

A Guide to Pension Consolidation

Simplify your retirement savings, reduce fees, and take control of your financial future

This guide contains 14 pages and will take approximately 12 minutes to read



In This Guide

Everything you need to know about bringing your pension pots together, from understanding the benefits to avoiding common pitfalls.

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What is Pension Consolidation?

Multiple pension plans can be brought together under one plan, often from different employers or previous roles. This brings all assets into a single plan, making it easier to manage and track. It also allows for a more unified investment strategy.

By consolidating, you can reduce the number of accounts you need to manage, making it easier to track and manage your investments.

Key Benefits at a Glance




- Simplified management
- Reduced costs
- Improved investment performance
- Easier to track and manage



Why Consolidate? The Benefits

With millions of pension pots sitting forgotten across the UK, consolidation offers a path to clarity and control.

3.3m Lost pension pots in the UK	£31bn Total value of lost pensions	£9,500 Average value per lost pot
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 Lower Fees Reduce charges by consolidating into a competitive provider	 Clear Overview See all your savings in one place	 Better Control Easier to manage your investment strategy
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Did you know?

Consolidating your pension pots can help you to save up to 1.5% per year on your pension charges. This means you could save up to £1,500 per year on a £100,000 pension pot. Find out more about the benefits of consolidation in our full guide.

Weighing Up the Decision

Like any financial decision, pension consolidation has both advantages and potential drawbacks. Here's what to consider:

Benefits

- Single management and bill
- Reduced fees and charges
- Lower investment charges
- Better investment options
- Flexible withdrawal choices
- More control over your pension

Consolidation usually means lower fees and charges, but you should check the details of the new pension to make sure you're getting the best deal.

Risks to Consider

- Loss of your own pension
- Loss of government guarantee
- Potential for higher charges
- Reduced investment options
- Loss of flexible withdrawal choices
- Loss of control over your pension

Consolidation usually means lower fees and charges, but you should check the details of the new pension to make sure you're getting the best deal.

The bottom line

Consolidation usually means lower fees and charges, but you should check the details of the new pension to make sure you're getting the best deal. It may also mean losing your own pension, which you'll lose if you don't consolidate.

Types of Pension: Know What You Have

Before consolidating, it's essential to understand what type of pension you have. The two main types behave very differently.

Feature	Defined Contribution (DC)	Defined Benefit (DB)
How it works	Pot based on contributions + growth	Guaranteed income based on salary
Investment risk	You bear the risk	Employer bears the risk
Income certainty	Depends on pot size	Guaranteed for life
Consolidation	Often beneficial	Rarely advisable
Advice required	Recommended	Mandatory if over £30,000
Common examples	NEST, workplace pensions	NHS, Teachers, Civil Service

Transfer Independent Benefits

It's important to understand whether your pension is a 'transferable benefit' or a 'non-transferable benefit'. A transferable benefit is one that can be moved to another pension scheme, while a non-transferable benefit is one that cannot. This is a key consideration when consolidating your pensions.

Finding Your Lost Pensions

Before you can consolidate, you need to know what you have. Here's how to track down pensions from previous employers.

The Pension Tracing Service

The government's free Pension Tracing Service helps you find pension providers you've lost touch with. Visit [gov.uk/pension-tracing-service](#) or call 0800 700 0000. The service will give you contact details for pension schemes, though it won't tell you if you have a pension in the name.

Gather Your Information

- List all previous employers, even short-term jobs
- Check old paystubs, P45s, and P60s for pension details
- Search emails for annual pension statements
- Ask former colleagues about the scheme name

Coming Soon: Pensions Dashboard

From October 2026, the government's Pensions Dashboard will show all your pension savings in one place, including State Pension, workplace, and personal pensions. This will make tracking much easier.

Don't forget the bigger picture

When consolidating, make sure you're part of a suitable retirement strategy. Consider how it fits alongside your State Pension, ISA, and other savings before making moves.

The Transfer Process

Understanding how long transfers take helps you plan and avoid anxiety during the process.

Step 1: Choose Your New Provider

Research providers and compare fees, investment options, and service quality. Consider whether you want a Rollover, Workplace Transfer, or Pension Transfer.

Step 2: Gather Your Details

You'll need policy numbers, provider names, and retirement values for each pension you want to transfer.

