



MANAGING YOUR PENSION SAVINGS

*Helping you manage your pension in a way that works
for you, and maximise your savings for retirement.*



UNDERSTANDING YOUR PENSION SAVINGS

As Independent Financial Advisers, we believe that everyone should have a good understanding of their finances, and being more engaged with your pension is an easy step that your future self will thank you for.

Everybody will be affected by pensions at some point: from funding your pension throughout your life; using as a source of income at retirement; or for inter-generational wealth planning.

When used correctly, pensions are most notable for being an excellent way of saving tax-efficiently for your retirement. However, there are many rules, options and tax considerations that come with pensions, making it a complex topic that often requires professional advice to plan effectively.

Throughout this guide, we aim to help you understand pensions better by providing some key considerations and tips for managing your own pension.

Firstly, it is important to understand that there are different types of pensions available. Pensions can be categorised under three main types, each with their own rules and allowances to be aware of:

- State Pension
- Workplace Pension
- Personal Pension

TYPES OF PENSION: STATE PENSION



Most people can claim a State Pension when they reach State Pension age. This is paid by the Government in regular instalments, and the amount depends on your National Insurance contribution record. There are some rules to be aware of regarding the State Pension, and changes were made to this in recent years, so it is wise to check the Government website for up to date details.

Some of the main questions triggered on this topic include; “When will this be paid?” and “How much will I receive?”. The truth is, when it is paid keeps moving as the state retirement age changes, but you can request a State Pension Forecast directly via the Pension Service. This will also be able to tell you when you can expect to receive your State Pension.

For many clients it is unlikely that the State Pension would fund their retirement in its entirety, so it is important to know what you will receive and when to factor this into your retirement planning.

Throughout your career, whether employed or self-employed, you will build up an entitlement to the State Pension. The new State Pension will rise to £241.30 per week and the old (or basic) State Pension to £184.90 per week as of April 2026. In order to qualify for the full amount you need to have 35 qualifying years of National Insurance (NI) credits (you can check your position online at www.gov.uk/check-state-pension).

For many clients, it is unlikely that the State Pension would fund their retirement needs in its entirety, but you can pay for any missing contributions to your National Insurance payments in order to receive the full State Pension.

As an employee, you receive a credit for each tax year you earn above £242 per week (£12,570pa) but you may also receive a credit if you are not paying National Insurance but earn above £120 per week (£6,240pa). Working part time may have an impact on your State Pension if your income is below the above thresholds.

There are state benefits available in certain circumstances that provide National Insurance credits, such as child benefit and the carers allowance. Should you not qualify for National Insurance credits and have a shortfall in your NI credits, as you approach State Pension age, you are able to make voluntary NI payments if required.



TYPES OF PENSION: WORKPLACE & PERSONAL PENSIONS



Workplace Pensions

Since Automatic Enrolment was introduced in 2012, employers are legally required to contribute into an employee's pension once enrolled (or should you choose to opt-in, if you are not automatically enrolled). The minimum employer contribution is 3%, but some employers choose to be more generous and will contribute above this figure.

Accepting you are also likely to be required to contribute (typically 5% as a minimum, but check your employer scheme rules), throughout your working career, the value of these contribution are likely to add up to a significant value. This would be lost if you decide not to participate in your employer's workplace pension scheme.

As Independent Financial Advisers, we are here to help you, guide you and advise you through the maze of pension jargon, demystifying the complexities, debunking the myths and pitfalls along the way.

It is often easy to decide against joining the workplace scheme due to potentially low contributions and/or affordability. However, you should strongly consider remaining in your employer's scheme to maximise the benefits you receive, whilst also helping to create a savings fund for your retirement.

Should you leave an employer for another, the new employer will have a separate workplace pension scheme, and so you could potentially accumulate many different workplace pensions over time.

It may be worth consulting a financial adviser to determine whether these pots are best placed remaining as individual arrangements, or whether alternative options may be more beneficial to your needs, which we will come onto later in this guide.

Personal Pension

For those who would like to make additional pension savings for retirement, you can also save into a personal pension, alongside a workplace pension scheme if you already have one.

Many people choose to save into a personal pension because they provide a great deal of flexibility and choice in most circumstances. You can choose how to invest your pension and how much you may wish to contribute. Furthermore, you are also able to leave the fund to your chosen beneficiaries in the event of death.

PENSION DEFAULT FUNDS

When enrolled in a workplace pension scheme, you will be placed into a default investment fund. The selection of a default fund is a complex one and, once selected, it is important that it is reviewed on an ongoing basis (at least annually), to ensure that it continues to meet the needs of the employee and their ongoing pension savings.

As a default fund investor, you need to know that not all default funds are created equally. Pension providers have differing views on many factors, such as the investment style to be used (for example; active vs passive), the equity exposure of the fund and the timescales over which the investments will de-risk (reduce risk) as an employee approaches their selected retirement date.

Returns across default funds can also vary considerably. For example, a study by the Tax Incentivised Savings Association (TISA) in 2019 found the performance of the 20 largest pension provider default funds over 3 years, ranged from 3.4% – 11.9%.

