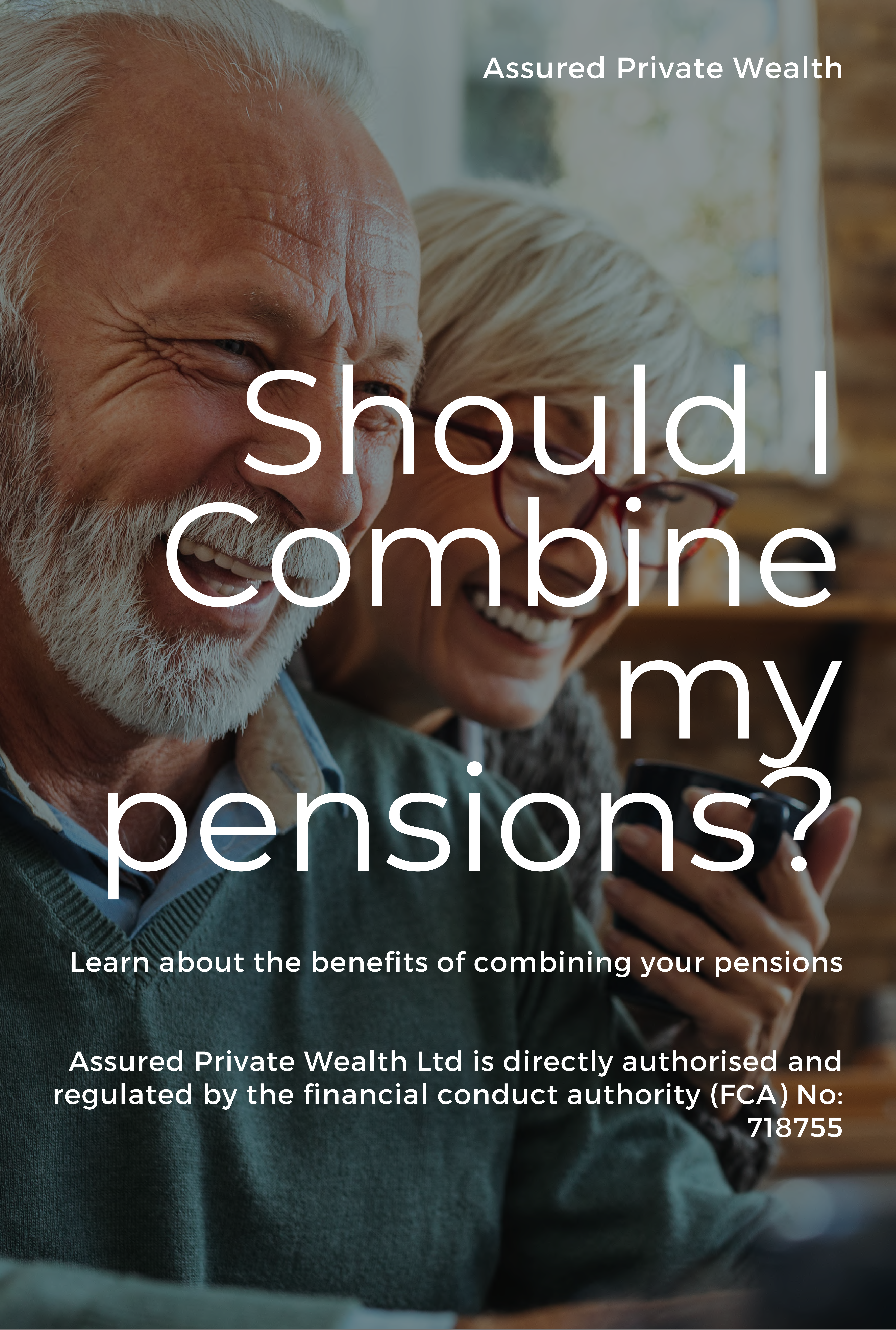

Assured Private Wealth

Should I Combine my pensions?

Learn about the benefits of combining your pensions

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Should I Move My Old Pensions?

If you've accumulated numerous workplace pensions over the years from different employers, it can be difficult to keep track of how they are performing.

It’s not uncommon for people to have 6 or 7 different pensions these days.

There is a danger that long-forgotten plans will end up festering in expensive, poorly performing funds, and the paperwork alone can be enough to put you off becoming more proactive.

