

GUIDE TO

HOW TO FIND OR TRACE A LOST PENSION

Is it time to get your pension pots into shape?

SEPTEMBER 2023



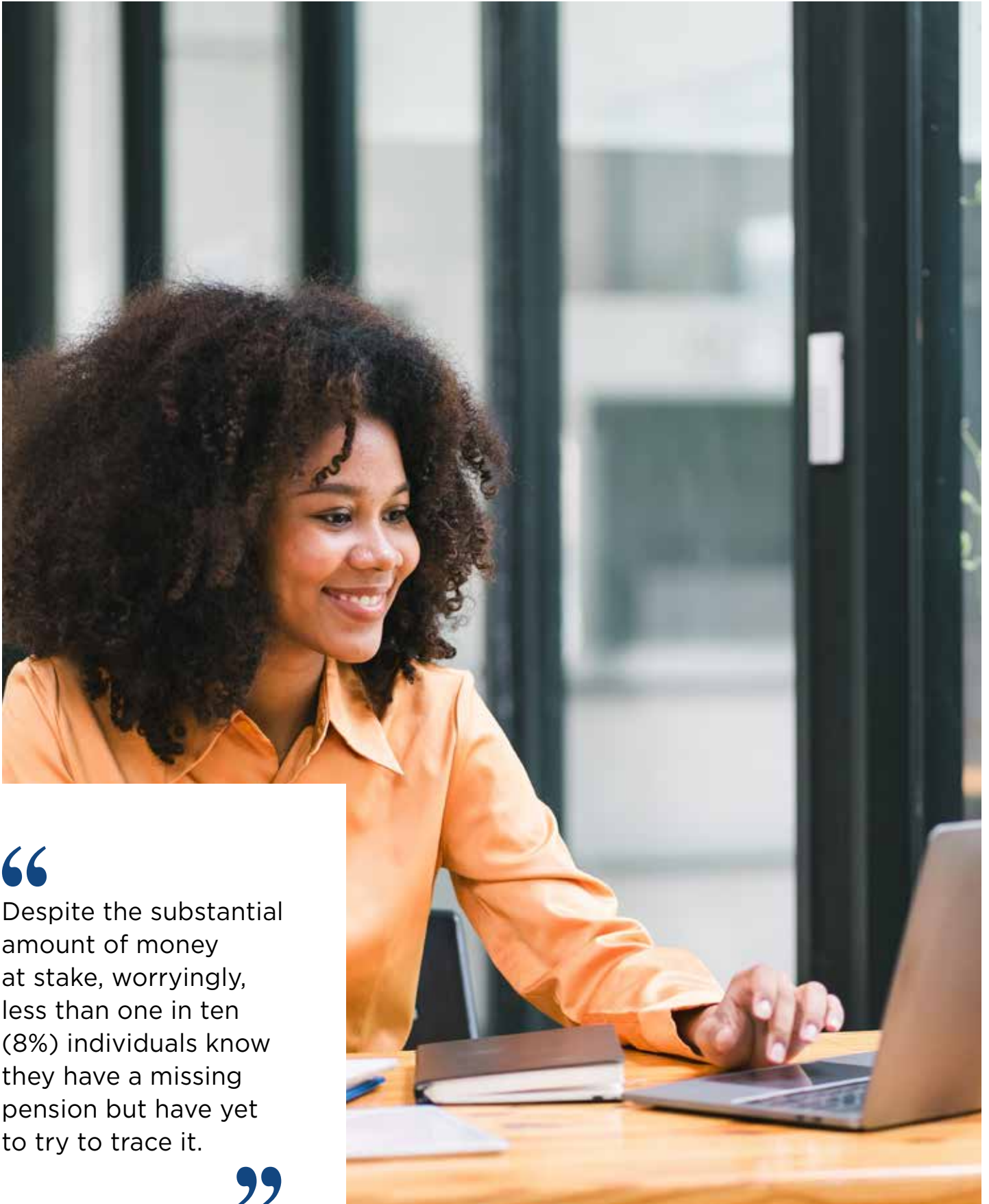
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Is it time to get your pension pots into shape?

Welcome to our *Guide to How to Find or Trace a Lost Pension*.

Tracking down a lost pension pot can be daunting, especially if you've switched jobs multiple times. According to research, one in six (16%) UK adults have attempted to trace or find a pension that has been lost or forgotten, with only one in ten (9%) managing to do so successfully^[1]. Amidst the current cost of living crisis, these lost pensions could be a lifeline for many facing financial hardships.

The average lost pension total found was £6,351

Among those who have managed to find their lost pension, the average total was £6,351. Most respondents discovered pensions worth between £1,000 and £5,000 (24%). However, nearly one in ten (8%) traced pensions worth over £20,000.

Despite the substantial amount of money at stake, worryingly, less than one in ten (8%) individuals know they have a missing pension but have yet to try to trace it.

Starting the search journey sooner rather than later

The lost pensions challenge in the UK has escalated significantly in recent years, particularly exacerbated by the pandemic, which led to many people changing jobs.

The Pension Policy Institute estimates the total value of lost pension pots at a staggering £26.6 billion in 2022^[2]. Given the potential benefits, starting the search journey sooner rather than later is crucial.

Rules regarding pensions

The rules regarding pensions have evolved over time. Depending on when you were

working, you may or may not have built up a pension, and a pension may or may not still exist for you. Here's an overview of how these rules have changed, though remember that specifics can vary between different pension schemes.

