

A woman with blonde hair, wearing a white dress, is holding a woven basket filled with several white and light blue eggs. The background is softly blurred, showing other people in similar attire, suggesting a social gathering or event.

# Pension consolidation

**The benefits, considerations  
and common questions**

# What is pension consolidation?

During your working life, you may have built up pension pots with several employers. This can often make it hard to keep track of them all and manage them well. For simplicity, it can make sense to consolidate your pensions into one place.

Consolidation is a way of combining them into one pension or, if you're 55 and over, a retirement income product depending on your needs.

## What are the benefits of pension consolidation?

Combining your pension pots can provide a better way to manage your retirement finances. There are a number of advantages. For example:



### One provider

You'll only have to deal with one provider. Having multiple providers can make them time-consuming to manage. Bringing them together may help reduce time spent and provide you more control.



### Time to review your pensions

When you've traced your pensions, you can review and compare all of your pension pots, before making a decision on the best product for you to consolidate into.



### Fewer decisions

When you're ready to start taking an income or tax-free cash from your pension savings, having one pension pot should make every step easier.



### Easy to manage income

If you're 55 and over, looking to consolidate to get a retirement income, consolidating means you can receive one payment. Making it easier to keep track of your finances.

# What are the risks?

Consolidating your pensions is an important decision; you should be aware of some things before choosing what to do.

- Some pensions have valuable guarantees, which can provide a higher income at retirement. You should think carefully before moving these pensions, as you'll lose these benefits and guarantees. If you use our consolidation service, we'll tell you about any of your pensions with these.
- Your current pension provider may apply exit penalties if you close your pension pot. In your own, secure dashboard we'll show you any pension pots these apply to and also email you if the amount is more than £10.
- Other providers may have more appropriate products or be able to offer a higher level of retirement income, so you may want to shop around before consolidating.

Before you start consolidating, we recommend you read the important information and documents on our [website](#) for the product you'd like to consolidate your pension pots into. Each product has features and considerations that'll help you decide if it's right for you.

If you're uncertain about any of the risks or what the right decision is for you, then you should seek financial advice. You can find an independent adviser at [unbiased.co.uk](#)

Visit the **Money Advice Service** for more information on your options. [www.moneyadviceservice.org.uk/en](#)

If you're over 50 visit **Pension Wise** for free and impartial pension guidance. [www.pensionwise.gov.uk/en](#)

## Personal pensions

If you're thinking of consolidating into a personal pension, these risks should also be considered:

- Some pensions may not have the fund choices you want and our Personal Pension puts your pots into one fund. Before making a decision, you should consider the level of risk for each of the funds, as well as how the options in your different pots compare. Also, if moving them all into one fund is the right option. Make sure you're comfortable with the outcome.
- The annual management fee and fund charges could be lower on the plan you are transferring out of, meaning you could pay more in charges. These charges can have a significant impact on the value of your pension pot over time. Make sure you compare the charges on your existing pension pots against the product you want to consolidate into, before making a decision.
- While your transfer takes place, there could be a short period of time when your money isn't invested. This is the time between when your old pension provider sells your investment units held with them, and pays your transfer to Legal & General. If the market rises during this period, you may miss some investment growth. However, the opposite can happen if the markets fall.

# Your pension consolidation options

We offer different products that you may be able to consolidate into, depending on your age and needs. Here's an overview of our options, more details can be found on our website.



## Personal Pension

### Consolidate your pots with the option to continue saving

Our Personal Pension helps you save for retirement and plan for your future. You can consolidate your pension pots and choose a ready-made fund that best suits your needs.

Your money has time to grow and you can continue to contribute until you're ready to make a decision about how to use your savings. You can pay money in until you're 75 and start withdrawing money when you're 55, if you choose to.

## Features



### Simple investment choices

We offer a range of ready-made funds spanning five different risk profiles. Select the level of risk you're willing to take and we'll do the rest.



