

THE PARAPLANNERS

State & Minimum Pension Age Changes

Researched & written by **Lisa Johnstone**, Paraplanner

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BORN IN THE EARLY '70s?

The State Pension and NMPA Changes Might Hit Some Clients Twice

STATE PENSION INCREASES

The State Pension Age (SPA) is already 66 - and it's been hard to miss that it's due to continue increasing. However, this may be sooner than many think!

Under the government's current timetable, it will rise to 67 **by** April 2028, but what is often overlooked is that the phasing starts even sooner, **in 2026/27**, for those born between:

- 6 April 1960 - i.e. this birthdate will have a State Pension age of 66 years, 1 month (May 2026), and
- 6 March 1961 - i.e. this birthdate will have a State Pension age of 66 years, 11 months (February 2028).

Then, under the Pensions Act 2007, it's currently set to increase again to 68 between 2044 and 2046, also phased, and impacting those born in 1977 and 1978.

In 2017, the government proposed accelerating this timetable - bringing the rise to age 68 forward to between 2037 and 2039. This was reviewed in 2023 but has not yet been legislated.

If (or rather, when) this is legislated on, those born between April 1970 and April 1978 would see their State Pension age increase to age 68.

Year	State Pension Age Milestone	Both Years Affected
Now	State Pension Age = 66	All born before 1960
2026 - 28	Increasing to 67	Born 1960 - 61 onwards
2044 - 46	Increasing to 68 (current law)	Born 1977 - 78 onwards
2037 - 39	Increasing to 68 (proposed law)	Born 1970 - 78 onwards

A further State Pension Age review was announced on 21 July 2025.

NORMAL MINIMUM PENSION AGE INCREASE

The Normal Minimum Pension Age (NMPA) is the earliest age at which most people can access their personal pension savings. Currently, the NMPA is 55, previously having been in line with being **around** ten years before the State Pension age (SPA). As such, to remain ten years before the SPA, the NMPA will increase almost, **but not quite**, simultaneously and, crucially, not in the same way.

Increasing from 55 to 57, the change in Normal Minimum Pension Age will take effect **on April 6, 2028**. This means that most people will not be able to access their pension savings before age 57 (unless they are eligible for certain protections), with some 55-56 years olds cut off from starting or continuing access immediately.

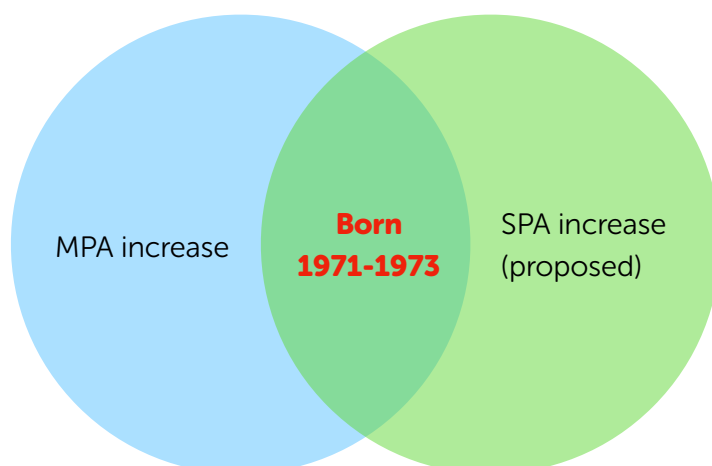
SPA & NMPA KEY DISTINCTIONS

State Pension Age (SPA)	Normal Minimum Pension Age (NMPA)
- Already at 66	- Still at 55, and will remain so until 6 April 2028
- Rising to 67 incrementally in 2026 & 2027	- Then, jumping to 57 (no phasing!)
- Legislated to rise to 68 between 2044 & 2026 (incrementally affecting those born between 1977 & 1978)	- Unless they have a protected pension age (PPA)
- Likely rising to 68 as early as 2037 (incrementally affecting those born between 1970 & 1971)	- So, available to a small minority who turn 55 before and then lost again if they aren't 57 by 6 April 2028 (Those born between 6 April 1971 and 5 April 1973)

SO WHAT DOES THAT MEAN?

Well, if you have clients who were born between 1971 - 1973... they might just be caught in the perfect storm.

- For those clients born between 6 April 1971 and 5 April 1973, they will just miss out on being 57 by 6 April 2028, losing the chance to access their pension at 55 (unless they have PPA)
- If the proposed SPA increase goes ahead, they're also likely to be among the first affected by the higher State Pension age.