Before April 1975

If your employment ended before April 1975, you probably received a refund of your pension contributions. Some schemes did not require members to make contributions. If you didn't contribute, you likely wouldn't be eligible for any pension benefits from that scheme.

April 1975 - April 1988

During this period, if you left your job and were over the age of 26 with at least five years of service, a pension may have been preserved for you. However, if you left with less than five years of service, you might have received a refund of your contributions instead.

April 1988 onwards

If your employment ended after April 1988, you could be entitled to a pension,

provided you had completed at least two years of service. If you left with less than two years of service, you may have received a refund of your contributions.

Keep your information updated

With the introduction of auto-enrolment in 2012, around 10 million people have started saving for their futures through employer-sponsored pensions. Each new job potentially means a new pension scheme. Make sure to update all of your pensions with any address changes and keep a record of all the pension schemes you've been enrolled in.

How to avoid losing track of your pension pots

You will likely be enrolled into numerous workplace pension arrangements throughout your work life, so it's easy to understand how you could lose track of your pension pots. Not to mention, factors such as previous employers going out of business, changing names, and people moving house can complicate matters even more.

So, how can you avoid losing track of your pension pots?

Keep your contact details updated

Always inform your pension providers or old employers about any changes in your contact details. If they don't have the correct information, it will be nearly impossible for them to contact you.

Understand different pension plans

Pension plans are usually categorised into defined benefit (often referred to as final salary schemes) and defined contribution (often referred to as money purchase schemes). Knowing the difference between these two can help you keep track of your pensions.

Keep track of your SERPS

If you started employment before 2002, you might be aware of the State Earnings-Related Pension Scheme (SERPS), a government scheme to increase your state pension. Make sure to keep track of your contributions to this scheme.

Use Government services

The UK government offers services to locate missing pensions. These services are particularly useful if you're looking for details of your old employer's scheme, a personal pension provider, or confirmation of your SERPS situation.

Keep all your payslips

Old payslips contain much information which might be required to reclaim your missing pension assets. These include your full name, address, date of birth, national insurance number, type of pension, retirement age, employee number, and policy number.

Following these steps ensures you don't lose track of your pension pots and secure your financial future.

Here are some tips for finding a lost pension

Check your old paperwork

Most pension schemes send you a statement each year that includes an estimate of the retirement income your

pension pot might give you. If you have any old paperwork from your employer or pension scheme, this will provide a good starting point. Look for details like the name of your employer or pension scheme, or the contact information of the scheme's administrator or provider.

Contact relevant parties

If you're no longer receiving these statements – perhaps because you've changed your address – consider contacting:

- The pension provider
- Your former employer (if it was a workplace pension)
- The Pension Tracing Service

Contact the pension provider

If you know which provider your pension was with, contact them directly.

However, when you contact them, provide as many of the following details as possible:

- Your plan number
- Your date of birth
- Your National Insurance number
- The date your pension was set up

Also, ask the following questions to get a thorough overview of your pension pot:

- What is the current value of the pension pot?
- Is there a nominated recipient for any death benefits?
- How much has been paid into the pension pot?
- What charges are you paying for the management of the pension pot?
- How much income will the pension pot potentially pay out at your chosen retirement date?
- How is the pension pot being invested, and what options exist for making changes?
- Would there be any charges if you wanted to transfer the pension pot to another provider?
- Are there any special features, such as guarantees like a guaranteed annuity rate or a guaranteed minimum pension?
- What are the death benefits – in other words, how much money would be paid from the pension if you died?



Contact your former employer

If you're trying to track down a pension scheme set up by a past employer, your first step should be to get in touch with that employer.

If your employer facilitated a personal or stakeholder scheme, contact the pension provider directly if you have their contact information.

Don't hesitate to ask your former employer if you're unsure of the pension provider's details. They should be able to give you this information.

You'll need to supply them with the following details:

- Your National Insurance number
- The date you ceased employment there
- The date you began work with that employer
- The dates you entered and exited the pension scheme

Moreover, make sure you ask these key questions:

- What kind of plan is it? For instance, is it a defined benefit or defined contribution plan?
- If it's not a defined benefit scheme, which pension provider are your funds with?

Contact the Government's Pension Tracing Service

The government's Pension Tracing Service is an excellent resource if you're having difficulty tracking your pension details.

This service can be particularly useful if you can't locate the contact information of a former employer or if you're unsure about the provider of a personal pension.

The Pension Tracing Service is a free service that searches a database of over 200,000 workplace and personal pension schemes

to help find the contact details you require.

You can contact the Pension Tracing Service by phone at 0800 731 0193. Alternatively, you can use their online directory to search for contact details. ■

NEED HELP AND GUIDANCE TO TRACK DOWN YOUR OLD PENSIONS?

If you have multiple pensions, it can be challenging to keep track of all of them. If you're having difficulty finding your pensions, you're not alone. Don't hesitate to contact us for more information about your retirement options; we'll explain how we can help.

Source data:

[1] Research conducted by Opinium among 2,001 UK adults between 25–28 October 2022.

[2] <https://www.pensionspolicyinstitute.org.uk/sponsor-research/research-reports/2022/2022-10-27-briefing-note-134-lost-pensions-2022-what-s-the-scale-and-impact/>

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A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.



LOST TRACK OF YOUR OLD PENSIONS?

Managing multiple pensions can be quite challenging. The situation can get even more complex when you have moved address and no longer receive pension statements.

Please get in touch with us to discuss how we can help you get your pension pots into shape.

Kymin
Financial Planners

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