Step 3: Initiate the Transfer

Your new provider typically handles the paperwork. You'll sign forms authorizing the transfer.

Step 4: Wait for Completion

It's possible that your transfer completes within a few weeks for some transfers. Paper-based transfers can take several months. All transfers take time, but there are a few additional safeguards.

Transfer Times

11 days

Average to complete all transfers (varies)

6-9

months

For all pension transfers (varies by provider)









6

months

Minimum age needed for transfer to complete a transfer

When NOT to Consolidate

Consolidation isn't always the right choice. Check the following scenarios to avoid costly mistakes.

 Unrelated Business Income If the consolidated group has income from an unrelated business, the consolidated return is not allowed.	 Separate Company Return If a company is a partner in a partnership, it must file a separate return.
 Prohibited Tax Treaties The consolidated return is not allowed if the company is a resident of a country with a tax treaty that prohibits consolidation.	 High Tax Rate If the consolidated group has a high tax rate, it may be better to file a separate return.
 Net Profit Deficit If the consolidated group has a net profit deficit, it may be better to file a separate return.	 Loss Carryforwards If the consolidated group has loss carryforwards, it may be better to file a separate return.
 State & Federal If the consolidated group has state and federal income, it may be better to file a separate return.	 Complex Accounting If the consolidated group has complex accounting, it may be better to file a separate return.

SAMPLE - FULL GUIDE AVAILABLE

Protecting Yourself from Scams

Protect your pension and other assets from fraud and identity theft. Here are some warning signs.

Q Someone called me about my pension. Is this legitimate?

A If you're contacted by someone claiming to be from a pension provider, you should always check the details of the call. If you're unsure, contact your pension provider directly. Do not give out any personal information.

Q They're offering early access to my pension. Is this real?

A If you're offered early access to your pension, you should be very cautious. Early access is only available in certain circumstances, and you should always check the details of the offer. Do not give out any personal information.

Q How do I check if a firm is legitimate?

A You can check if a firm is legitimate by looking for their FSCS registration number. You can also check if the firm is a member of the Financial Conduct Authority (FCA). Do not give out any personal information.

Q What are warning signs about a scam?

A Some warning signs about a scam include: a caller who claims to be from a pension provider but cannot provide any details; a caller who offers you a large sum of money for a small fee; a caller who asks you to provide your personal information; a caller who asks you to transfer money to a personal account.

Case Study: Sarah's Consolidation Journey

See how consolidation helped her reduce pension costs and reach her goals.

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Sarah Thompson, 55
Retiring in 10 years. Wants to help her daughter with her deposit and travel more.

Her goals: Retire at 60, Help daughter with deposit, Travel more

Pension pots: **5 pots**
Total value: **£187,000**
Average fee: **1.2%**



Old fees (1.2% on £187,000 pa)	£2,244/year
New fees (0.4% on £187,000 pa)	£748/year
Annual saving	= £1,496/year

What this means for Sarah

By consolidating her pensions, Sarah has saved £1,496 per year in fees. This means she can keep more of her pension pot, which will help her reach her goals of retiring at 60, helping her daughter with her deposit, and traveling more.

Your Next Steps

Ready to explore whether consolidation is right for your business? Here's how to get started.

- 1 List all your providers** 30 MINS

Write down every employer you've had and search for all pension statements. Use the Pension Tracing Service for any you can't find.
- 2 Request current statements** 15 MINS

Contact each provider for an up to date statement showing what you own and any special features the government already adds.
- 3 Check your State Pension** 10 MINS

Find out if you get your State Pension from abroad for you to get National Insurance credits that you're owed.
- 4 Speak to an adviser** 1 HOUR

Before making any decisions, discuss your situation with a qualified financial adviser who can review your options and recommend the best approach.

Ready to take the next step?
Contact us on [0800 010 0000](tel:08000100000) or email info@pensionconsolidation.com to book your free
100% consultation.



Your Logo Here

Let's Plan Your Retirement Together

Taking control of your retirement is one of the most important steps you can take for your financial future. Our team of experienced advisers can help you understand your options, assess existing provisions, and create a plan that works for your goals.

Book Your Free Consultation

Call 0800 XXX XXXX or email advice@example.com

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