

SURREY COUNTY COUNCIL**PENSION FUND COMMITTEE****DATE:** 9 JULY 2021**LEAD OFFICER:** ANNA D'ALESSANDRO, DIRECTOR OF CORPORATE FINANCE**SUBJECT:** INCREASING THE NORMAL MINIMUM PENSION AGE CONSULTATION**SUMMARY OF ISSUE:**

Strategic objectives
Governance

To provide details of the Her Majesty's Treasury (HMT) consultation on increasing the normal minimum pension age and the response from Surrey.

RECOMMENDATIONS:

To note the report and annexe.

REASON FOR RECOMMENDATIONS:

The Pension Fund Committee will be made aware of all national initiatives with a consultation process with a response sent within stated deadlines, in accordance with the Fund's strategic governance objectives.

1. DETAILS:

1. The proposals have a long lead time (seven years) as the proposal to increase the early retirement to age 57 will not bite until 2028.
2. Protection for members in a pension scheme on 11th February 2021 - as long as they do not move to another pension scheme, unless they are block transferred.
3. A danger that the proposals will create a two-tier workforce (protected/not protected) and impair employment mobility.
4. The Fund notes that very few members choose to retire eleven years early (currently age 55) because of the severe actuarial reductions for early payment.
5. The proposals will reduce flexibility and make the voluntary restructuring of workforces harder.
6. HMT says that it is not intending to tie the early retirement age to state pensionable age (SPA); however, the Fund believes that if it is minded to increase SPA periodically it would be better to tie it to (say 10 years before) SPA in order to facilitate retirement planning.

CONSULTATION:

7. The Chairman of the Pension Fund Committee has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

8. There are no risk related issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

9. There are financial and value for money implications are explored in this report.

DIRECTOR OF CORPORATE FINANCE COMMENTARY

10. The Director of Corporate Finance is satisfied that all material financial matters, business issues and possible risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

11. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

12. There are no equality or diversity issues.

OTHER IMPLICATIONS

13. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

14. The following next steps are planned:

- Provide the Pension Fund Committee with details of the results of the consultation.

Contact Officer:

John Smith, Pensions Governance and Employer Manager

Consulted:

Pension Fund Committee Chairman

Annexes:

1. The Fund's response to HMT's Increasing the Normal Minimum Pension Age Consultation.

Background papers:

The HMT consultation on Increasing the Normal Minimum Pension Age [Increasing the normal minimum pension age: consultation on implementation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/increasing-the-normal-minimum-pension-age-consultation-on-implementation)