

Changing Minimum Pension Age - Questions & Answers for Active KPS-FS Members

How and when is the minimum pension age changing?

The minimum pension age is increasing from 50 to 55 on 6 April 2010.

What do I have to do?

If you will be aged between 50 and 55 on 6 April 2010, you should consider whether you wish to start receiving your pension before the minimum pension age increases.

If you are happy to wait until at least age 55, then you can continue to accrue a benefit in the Final Salary Section (KPS-FS) beyond 6 April 2010.

If you want to start receiving your pension we recommend that you request a formal quotation before 31 December 2009, as you must have returned the forms attached to your quotation before 28 February 2010.

Do I need to inform HR of my decision?

Yes. If you wish to take early retirement from the Scheme you will need the consent of both the Company and the Trustee. If you are considering leaving employment at the same time that you draw your pension, it is best that you discuss your decision with your HR advisor.

Do I have to stop working in order to take my pension?

No. The Scheme allows what is called *flexible retirement*, which means that you are able to receive your pension while still working for the Company.

Can I keep on building a pension in the Scheme if I take my pension now?

Not under the Final Salary Section – if you take your pension, you will stop building up a pension under the KPS-FS, and will no longer be eligible for death-in-service or incapacity benefits under the KPS-FS rules. If you continue to work for the Company, you may join the Money Purchase Section (KPS-MP).

What date should I take my pension from?

You may choose to retire at any date between your 50th birthday and 5 April 2010 if you want to take your pension before the minimum age changes. However, if you wish to continue working for the Company, you must take your pension on a date at the end of a month.

Will my pension be reduced if I take early retirement?

Your pension will be reduced because you are retiring early, and will have your pension paid for longer.

How will my pension be reduced?

Currently, when you retire early as an active member of the Scheme your pension is reduced by 3% for every year you retire before age 60. These are more favourable terms than if you retire as a deferred member of the Scheme, when your pension is reduced by 4% per year. In addition, if your normal retirement age is 65, as a deferred member, part of your pension will be reduced for every year that you retire before age 65.

What happens if I leave employment between 6 April 2010 and when I turn 55?

You will have to wait until you reach age 55 to start receiving your pension. Your pension will be subject to the early retirement terms for deferred members, as you will not be eligible to take early retirement as an active member.

What if I change my mind after 5 April 2010?

It will be too late. You will need to wait until at least age 55 before you are able to receive your pension.

Where can I get some financial advice?

The Scheme is unable to provide you with financial advice. You can search for a local Independent Financial Advisor (or IFA) on the unbiased website at www.unbiased.co.uk. This website is run by IFA Promotion Limited, who promotes independent financial advice for consumers.

Where can I find more general information about retirement?

The [useful links](#) area on our website provides links to a number of different sources of financial information. The Financial Services Authority and The Pensions Advisory Service are two organisations that provide independent, general information on retirement.

Kingfisher Group Pensions Department
3 Sheldon Square
London
Paddington
W2 6PX

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