



# Pension Consolidation: What you need to know

As part of its Wealth Planning service, JM Finn offers 'pension consolidation,' which is the process of combining two or more pensions into a single scheme. Like many people, you may have worked in multiple jobs with various pension schemes run by different providers. Our wealth planners can help you decide if combining them into a single scheme could be the right option for you.

## What are the benefits?

- **Simplification:** A key advantage is the ability to keep track of your pension funds in one place. As a JM Finn client, using our pension consolidation service will mean your investment manager will be a single point of contact for both your investments and your pension;
- **Less paperwork and administration:** If you have worked in multiple jobs, it can be very difficult to keep up with the administration for each of your pensions – consolidation can greatly streamline the paperwork you receive;
- **Enhanced diversification:** employer pension schemes often use similar investments, which means your pensions could be less diversified than you think;
- **More retirement options:** Newer pensions can be more flexible, giving you a greater range of options to access your money when you are retired;
- **Better ongoing servicing and management:** With pensions across multiple schemes, it can be much harder to spot when a fund is underperforming. Our investment managers will monitor the performance of your pension on an ongoing basis to ensure your money is working as hard as possible for you;
- **Ease of wealth transfer when you pass away:** Until April 2027, pension funds will typically be free of inheritance tax and having a single pension can make the transfer of your wealth to the next generation a smoother process for them via the use of a beneficiary drawdown account.

## What is the process for consolidating pensions with JM Finn?

Our wealth planners can conduct a full review of your pensions to produce a complementary pension plan summary, along with full details of fees for the pension consolidation process.

- **Provide any pension statements and valuations you hold** to your investment manager for review by the Wealth Planning team
- **Where appropriate - sign an 'information only' letter of authority** to give permission for the team to contact your pension providers on your behalf. These are submitted to the providers to request full plan information.
- **Wealth Planning will prepare and present a complementary pension plan summary:** this will be compiled once they receive the full plan information.
- **Fee proposal:** should you wish to proceed to formal advice on your pensions, your wealth planner will create a proposal for the work with details of the fees chargeable to consolidate your pensions into a SIPP.

Only if you choose to accept this proposal would fees then be payable, and the process would be as follows:

- **The team will produce a formal pension review (advice report):** this report will consider a pension switch and consolidation into a SIPP.

### — New Self Invested Personal Pension:

should you choose to go ahead with consolidation, at this stage the Wealth Planning team would set up your new pension and arrange the transfers from your old pensions for you. Your investment manager would open a new pension account on your behalf.

## How much would pension consolidation cost me?

The fees for pension consolidation can vary depending on the complexity of the work, however our Wealth Planning team will endeavour to find the most appropriate plan for your needs. Full information about advice fees will be provided in advance of any chargeable work being carried out - with no obligation to proceed.

For further information about pension consolidation or to find out about other ways in which our Wealth Planning team can assist you to simplify your finances, please speak to your investment manager to arrange a meeting with one of our chartered financial planners.

**The information provided in this article is of a general nature. It is not a substitute for specific advice with regard to your own circumstances. You are recommended to obtain professional advice from a professional accountant or solicitor before you take any action or refrain from action.**

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

Follow us on:



Registered Office:

25 Copthall Avenue  
London EC2R 7AH

020 7600 1660

info@jmfinn.com  
[www.jmfinn.com](http://www.jmfinn.com)

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