A pension switch could see you moving your money to a new home with another provider.

Some of the reasons to switch might include the ability to reduce the charges on your scheme, particularly if you’ve an older plan with high fees, or to access different investment options.

Older pensions can contain ‘exit penalties’. If there are any exit penalties on your existing policy, they could cancel out the benefit of switching to a new provider so this should be taken into consideration when weighing up your options..

The other main strategy is to consolidate all your retirement savings in one place, perhaps for similar reasons.

So, is switching everything into one easy-to-manage pension the way to go?

www.which.co.uk/money/pensions-and-retirement/personal-pensions/switching-providers-and-consolidating-pensions/should-i-combine-my-pensions-a79863g1pm14 - Which?

Should I Consolidate My Pensions if I Change Job?

Making the most of your pensions now could have a significant impact on your happiness in later years; getting it right could mean a higher income and a comfortable retirement, or even an earlier date when you can stop working.

If you’re lucky enough to be in a final salary scheme, it will almost always make sense for the money stay put, even if you’ve left the scheme.

If you have any other type of workplace pension – where success or failure depends on the performance of your investments – consolidation is worth considering.

With pension auto-enrolment, your employer is obliged to enrol you into a scheme (which you can then opt out of). The pension won’t automatically follow you if you switch employers.

Savers can end up with a separate pension plan from a different provider each time they start a new job. Having multiple pots is becoming more of an issue and is currently being considered by regulators and the industry.

You can leave your old pension where it is or you can move the funds into your new employer’s workplace pension scheme.

A pension can therefore follow you throughout your working life and you can switch it as many times as you move jobs, although there may be costs for moving your money.

www.which.co.uk/money/pensions-and-retirement/personal-pensions/switching-providers-and-consolidating-pensions/should-i-combine-my-pensions-a79863g1pm14 - Which?

The Impact of High Charges On Your Pension Schemes

The negative effect of high charges and poor fund performance should not be underestimated.

This should guide your decision on where to leave your pension savings.

If a 35-year-old with a £10,000 pension pot invests until 65 in a fund that achieves 5% annual investment growth, but charges 2% a year, the pot will be worth £23,720.

The same £10,000 invested in a fund that achieves 7% annual investment growth, with a 1.5% annual charge, will be worth £48,541 – more than double.

A better return will never be guaranteed, but more investment choice and lower fees will give you the best chance of achieving one.

If you’re interested in consolidating, a personal pension can provide a huge amount of investment choice at a relatively low cost.

And if you’re not comfortable tackling big decisions on your own, an independent financial adviser can help.

www.which.co.uk/money/pensions-and-retirement/personal-pensions/switching-providers-and-consolidating-pensions/should-i-combine-my-pensions-a79863g1pm14 - Which?

The Pros & Cons of Consolidating Your Pension

Deciding whether to combine all of your pension pots isn't a straightforward decision.

There are clear advantages and disadvantages:

Pros:

Keeping track of and managing your pension savings is easiest with just one scheme

You could gain access to a greater choice of investments if you're consolidating your pension pots into a new flexible style pension.

You'll pay less in overall charges if you put your money into a pension with competitive fees compared to an older plan with high charges

A well managed pension is more likely to offer better long term returns and retirement income.

Old style pensions can be inflexible and new plans offer more flexibility in how you can take your money in retirement.

Cons:

Some schemes will still have exit penalties, so switching your money out will deplete the size of your pot

Older pots may have some attractive features that you'll lose if you transfer out, eg early access, more than 25% tax-free cash or guaranteed annuity rates

Seeking advice will determine if there are any benefits and cons to moving on from your current plans.

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About Us

The team at Assured Private Wealth has many years' experience providing practical financial planning advice to people, families and businesses throughout the UK.

We provide advice across a wide range of services including savings, investments, protection, wills and estate planning. We are committed to putting clients at the heart of everything we do and to developing long-term relationships with our clients. This is achieved by ensuring that we understand the individual needs of each client, and to implementing tailored financial plans to address those needs.

At Assured Private Wealth, we pride ourselves on the friendly and approachable nature of our advisers and staff, and enable you to check the current status of your pension(s), where the funds are invested, how much is being paid out in charges and if you can make any improvements or not.

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The value of investments may fall or rise and you may get back less than you invested. Pensions are investments which are designed to be held for the medium to long term.

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