

Changed minimum retirement age

21 July 2008

As you should be aware the minimum retirement age is changing from 50 to 55 on 6 April 2010.

For clients currently aged about 48 to 52 this could effect their plans to phase withdrawals from their SMRAs.

e.g. Client born 21.10.57

Activates some segments on 21.10.2008 (tranche 1) - once activated withdrawals can be continued regardless of the change

Activates some segments on 21.10.2009 (tranche 2) - once activated withdrawals can be continued regardless of the change

Tranche 3 can be activated on 05.04.10 but then tranche 4 will not be activated until 21.10.12.

This problem is not insurmountable, as extra segments can be activated in early 2010 with nil withdrawals, but we need to ensure that clients are aware of the changes so that we can manage their expectations. This will become increasingly significant over the next 21 months or so.

David Trenner
Technical Director