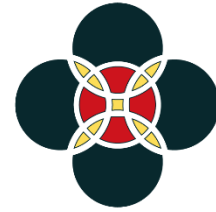




Local Government
Pension Scheme



Cronfa Bensiynau
CLWYD
Pension Fund

Local Government Pension Scheme

The Rule of 85

April 2025

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Introduction

Normal retirement age in the Local Government Pension Scheme (LGPS) is either your State Pension age or 65 (whichever is later). If your normal retirement age is your State Pension age, and this changes in the future, so will your normal retirement age in the LGPS.

You can voluntarily retire from age 55, but your pension benefits may be reduced to take account of early payment before your normal retirement age. However, you may be protected against at least a part of this reduction, due to the Rule of 85.

Point to note

This factsheet explains about minimum retirement age currently being 55.

The UK Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6th April 2028. This does not apply if you have to take your pension early due to ill health.

You could be protected from this increase if you joined the LGPS in England and Wales before 4th November 2021. You could also be protected if you transferred a previous pension into the LGPS if certain conditions are met. However, you will only be able to use this protection when you take your LGPS pension, if the LGPS rules allow you to take your pension before age 57.

The UK Government makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57, from 6th April 2028.

Where 55 is mentioned in this factsheet, please remember this will change to 57 from 6th April 2028.

What is the Rule of 85?

The Rule of 85 may protect some or all of your pension benefits from being reduced if you decide to retire before your normal retirement age. The level of protection depends on your date of birth. To meet the Rule of 85:

- you must have been actively paying LGPS contributions between 1st April 1998 and 30th September 2006, and
- your age plus your LGPS membership (both measured in whole years) must add up to 85 or more at retirement

Are you protected under the Rule of 85?

If you were paying LGPS contributions on 30th September 2006 and choose to retire before your normal retirement age, you will have some form of protection so long as you meet the conditions of the Rule of 85.

If you were born between 1st April 1956 and 31st March 1960

- Pension benefits built up to 31st March 2008 will be unreduced
- Pension benefits built up between 1st April 2008 and 31st March 2020 will be reduced on a 'tapered' basis for the period from your date of leaving to age 65 (the normal retirement age under the 2008 scheme)
- Pension benefits built up after 1st April 2020 will be reduced in full for the period from your date of leaving to your normal retirement age

If you were born on or after 1st April 1960

- Pension benefits built up to 31st March 2008 will be unreduced
- Pension benefits built up after 1st April 2008 until your date of leaving will be reduced in full:
 - For your membership from 1st April 2008 to 31st March 2014, the reduction will be for the period from your date of leaving to your 65th birthday
 - For your membership from 1st April 2014, the reduction will be for the period from your date of leaving to your normal retirement age

How much of a reduction will apply?

Your pension benefits will be reduced using guidance from the Government Actuary's Department. The period from your date of leaving to the appropriate retirement age will be measured in years and days. This means the percentage reduction will be amended for part years.

Number of Years Paid Early	Reduction to Annual Pension	Reduction to Automatic Lump Sum
0	0%	0%
1	4.9%	1.7%
2	9.3%	3.3%
3	13.5%	4.9%
4	17.4%	6.5%
5	20.9%	8.1%
6	24.3%	9.6%
7	27.4%	11.1%
8	30.3%	12.6%
9	33.0%	14.1%

Number of Years Paid Early	Reduction to Annual Pension	Reduction to Automatic Lump Sum
10	35.6%	15.5%
11	39.5%	Does not apply
12	41.8%	Does not apply
13	43.9%	Does not apply

Will the Rule of 85 apply if you retire from age 55?

You can retire and receive your pension benefits from age 55 without your employer's consent. If you do choose to voluntarily retire between ages 55 and 60, any Rule of 85 protections will not automatically apply, and your benefits will be reduced in full. However, your employer has the discretion to switch on the Rule of 85 for retirements between ages 55 and 60. It may cost your employer to allow this, so you should speak to them directly about what their policy is.

If you choose to retire on or after age 60, any Rule of 85 protections will apply automatically. Your employer's consent is not needed.

What if you are made redundant or have to retire on the grounds of efficiency?

If you are made redundant by your employer or if you have to retire on the grounds of efficiency and you are aged 55 or over, your pension benefits will be paid to you immediately without reduction. (There may be new rules in the future that will limit the total cost that your employer can pay for you to retire on redundancy or efficiency grounds. If these rules do change, this could mean that your LGPS benefits may need to be reduced when you retire on redundancy or efficiency grounds. We will update our website when more information is made available).

What if you have to retire because of ill health?

If you have to retire because of ill health, your pension benefits will be paid to you immediately without reduction. They may even be enhanced to take account of your illness. For more information, please read our ill health retirement factsheet in the **forms and resources** section of our website.

Where can you find more information?

This factsheet gives general guidance only. If you need more information, please contact the Clwyd Pension Fund:

Phone: 01352 702950

Email: pensions@flintshire.gov.uk

Address: Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Website: <https://clwydpensionfund.org.uk>

Disclaimer

The Clwyd Pension Fund is unable to provide any financial advice. After reading this factsheet, you may want to seek independent financial advice to make an informed decision.

These bodies may be able to help you:

Unbiased:

<https://unbiased.co.uk>

MoneyHelper:

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>



clwydpensionfund.org.uk

Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.