

Drawing your pension early

On leaving scheme employment you can apply to us to have your pension benefits paid early on a reduced basis at any time after reaching age 50 (age 55 from 6 April 2010). We apply a reduction based on the number of years you draw your benefits before normal retirement age (NRA). Once payment of the reduced benefits has commenced, there will be no opportunity to restore the pension award to the full value in the future.

For illustrative purposes, reduction factors currently applying at various stages are shown below:

Years to NRA	Early retirement factor %
0	100.0
3	84.5
6	72.2
9	62.3
12	54.0
15	47.3

So, if you draw your pension 3 years early at age 57 (if your normal retirement age is 60), it would be 15.5% less than you would receive if you wait until age 60.

Pensions on early retirement will receive increases in the same way as increases apply after normal retirement, unless early retirement occurs before age 55. In that case no increases are payable before age 55 and after that point, increases are granted on an uplifted pension from age 55. The uplifted pension is the equal to the pension that would have been in payment had it received increases between retirement and age 55.

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