Protected pension ages

This leaflet provides information on what a protected pension age (PPA) is and in what circumstances we will accept transfer payments with a PPA entitlement.

Normal minimum pension age

The normal minimum pension age (NMPA) is the earliest age, set by the government, that most people are able to access their pension savings. This is separate to an individual's chosen pension age under a pension plan which is often years later than the NMPA.

The NMPA is currently age 55 however this is changing to age 57 from 6 April 2028.

There are some circumstances where an individual can access their pension savings earlier than the NMPA and these circumstances won't be impacted by this change. For example, if an individual is suffering from ill health or if the individual has a protected pension age.

What is a protected pension age?

A protected pension age (PPA) is the right to access pension savings before the NMPA.

A PPA applies at scheme level so an individual may have a PPA under one pension scheme, but not under another pension scheme. An individual could also have different PPAs under different pension schemes.

Different types of PPAs can apply and different rules apply depending on the type of protection.

Most individuals don't have an entitlement to a PPA.

What happens on transfer?

Individuals who have the right under a pension scheme to take their pension benefits before age 57 can transfer their plan and maintain that right in their new plan. There are two ways of doing this:

- they can do it as part of a block transfer which is where they are transferring at the same time as somebody else from one pension scheme to the same receiving pension scheme; or
- they can do it as an individual transfer.

Block transfers

With a block transfer, any pension savings already in the individual's plan that receives the block transfer payment will benefit from the lower minimum pension age, as will any pension savings that build up through additional contributions paid into the plan after the transfer payment is received.

Individual transfers

For an individual transfer, individuals can transfer on their own and not as part of a block transfer and maintain their PPA. These benefits need to be ring-fenced and the protection will only apply to the pension savings built up from that transfer. This means any pension savings already in the plan and any new pension savings that build up from contributions after the transfer will not benefit from the PPA.

What does Royal London accept?

Type of age protection	Pension Portfolio	Retirement Solutions
Block transfer PPA	✓	✓
Individual transfer PPA	✓	✗

We accept block transfers into our Pension Portfolio and Retirement Solutions Pension Plans.

We don't allow individual transfers with a PPA entitlement to be paid into our Retirement Solutions Pension Plans. Individual transfers with a PPA entitlement will need to be paid into a separate Pension Portfolio plan if the customer wants to retain the PPA to allow these funds to be ring-fenced.

Options for individual transfers with a PPA entitlement to be paid into a plan with Royal London

Option 1 – Customer sets up a separate Pension Portfolio plan into which the transfer payment will be made.

- A financial adviser would need to be involved in setting up the Pension Portfolio plan. An adviser may charge for doing this, however they should let the customer know in advance how much their services will cost.
- The standard Pension Portfolio new business application form (65A49) will need to be completed in respect of the individual transfer with the PPA entitlement.
- Standard plan charges will apply for the separate Pension Portfolio plan. This charge could be higher or lower than the charge on the other plan the customer has with us.
- No further contributions can be paid into the separate Pension Portfolio plan.
- The customer will be able to access their pension savings from the separate plan earlier than age 57 (but not before age 55).

Option 2 – Pay the transfer into their other pension plan with Royal London

- The customer should only do this if they have absolutely no intention of taking advantage of the PPA, as the funds would not be ring-fenced.
- The customer would effectively be giving up their PPA entitlement, and they wouldn't be able to change their mind at a later date.
- The customer would only have one plan so less plan documentation and easier to keep a track of their retirement goals.

Option 3 – Don't transfer to Royal London

- The customer may decide not to pay the individual transfer with the PPA entitlement into a plan with Royal London.

Customers should consider carefully what is best for their circumstances when transferring a plan that has a protected pension age.

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We're happy to provide your documents in a different format, such as Braille, large print or audio, just ask us when you get in touch.

November 2023 L P PD 0047/1