### Pension tax relief

Receive up to 20% tax relief on any contributions you make, which we'll claim from HMRC on your behalf.

## Considerations

- **The value of your pension pot is not guaranteed**

It can go down as well as up. Inflation can also affect the value of your pension.

- **There are some costs involved**

There are charges for managing your account and charges applied to the investments you hold.

- **Making sure the investments meet your needs**

This product has a simplified investment range. You should make sure the options available meet your investment needs, both now and leading up to your intended retirement date.

- **Existing workplace pensions**

A personal pension should not be considered as a replacement for a workplace pension into which your employer will also make contributions.

Find out more online at [legalandgeneral.com/investments/pensions/](https://legalandgeneral.com/investments/pensions/)

# The following products are also available if you're over 55 and looking for retirement income.



## Personal Pension Drawdown

### Get a flexible income and invest the rest to use later

Our Personal Pension Drawdown lets you consolidate your pension pots with the option to take your tax-free cash, then choose how and when you withdraw the rest.

You must be aged 55 or over with at least £1,000 of eligible pension pots to consolidate.

We can only accept transfers of your full pension pot and we can't accept pensions that are already in drawdown, so you can't have accessed the tax-free cash from your pension yet.

## Features



### Access your tax-free cash

After you consolidate your pension pots, we'll pay you the tax-free cash sum.



### A flexible income

Choose how much you take and when. Take a regular or occasional income, or no income at all.



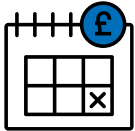
### Simple investment choices

Choose one of four objectives for what you would like to do with your money within five years and the objective you choose will be linked to an investment solution.

## Considerations

- **Your income is taxable**  
After you've taken your tax-free cash, any income you take will be subject to income tax.
- **Your state benefits could be affected**  
This plan could affect your entitlement to any means tested state benefits.
- **The value of your pension pot is not guaranteed**  
It can go down as well as up. Inflation can also affect the value of your pension.
- **There are some costs involved**  
There are charges for managing your account and charges applied to the investments you hold.
- **You may run out of money**  
You should regularly review the amount you're withdrawing. How much and how often you take money is up to you, but when you've taken it all, there's nothing left.

Find out more online at [legalandgeneral.com/retirement/pension-drawdown/](https://legalandgeneral.com/retirement/pension-drawdown/)



## Pension Annuity

### Get a guaranteed income for life

Consolidate into our Pension Annuity with the option to take your tax-free cash then secure a guaranteed income for life. Your income isn't affected by the performance of the investment markets or economy. You'll know exactly how much you'll be paid and when. If you have any medical conditions or lifestyle risks then you could get a higher income.

You must be aged between 55 and 85, with at least £5,000 left in your pension pots after you've taken any tax-free cash.

## Features



### Access your tax-free cash

Take up to 25% as a tax-free cash sum.



### A guaranteed, regular income

You'll know exactly how much you are getting and when.



### Income options and death benefits

Choose how often your income is paid, whether it stays the same or increases and what happens to your income when you die.

## Considerations

- **Once agreed, it can't be changed**  
You'll need to be certain of the choices you make, as there's no going back once your policy has started and your cancellation period has ended.
- **Your income is taxable**  
Income above your pension allowance is taxable, when added to other sources of income you may have.
- **You may get back less than you paid**  
Depending on how long you live and the options you choose, you may receive less in income payments than the amount you used to buy the Pension Annuity.
- **No cash-in value**  
It can't be cashed in or surrendered.
- **Your State Benefits could be affected**  
It could affect your entitlement to any means-tested State Benefits.
- **Health details matter**  
When providing your information it's important to share accurate personal health information with us, as this may help provide you with a higher income. We may ask for a report from your doctor to confirm information you've given us. Your income may be changed if we find the report doesn't match your application.

