change. However, the complexity of protected pension ages, unqualified rights, historic rule drafting, and member-level nuances means this is not an area where assumptions or memory should be relied upon.

In our experience, schemes often believe they are unaffected only for a later review to uncover:

- forgotten or obscure rule provisions that inadvertently create (or remove) PPAs;
- inconsistencies between DB, DC and AVC sections;
- members whose rights were shaped by legacy sections, mergers or consolidations;
- sequencing traps that can easily trigger unauthorised payments; or
- transfer-related risks that neither the member nor administrator fully appreciated.

With the move to age 57 now less than two years away, all schemes should actively revisit their position, even where trustees are confident they “already know the answer”. This is very much a belt-and-braces exercise: confirm the rule position, confirm the member cohorts, confirm sequencing risks, and confirm that administration processes and communications reflect the correct protections.

Early planning will avoid rushed 2027/28 decision-making, minimise the risk of inadvertent unauthorised payments, and ensure members receive clear and accurate information at the point they need it. As with previous NMPA changes, a methodical review now will be far easier — and far safer — than reactive corrections later.

Find out more

For more information on how Broadstone can help you, please contact your Broadstone consultant or use the details below.



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