

Early retirement reductions

<https://www.lgpsmember.org/more/reductions.php>

If you choose to take your pension benefits before your Normal Pension Age, they will normally be reduced. First, your benefits are calculated as usual, and then reduced. You can find out more about How your pension is worked out.

The reduction is based on the period between the date your benefits are paid and your Normal Pension Age. The earlier you take your pension, the bigger the reduction.

The current reductions for taking your benefits up to 13 years early are shown in the table below. If the number of years is not exact, the reductions will be adjusted.

The Government changed the reductions on 3 July 2023. The reductions

BENEFIT REDUCTION FACTORS		
Years early	Pension	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%
10	35.6%	15.5%
11	39.5%	N/A
12	41.8%	N/A
13	43.9%	N/A

You can reduce or avoid any reductions by delaying payment until a later date. Your benefits are normally payable from your Normal Pension Age. You can delay payment beyond your Normal Pension Age, but only if you left the Scheme after 31 March 1998. You must take your pension by age 75.

Please note that if you were in the LGPS before 1 April 2014 your benefits built up before that date will have a different Normal Pension Age, which for most is age 65. For further information on when benefits built up before 1 April 2014 are payable see the if you joined the LGPS before 1 April 2014 section.

If you were a member of the LGPS at any time between 1 April 1998 and 30 September 2006, some or all of your benefits paid early could be protected from the reduction under what is called the 85-year rule. See the section on the 85-year rule for further information.
<https://www.lgpsmember.org/more/eightyfive.php>