

PENSION TRANSFERS - WHY COMBINE YOUR PENSION?

Think of your pension as a backpack that you will carry through your working life. If you keep paying into it, it'll get bigger and it will give you joy, freedom and choice when you retire.

WHY CONSOLIDATE YOUR PENSIONS?

1. Keep it simple

If you have worked for employers that have provided you with a pension in the past, then it is likely that you have little pension pots dotted around locally. It's important that you don't lose track of them, as it's easy to forget over the length of your career. You can transfer these into one pension account (or backpack) so that you don't forget them.

2. Plan for your future

By having a single pension, it will make it easier for you to plan for your future. You'll know how much money you will have. When you retire it makes life easier as you don't have to deal with lots of old employers (that may not exist anymore) or lots of pension providers. This means you will get your money quicker and it will be less stressful.

So, you only carry one handy backpack and not lots of little bags that you try and juggle.

CAN I PUT MY PERSONAL PENSION INTO MY EMPLOYER'S OCCUPATIONAL PLAN?

Yes. You can transfer the cash value and take advantage of Occupational plan's low costs.

WHAT SHOULD I CONSIDER?

First you need to consider if you can transfer your pension. Then you need to consider the pros and cons to see if it's the right thing to do. You may wish to seek advice from a financial adviser.

Are there any benefit guarantees?

- There are some older schemes called Final Salary or Defined Benefit schemes and they have valuable guarantees as to the benefits you will receive. For example if you have worked for the Government, this may be the case. If you have this kind of scheme, you should take specific financial advice. We have a panel of independent financial advisers and we can forward details to you.
- Some schemes may have a guaranteed annuity when you retire. This means that the pension will guarantee an income for life. It is very hard to source an annuity now, so dependent on the value of that particular plan you would need to consider if it's worth keeping it where it is. Again, you can take financial advice.

What are the costs?

- Some employers continue to pay the pension fees for ex-employees, so you need to understand if and what fees you are paying. You also need to find out what the fees are to transfer the account to another provider. These are often called exit fees.
- Sovereign do not charge for accepting and processing transfer-ins.

HOW DO I FIND OUT ABOUT ANY OLDER PENSIONS?

The first step would be to contact your old employers and they will either be able to give you the information or pass you on to the pension provider that has your pension.

WHAT INFORMATION WOULD I NEED TO HAVE?

The more information you have the easier it will be. For example, do you have an annual pension benefit statement or perhaps a portal log in? Ideally the provider will need to know:

- Your Plan number
- Your full name
- Your address at the time you had the Plan if you have not kept it up to date
- Your date of birth
- Your tax number

HOW EASY IS IT TO TRANSFER?

The good news is that it is easy. All local Pension Providers work closely together, so your existing pension provider will ask you to complete some documentation and they will engage with Sovereign to arrange the transfer.

Simply contact Sovereign to kick off the process.

ONCE THE PENSION IS TRANSFERRED DO I NEED TO DO ANYTHING?

Not really, no. Unless you instruct otherwise the money will be invested into the default investment choice.

So to recap:

1. Identify any pension accounts you have locally.
2. Consider what types of pensions they are and if you need to take financial advice.
3. If you are not going to transfer some or all, then make a note of all the details and put them somewhere safe so you don't forget them.
4. If you are going to transfer them, get the ball rolling by contacting either your old employer or the pension provider.
5. Email Sovereign for transfer-in form.