Many people think of the default pension fund as a safe investment choice due to the levels of governance over the scheme. As an adviser supporting employers with the set-up and ongoing running of workplace pension schemes, we add an additional layer of governance to monitor the scheme for the benefit of the employees, as well as the scheme provider themselves, to provide an added safety net.

Do you know where your money is invested and how your pension is performing? Many people do not realise that you do not have to remain in the default investment fund of your workplace pension scheme.

It is worth noting, however, that all types of investments contain an element of risk, and this can vary in default pension funds depending on how they are invested and managed. Some people are more comfortable with investment risk than others, with the idea of generating greater returns in mind, and some people may be more concerned with what their investments are supporting – for example, the growing appetite for more sustainable investment options. As such, the default fund may not always be best suited to each employee's individual preferences or circumstances.

However, the vast majority of WPS members are unaware that you have the option to change out of the

default fund once you have joined the scheme. Many of those who are already aware of this, choose not to switch due to a lack of knowledge and confidence in which funds to select, with the fear of making a 'bad decision'.

This is where an Independent Financial Adviser can help. We regularly support scheme members seeking alternative options for their pension. From here, we can look at the default fund itself and advise on other funds that are available for investment, based on individual needs. Just as importantly, we can also assist in the ongoing monitoring of this suitability, to help ensure that it remains an appropriate investment option.

TRACKING DOWN AN OLD PENSION



Managing Multiple Pensions

When Automatic Enrolment was introduced in 2012, this meant that, in the modern working environment where it is now more common to job hop several times in a decade, more workers now have numerous pension pots from different employers.

When you leave a job, it is then your responsibility to remember the details of your pension such as your login information, plan number and the provider, as well as keeping all of your details such as your address, contact information and beneficiaries up to date.

Based on current regulations, all that a pension provider is required to do is write to you once when

If you have worked for many different employers throughout your career, you may have lost track of some of your workplace pension schemes. However, there are a few ways to track these down.

you near retirement age. If they have the wrong details on file, they have no obligation to track you down, or attempt to contact you again.

Tracking Down Your Pension(s)

The task of tracking down your pensions often then ends up on the back burner for many, which is no surprise to then hear that there has been found to be an eye-watering amount of individual pension pots left unclaimed.

If you need assistance in tracking down a pension, there are online tools to help, or your financial adviser can also assist you with this too.

Did you know...

It is estimated that there may be up to 1.6 billion lost pension pots in the UK, totalling around £19.4 billion altogether.

Source: The Pensions Policy Institute 2018



MANAGING YOUR PENSION POTS

If you have multiple pension pots, the administration and paperwork of these can often be overwhelming. Getting to grips with your pension and how to manage them can help to ease this process.

Each of your pension pots are likely to have different investment strategies, benefits and charging structures in place. Therefore, if you keep on top of their management, there can be benefits to your pensions remaining separate. This may ring true for any particularly low-cost plans, or those older policies that may have guarantees attached to them.

There is also the option to combine your various pensions, which is known as pension consolidation. This means that you could potentially only need to manage one pension rather than several pensions at once, or at least fewer than you previously had.

This means that, as circumstances change, you will only need to update your details once. Your Integrity365 adviser can help you to review your various pension pots and decide on a scheme that would suit your preferences best, based on their individual components and benefits.

Another route that may be appropriate for some is to work with a financial adviser to set up a private pension. This can allow individuals to then move their workplace pensions into this fund when they need to – almost like transferring between bank accounts.

CONSOLIDATING PENSION POTS

Consolidating multiple pension pots into one pension plan can make managing your money easier to understand, control and keep track of – and can also lessen the amount of paperwork sent through from multiple pension providers each year.

Why Consider Consolidation?

There can be many benefits to consolidating your pension plans, such as:

- Understanding how much you have saved to date, all in one place, online, and available 24/7.
- Investing your pension pot in a fund, or in an investment strategy that is suitable for you and aligned to your attitude to risk and profile.

- Monitoring how your investments are performing.
- Potential for lower fees: provider service charges, platform fees or fund management charges.
- Understand your fees, charges, and services.
- Estimate your income at retirement, and assess whether this is enough to meet your goals.
- Receive only one pension statement per year.
- Only one company to contact to change address.
- Reducing the burden of pension paperwork.

Do your separate pots offer significant benefits, or would you be better suited to keep your pension savings in one place? Before making any changes, there are some key points to consider.

Reviewing Your Pension Pots

Our Independent Financial Advisers can assist in helping to review what you have built up over time. Pension legislation has changed many times over the years, with many different types of pension plans being available.

It is therefore important to understand the types of pension plans you have, as some of these may have valuable benefits or guarantees that are worth keeping.

For example, if any of your pensions are defined benefit plans, often referred to as Final Salary or Career Average Revalued Earnings (CARE) schemes, with a promised amount of pension income at retirement.

It is also worth considering the differences in investment performance across your pension pots, when thinking about consolidating.

