

PRESS RELEASE

ACA warns minimum pension age transition could leave some savers facing unexpected gaps in retirement income

28 September 2026: The Association of Consulting Actuaries (ACA) has warned that some savers who have already started taking money from their pensions could face an unexpected interruption to withdrawals when the normal minimum pension age rises from 55 to 57 on 6 April 2028 unless clear guidance is provided well in advance of the changes. In its consultation response to HMRC, the ACA also calls for wider transitional protections against processing delays.

[ACA response to HMRC's Normal Minimum Pension Age Transitional Provisions Regulations consultation](#)

Kirsty Cotton, Chair of the ACA Pensions Taxation Committee, commented:

"Someone using their pension to pay household bills may reasonably believe that, having started taking money, they can continue to do so. Discovering that their next withdrawal has to wait until they turn 57 could leave them facing a gap in the income they rely on.

"Savers should not need to understand complex distinctions in pension tax law to know whether their retirement plans will work. We are asking HMRC to provide clear, timely information on how this might affect those planning to take their pension through a series of lump sums. It would also be worth looking again at the transitional protections, particularly where a transaction is delayed for reasons outside the member's control."

In its response, the ACA highlights the precarious position some savers could face due to changes to the Normal Minimum Pension Age if they plan to take a series of lump sums directly from their uncrystallised pension pot. Those aged 55 or 56 when the rules change would be unable to continue these withdrawals until they reach 57.

The ACA contrasts this with withdrawals from money already set aside for drawdown before the change, which can continue. It asks HMRC to provide clear guidance well in advance of the changes taking effect, so savers can understand whether and how their chosen method of taking their pension could be interrupted.

While appreciating the complexity of a legislative change, the ACA suggests HMRC may consider extending protection to subsequent lump sums from a pension fund where a first payment was taken before 6 April 2028.

The ACA also warns that members requesting certain types of lump-sum withdrawal or arranging an annuity could be caught by processing delays, as submitting complete paperwork before the deadline may not suffice.

By contrast, this would usually suffice for other benefits such as scheme pensions. The ACA recommends extending protection where the relevant payment or transaction completes shortly after 5 April 2028 due to delays outside the member's control to provide consistent treatment across the range of retirement options.

Where HMRC does not extend the protections, the ACA is calling for early confirmation and clear guidance, giving schemes time to update their processes and explain to members what they need to do and by when.

Kirsty Cotton added:

"A general warning that the pension age is changing will not be enough to ensure members avoid the issues we envisage. People need to understand whether their own payments could be affected, what steps they need to take and the deadlines that apply.

"Schemes also need time to adapt their processes and explain the position to members. Any limits to the protections need to be made clear well before April 2028, rather than discovered when somebody is expecting money to arrive."

The response also seeks explicit confirmation that the minimum-age test applies when a pension first starts, rather than being reapplied to every subsequent instalment.

The ACA identifies further gaps involving small lump sums and proposed payments to members from defined benefit pension scheme surpluses. It recommends transitional protection where entitlement arose before the age change, so an outstanding payment does not leave a member having to wait until 57.

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Notes to editors

- The repeated lump-sum withdrawals discussed above are known in pension tax legislation as uncrystallised funds pension lump sums (UFPLS). Each payment creates a separate entitlement, unlike withdrawals from funds already designated for drawdown.

About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body. The ACA is celebrating its 75th Anniversary this year