So, people born between 1971 and 1973 will not only miss early pension access, but they'll also have to wait longer for the State Pension itself.

Given that these clients are already reaching age 52 - 54, these dates aren't far away for those beginning to plan their retirement dates in more detail!

The government has acknowledged this gap—but, unlike previous transitions, no special provisions or protections have been offered for this cohort.

KEY TAKEAWAYS TO WATCH OUT FOR

If you're working with clients born between **1970 and 1973**, keep a particularly close eye on:

- Their **State Pension Age**
- Their **Normal Minimum Pension Age**
- Any **existing pension arrangements** that might include a PPA

The general professional consensus? If they're affected, want to retire before age 57 (and have access to their pension at 55), **consider taking what they need before the NMPA rises**.

If you're advising on pension switches and the provider hasn't confirmed PPA status, this should definitely be on the need-to-know information list —especially if the client is planning to retire at 55 or as early as possible. The risk of **foreseeable harm** from losing early access is very real for this group.

Also worth noting, many cash flow forecasting softwares only operate on:

- Current legislation/ages and not on subsequent changes to ages not yet in effect (i.e. not reflecting NMPA changes to 57 or likely SPA increase to 68 from 2037)
- Whole ages for SPA and therefore not reflecting a client may be subject to the incremental phasing of SPA changes (i.e. a client having an SPA of '67 years 11 months', rather than just cash flow reporting it as '67')

It might just be the difference between a flexible planned retirement or an unexpected wait or shortfall from a now not-happy client.

More technical details are in the following pages.

CURRENT & PROPOSED STATE PENSION AGE INCREASES

Current - not already at SPA	Age at 6 April 2025	State Pension Age	
6 April 1959 To 5 April 1960	66 64 turning 65 in 25/26	66	
2026 to 2027	Age at 6 April 2025	State Pension Age	
6 April 1960 (in monthly stages) to 5 March 1961	65 64 turning 65 in 2025/26	66 years & (1 - 11) months *	Legislated 2007
6 March 1961 To 6 April 1977	64 & 1 month to 48	67	
2044 to 2046	Age at 6 April 2025	State Pension Age	
6 April 1977 (in monthly stages) to 5 March 1978	48 47 turning 48 in 2025/26	67 years & (1 - 11) months *	See below for proposed changes that may affect this age range
6 March 1978 onwards	47 & 1 month & under	68	

* For up-to-date information on your expected State Pension age under current legislation (as shown above), please refer to: gov.uk/state-pension-age

2037 - 2039	Age at 6 April 2025	State Pension Age	
6 April 1970 (in monthly stages) to 5 March 1971	55 54 turning 55 in 2025/26	Would now be 67 & (1 - 11 months), instead of 67 (as above)	Proposed in 2017. Reviewed in 2023. Not yet legislated
6 March 1971 To 5 March 1978	54 & 1 month to 47 & 1 month	Would now be 68, instead of 67 or 67 & (1 - 11) months as above	
6 March 1978 onwards	Under 47	68, no change from above	

DO THEY HAVE A PROTECTED PENSION AGE (PPA)?

They might, if:

- ✓ They were invested in a pension scheme on or before **3 November 2021**
- ✓ Scheme rules (**as of 11 Feb 2021**) allowed access before 57
- ✓ **Unqualified** right to access pension benefits earlier than 57 (i.e., it was not subject to trustee discretion or external permissions)
- ✗ Excluding occupation-specific early retirement ages, e.g. firefighters or police officers.

PPA TRAPS TO WATCH FOR

If a client has a PPA, care should be taken as it can be easily lost, especially when:

- ✗ **Only part of the pension is crystallised:** The PPA applies to the whole pension pot in the scheme. Partial crystallisation before NMPA could lead to unauthorised payment charges.
- ✗ **Transfers:** PPAs can be lost upon transfer (with a few specific exceptions, such as qualifying block transfers and wind up rules)—so double-check before moving pensions around.
- ✗ **The client is re-employed:** If PPA originated from an occupational scheme or Section 32 policy, and the client is re-employed by the original or associated employer after accessing benefits, the PPA is lost.

The rules on this area are quite complicated, and if the client does have a PPA, further clarification should be sought on the rules applicable.

Contact us

Telephone: **0845 125 9644**

Email: **hello@theparaplanners.com**

Online: **theparaplanners.com**

Social: **@TheParaplanners**