Did you know...

The average UK employment term is 6 years, meaning if you worked for 40 years then your pension could be spread throughout more than 7 different pension pots in your lifetime.

Source: Association of Accounting Technicians Survey 2018

A photograph of a middle-aged couple sitting at a wooden table in a kitchen. The man, wearing glasses and a green shirt, is holding a smartphone and looking at it with a smile. The woman, wearing a striped shirt, is looking at the phone with a concerned expression. On the table, there are glasses, a blue mug, and a bowl of bananas. The background shows a white wall and a window.

CASE STUDY: HAVE I SAVED ENOUGH TO RETIRE?

Do not underestimate the value of your pension. A small change to your contributions or taking the time to understand your savings could help you reach your goals for retirement.

John and Helen Jones, both in their late 50s, came to us seeking advice regarding their retirement goals as they were unsure if they had enough pension savings to fund their dream retirement lifestyle.

After discussing their assets and goals for retirement with their adviser, they arrived at a total annual income requirement of £60,000.

John had a good understanding of his pension of around £40,000 pa (a combination of final salary and money purchase accrued benefits), however, we needed to find how to achieve the additional £20,000. In contrast, Helen was unsure of what her pension entitlement would be, as she had worked for a variety of employers each with different pension

arrangements in place. Helen had also taken a few career breaks when her children were younger, therefore she thought that her pensions would not be worth much in comparison to her husband's.

Their adviser recommended additional funding for Helen, utilising her Carry Forward Allowance from the last 3 years which gave her pension pot a real boost, as well as the enhanced return by moving away from funds that were managed on a 'lifestyle' basis, meaning more was held against low returning cash and fixed interest funds than her actual risk assessment permitted.



CASE STUDY CONTINUED: HAVE I SAVED ENOUGH TO RETIRE?

Understanding your current savings and wider financial circumstances is the first step in planning towards your retirement goals, which an Integrity365 Independent Financial Adviser can assist with.

The resulting increase, in both funding and investment return, meant she not only understood her situation better but was able to create the size of pension required to achieve the additional income they needed.

It was concluded that Helen's pension would provide an additional £12,000 pa which, although not at the same level as her husband, still helped towards their retirement goals.

Their adviser also encouraged them to check and update the beneficiary nominations of both of their pension arrangements, meaning they would each continue to receive an income in the event of either of them passing away, or their daughters beyond them.

To reach the additional £8,000 pa required for retirement, their adviser looked to restructure the borrowing on their property to free up some savings that had been earmarked for their mortgage payments, and instead invested these savings to give them the additional funds required at retirement.

John and Helen are now on track to reach their desired income for retirement thanks to the carefully planning in place. By looking at their goals and aligning their current finances correctly, this offered peace of mind and clarity to the couple.

LEAVING YOUR PENSION TO YOUR LOVED ONES



Your pension is likely to be one of your most valuable assets, and can provide income for your loved ones once you are gone. It is, therefore, really important to plan what happens to your pension.

Locate your pensions and tell your loved ones

As mentioned earlier, it is easy to lose sight of your various pension pots and tracking these down can be a minefield. If the information about your pensions is not available, your loved ones might not get the money they are entitled to. Therefore, it is important to make sure your family has this information.

Make sure your pension goes to the right people

The person who inherits your pension usually depends on whose name is on your nomination of beneficiary form. Over time it is easy to forget whose name is on your form(s). Make sure your money is going to the right people by keeping those forms up to date.

Understand your pension's death benefit

Each pension has rules that dictate how it can be passed on to your loved ones. The rules can be complicated. If you do not understand how they work before you take your money, you may make an irreversible mistake. For instance, in some cases, once you have started to take your money you cannot change what happens to your pension when you die.

If you require further support, Integrity365's Independent Financial Advisers can help you to understand your pension better and make sure that this is all set up correctly as you wish.

THE NEXT STEPS TO TAKE

Your pension savings play a huge part in the lifestyle you can afford to live at retirement, therefore it is important that you understand and make the best use of this to provide more for you later in life.



Pension planning is a complex area due to the taxation considerations, investment decisions and various allowances involved, therefore it is wise to seek expert advice to make informed decisions based on your individual circumstances.

Look out for our 'Pensions and Tax' guide for more information on this topic.

If you have any questions regarding the management of your own pension pots or would like to speak to one of our trusted Independent Financial Advisers, please do not hesitate to get in touch using the details opposite.

Get in touch:

Email: enquiries@integrity365.co.uk

Visit: [integrity365.co.uk](https://www.integrity365.co.uk)

Bristol Tel: 0117 450 1300

High Wycombe Tel: 01494 509 666

Essex Tel: 01277 634500

London Tel: 020 7417 0417

Inverness Tel: 01463 242 242

Helensburgh Tel: 0141 951 4000

Arbroath Tel: 01241 464 480



Please note: this guide was created in April 2026 and all information is correct as at this date.

This document is intended for information purposes only and in no circumstances should be taken as advice. If you do require personal financial advice please contact your financial advisers.

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