

## Change to the minimum pension age and member protection

The minimum pension age is set to increase from age 55 to age 57 in 2028. The minimum pension age is the earliest age at which you can draw your pension unless you are in ill health, subject to any conditions imposed by the Fund Rules being met (such as a requirement to obtain consent to early retirement). We have considered what this change means for deferred members. Pensioner members are not affected by the change.

We have identified that certain groups of deferred members of the Fund qualify for a protected pension age or "PPA" which is lower than age 57. Such members will not be affected by the increase in the minimum pension age when it takes effect on 6 April 2028. From that date, members with a PPA of 50 will continue to be able to draw their benefits from age 50 (as they can now) and members with a PPA of 55 will be able to draw their benefits from age 55 (as they can now). In both cases, however, early retirement is only possible if any conditions specified in the Fund Rules are satisfied.

From 6 April 2028, deferred members who do not have a PPA will not be able to draw their benefits before age 57 except on ill health grounds.

The position is complicated and depends on a number of conditions as set out in the table below:

The change in the minimum pension age affects Deferred members (those who have not yet taken their pension) born after 5 April 1971. Deferred members born before this date will be over age 57 by 6 April 2028 and therefore will not be affected by the change.

<b>Date joined Fund</b>	<b>Male/Female/ All members</b>	<b>Category of Deferred Members when the Fund closed</b>	<b>Protected Pension Age ("PPA")</b>
Before 6 April 2006	All	All - providing they left pensionable service after 19 November 1991	50 (no change)
Before 6 April 2006	All	All - providing they left pensionable service between 1 January 1986 and 19 November 1991 inclusive	55
Before 6 April 2006	Female	All - providing they left pensionable service between 1 January 1981 and 31 December 1985 inclusive	55
Before 6 April 2006	Male	All - providing they left pensionable service between 1 January 1981 and 31 December 1985 inclusive	<b>No PPA</b>
On or after 6 April 2006	All	Ordinary Deferred <sup>1</sup> member or Deferred Closure <sup>2</sup> member on <b>both</b> 11 February 2021 and 3 November 2021	55
On or after 6 April 2006	All	Ordinary Deferred <sup>1</sup> member or Deferred Closure <sup>2</sup> member on only 11 February 2021 or 3 November 2021	<b>No PPA</b>

On or after 6 April 2006	All	Closure <sup>3</sup> member or In Service Deferred Closure <sup>4</sup> member on either or both 11 February 2021 and 3 November 2021	<b>No PPA</b>
<b>Member Definitions</b>			
<sup>1</sup> Ordinary Deferred Member	Deferred Member who left pensionable service before 6 October 2012		
<sup>2</sup> Deferred Closure Member	Active Member at 6 October 2012 who had left Co-op employment (or terminated their Closure Membership) by the date or dates specified in the table above		
<sup>3</sup> Closure Member	Active Member at 6 October 2012 who stayed in Co-op employment until at least the date or dates specified in the table above		
<sup>4</sup> In service Deferred Closure Member	Active member at 6 October 2012 who stayed in Co-op employment until at least the date or dates specified in the table above and who, after Normal Retirement Age but before the relevant date or dates specified in the table, terminated their Closure Membership		

The PPA is a protected age from which a member can, subject to the Fund Rules, take benefits from the Fund earlier than the prevailing minimum pension age without paying any 'unauthorised payment' tax charges to HMRC. However there are circumstances in which the protection can be permanently lost, meaning that this tax charge would be payable in respect of each benefit instalment paid before the member reaches minimum pension age (currently age 55 but rising to age 57 on 6 April 2028). Ordinarily, the Fund Rules do not permit members to take their benefits early if this would incur 'unauthorised payment' tax charges.

Again, there are complex rules which determine the circumstances in which a member will lose their PPA but the table below provides a simplified overview of the main circumstances.

<b>PPA</b>	<b>First circumstance in which protection would be lost</b>	<b>Second circumstance in which protection would be lost</b>	<b>Third circumstance in which protection would be lost</b>	<b>Fourth circumstance in which protection would be lost</b>
50	You opt to transfer your deferred benefits to another pension arrangement	Your Fund benefits and those of some other Fund members are transferred together to another pension arrangement, but only if certain conditions are not satisfied (for	You do not start drawing all of your Fund benefits on the same date (for example, you start drawing your AVCs from a later date than your final salary benefits)	The Co-op employed you (a) in the 6 month period before you began to draw your benefits and (b) after you began to draw your benefits and before you reached minimum pension age (currently age 55 but rising to age 67 on 6

		example, if one of the transferring members retains some benefits in the Fund)		April 2028). Employment by another entity in the Co-op group after you have drawn your benefits will also cause the loss of your protection. There are exceptions (or example, you would not lose your protection if you left the Co-op's employment for a period of at least six months when you began to draw your benefits and you later re-joined the Co-op's employment)
55	As above, but only if certain conditions are not satisfied (for example, if you transfer some, but not all, of your final salary benefits)	As above, but there are fewer conditions which means that it is more difficult to lose protection	N/A	N/A

Further information will be made available to members who qualify for a PPA of 50 or 55 from the Fund.