

Tideway's Top TIPS

Pension Consolidation

Pension Consolidation is an exercise whereby you bring all of your pensions together. This can be done by merging two or more of your existing policies into the same plan or it may be better for you to collate these in a new plan altogether.

Based on current trends, the Pensions Policy Institute stated that the average person has around 11 different jobs over the course of their careers. This increases the chances of having multiple pension pots, so could you be missing out? If you do, why not look into the possibility of consolidating your pension so your finances are easier to manage and savings are maximised.

HERE ARE TIDEWAY'S TOP TIPS WHEN LOOKING INTO A PENSION CONSOLIDATION EXERCISE;

Tip 1: Locate all of your pensions

The DWP predicts there could be as many as 50 million dormant or lost pensions by 2050. The government has now launched a tracing service to help individuals find their pensions which they may have lost touch with or never knew about it. Consolidating your pensions can help ensure that the chances of losing your savings is minimised.

Tip 2: Find out how you access savings

Some pension schemes may limit how you are able to draw from your retirement accounts therefore a consolidation exercise into a policy that is more suitable for your overall needs would be worth considering. Some pension products may also restrict your death benefits options meaning it could be beneficial to transfer.

Tip 3: Check if current policies are worth keeping

Some things to consider could include any guaranteed annuity rates, guaranteed growth rates or higher tax-free cash lump sum amounts. Here at Tideway, we are used to working with pension providers so we can advise what is best for you.

Tip 4: Investigate the charges

Often older pensions have steeper charges, so you may be saving yourself money by transferring elsewhere. Another point to consider is that some pensions may charge an exit penalty, so if one of your pensions does, you need to establish whether it's worth transferring your pension into one plan, or if the cost of the transfer will outweigh the benefits.

Tip 5: Explore the investments

If you're concerned that your pension plans have produced underwhelming returns relative to others you hold, it could be time to transfer your savings to a different pension or change the investments within the underperforming pension.

Please be aware that the value of investments, and the income you may receive from them, cannot be guaranteed and may fall as well as rise.

Tip 6: Contact Tideway

Having multiple pension funds can create problems for individuals. We know it can be tiresome and off-putting to see multiple pension strategies and receiving their differing annual statements. We are used to working with pension providers and will ask them the appropriate questions to ensure no stone is left unturned. We can help merge your pensions into one manageable policy and ensure the investments match your retirement strategy.

Why choose Tideway?

- ✔ We help individuals reach their goals by creating a holistic financial plan.
- ✔ We can give you peace of mind by taking the emotion out of investing.
- ✔ We help ensure you are being tax efficient in retirement.

Why not get in touch? Give us a call on 0203 143 6100 and speak to one of our Wealth Managers or send an email to info@tidewayinvestment.co.uk

Tideway
Wealth & Retirement

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Case Study Samantha

Sam is 56 years old, divorced, with one child studying at university, and works in financial services. During the course of her professional career, she has acquired seven different pension pots, spread between various pension providers.

Tracking all this information became challenging and, after a health scare, Sam decided to prioritise her financial planning to ensure her affairs were in order.

Sam came to Tideway in December 2022 with the following objectives:

- › Review each pension arrangement to see whether they would be worthwhile consolidating.
- › Allow her to retire comfortably when she turns 60.
- › Grow her wealth during retirement.
- › Do so in a way which would allow her wealth to be passed on to her son in a tax-efficient manner.

Tideway's advice:

After analysing Sam's situation, her current pension arrangements and her investment objectives, we saw that she could benefit from consolidating her pensions into a SIPP, which would give her a more efficient investment strategy. This also allowed her to build a relationship with a dedicated wealth manager who knows her and her circumstances well, who can support her and who can ensure that she remains on track with her financial objectives.

The administration and consolidation process does take time, but the Tideway Team were able to take the stress away by handling the paperwork as well as giving her the advice she needed.

Additionally, we tailored an investment strategy that allowed her to diversify her savings in order to secure her family's financial future and meet her financial objectives.

Most importantly, Sam now has the peace of mind which comes from knowing that all her investments are in one place, carefully managed and administered to meet her financial goals.

To learn more about pension consolidation, download our guide or send us a message if you have any further questions.

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