



Pension Consolidation: What you need to know

As part of its wealth planning service, JM Finn offers ‘pension consolidation,’ which is the process of combining two or more pensions into a single scheme. Like many people, you may have worked in multiple jobs with various pension schemes run by different providers. It can be very easy to lose track of the pensions you own – UK pension pots worth nearly £27 billion are currently deemed to be ‘lost’¹. Our wealth planners can help you track down pensions and decide if combining them into a single scheme could be the right option for you.

What are the benefits?

- **Simplification:** A key advantage is the ability to keep track of your pension funds in one place. As a JM Finn client, using our pension consolidation service will mean your investment manager will be a single point of contact for both your investments and your pension;
- **Less paperwork and administration:** If you have worked in multiple jobs, it can be very difficult to keep up with the administration for each of your pensions – consolidation can greatly streamline the paperwork you receive;
- **More retirement options:** Newer pensions can be more flexible, giving you more options to access your money when you are retired;
- **Better ongoing servicing and management:** With pensions across multiple schemes, it can be much harder to spot when a fund is underperforming. Our investment managers will monitor the performance of your pension on an ongoing basis to ensure your money is working as hard as possible for you;
- **Ease of wealth transfer when you pass away:** Pension funds are typically free of inheritance tax and having a single pension can make the transfer of your wealth to the next generation a smoother process for them.

¹ <https://www.abi.org.uk/news/news-articles/2022/10/call-on-uk-retirement-savers-to-take-action-on-26.6bn-in-lost-pensions/>

Can I still consolidate my pensions if I have already retired and am drawing from one or more of my pensions?

Yes if you are in drawdown then you can still consolidate your plans.

Are there any circumstances where consolidating a particular pension might not be advisable?

- Some pensions have inbuilt benefits such as guaranteed annuity rates which may be lost if the pension is transferred;
- If an existing pension has high exit fees, it may be best to avoid incurring them by transferring it.

Our specialist wealth planners will conduct a full review of your pensions and advise you on the best course of action.

What is the process for consolidating pensions with JM Finn?

Our wealth planners can conduct a review of your pensions to assess their suitability for consolidation. There is no obligation for you to go ahead with consolidating your pensions unless you choose to do so.

- **Provide any pension statements and valuations you hold** to your investment manager for review by the wealth planning team

- **Sign a letter of authority** to give permission for the team to contact your pension providers on your behalf
- **Pension summary:** The team will prepare a summary showing all your pension plans, free of charge
- **Fact find/risk profiling:** If you wish to proceed with advice, we will conduct a fact find meeting and agree a risk profile with you
- **Pension advice report:** Pension advice report will be drafted and issued to you
- **New Self Invested Personal Pension:** Should you choose to go ahead with consolidation, at this stage the wealth planning team would set up your new pension and arrange transfers from your old pensions for you. Your investment manager would open a new pension account on your behalf.

How much would pension consolidation cost me?

The fees for SIPPs can vary, however the wealth planning team will endeavour to find the most appropriate plan for your needs. Advice fees are chargeable by the wealth planning team; full information about costs will be given at the first meeting.

For further information about pension consolidation or to find out about other ways in which our wealth planning team can assist you to simplify your finances, please speak to your investment manager to arrange a meeting with one of our chartered wealth planners.

The information provided in this document is of a general nature and is not a substitute for specific advice with regard to your own circumstances. You are recommended to obtain specific advice from a qualified professional before you take any action or refrain from action.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

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