



Early Retirement

The Normal Pension Age of the LGPS is 65, this is the age at which pension will be paid unreduced. There are provisions to pay pension benefits early if a member leaves employment on the grounds of redundancy, efficiency or ill health but separate rules and regulations apply in these cases (see guide sections on redundancy and ill health for more information). The LGPS also has specific provisions for flexible retirement and late retirement, information on this is available from the guide section on flexible retirement.

Retiring Early

It is possible to retire early and get an LGPS pension before the Normal Pension Age of 65 but the pension (and where appropriate, as a result of pre 2008 service, the lump sum) will be reduced by a set amount depending on how many years early you wish to retire.

Pension Reduction

The amount a pension will be reduced by for retiring early is laid out in the table below (part years are calculated on a pro rata basis):

Age of Retirement	% Reduction in Pension	
	Men	Women
65	0	0
64	6	5
63	11	10
62	16	15
61	20	19
60	24	23
59	28	27
58	32	30
57	35	33
56	38	36
55	41	39



LOCAL GOVERNMENT PENSION SCHEME 2008

GMB Pensions Guide

www.gmb.org.uk/LGPSGuide

Examples:

If Ellen, who started working aged 44 wanted to retire at 62, her pension would be reduced by 15%. In cash terms this means that on the basis of her 18 years' service and a final salary of £13,750 her total annual pension would be £4,125. As she is retiring before 65 these benefits are reduced to £3,506 annual pension.

Steve works as a refuse operative and wants to retire at 61. By this point he will have 15 years service and his salary will be £20,052. So although his total pension would have been £5,013, retiring early will mean this is reduced to £4,010 annual pension.

Lewis and Wendy are both trading standards officers who coincidentally share a birth date and want to retire at 60 when their salary will be £28,600. They have ten years service so would see their total pension of £4,767 reduced to a pension of £3,623 for Lewis and £3,671 pension for Wendy.

Lump Sum Reduction

Service before the introduction of the LGPS 2008 incorporated a lump sum. If a member with pre 2008 service retires early their automatic lump sum will also be reduced for early payment at the following rate (subject to the same exceptions as apply to reductions of pension for early payment):

Age of Retirement	% Reduction in Lump Sum
65	0
64	2
63	5
62	7
61	9
60	12
59	14
58	16
57	18
56	20
55	22