Find out more online at [legalandgeneral.com/retirement/pension-annuity/](https://legalandgeneral.com/retirement/pension-annuity/)



## Fixed Term Retirement Plan

# Get a guaranteed income for a set period with a lump sum at the end

Our Fixed Term Retirement Plan lets you consolidate your pension pots to take your tax-free cash and then buy a guaranteed income for between 3 and 25 years, with a lump sum at the end.

You must be aged between 55 and 85, with at least £10,000 left in your pension pots after you've taken any tax-free cash.

## Features



### Access your tax-free cash

Take up to 25% as a tax-free cash sum.



### A guaranteed income

A guaranteed, regular income. You'll know exactly how much you're getting and when.



### Control

Choose the plan length, an income and lump sum 'maturity' value to suit your needs. You decide what to do with your lump sum when the plan ends.



### Option to make withdrawals

Depending on the options you choose you may be able to make three withdrawals from the lump sum 'maturity' value.



### Income options and death benefits

To choose to receive regular income payments (if any). And to choose what happens to your income and lump sum if you die during the term.



### Manage your tax exposure

It may offer a more tax efficient way to take cash from your pension pot rather than taking it all in one go.

## Considerations

- **Your income is taxable**

Income above your pension allowance is taxable, when added to other sources of income you may have.

- **Your State Benefits could be affected**

It could affect your entitlement to any means-tested State Benefits.

- **With security comes less flexibility**

You won't be able to change the amount you get or the options you chose, but if your circumstances change you may be able to cash it in or transfer it to another pension product.

- **When it's gone, it's gone**

Once the plan ends your income will stop and your 'maturity' value will be paid. If you don't have another source of income later, this may not be for you.

- **Health risks not recognised**

If you or your dependant has a health or lifestyle risk, a Pension Annuity, or products that take your health into account, may offer a higher income.

Find out more online at [legalandgeneral.com/retirement/fixed-term-retirement-plan/](https://legalandgeneral.com/retirement/fixed-term-retirement-plan/)



## Cash-Out Retirement Plan

### Get a guaranteed income for a set period

Our Cash-Out Retirement Plan lets you consolidate your pension pots to take your tax-free cash and then buy a guaranteed income for between 3 and 25 years. It may be a tax-efficient way to consolidate your pension pots and withdraw your money as a guaranteed income over a period of your choice.

You must be aged between 55 and 85, with at least £10,000 left in your pension pots after you've taken any tax-free cash

## Features



### Access your tax-free cash

Take up to 25% as a tax-free cash sum.



### A guaranteed income

A guaranteed, regular income. You'll know exactly how much you're getting and when.



### Control

Choose the plan length, and the regular income amount.



### Manage your tax exposure

In most circumstances, it offers a more tax efficient way to take cash from your pension pot rather than taking it all in one go.

## Considerations

- **Your income is taxable**

Income above your pension allowance is taxable, when added to other sources of income you may have.

- **Your State Benefits could be affected**

It could affect your entitlement to any means-tested State Benefits.

- **With security comes less flexibility**

You won't be able to change the amount you get or the options you chose, but if your circumstances change you may be able to cash it in or transfer it to another pension product.

- **When it's gone, it's gone**

Once the plan ends your income will stop. If you don't have another source of income later, this may not be for you.

- **Health risks not recognised**

If you or your dependant has a health or lifestyle risk, a Pension Annuity, or products that take your health into account, may offer a higher income.

Find out more online at [legalandgeneral.com/retirement/cash-out-retirement-plan/](https://legalandgeneral.com/retirement/cash-out-retirement-plan/)



# How the consolidation process works

It takes just five simple steps to find your pensions and consolidate them into one place.

- 1. Register**

We'll need some basic information about you to get started. We'll also ask you to complete a letter of authority. This is you giving us permission to contact previous employers and pension schemes on your behalf.
- 2. Provide details**

We'll then need some information about your old pension plans, so we can share their key details with you. If you haven't got all the details, don't worry; if you tell us what you know and the previous employers' names, we'll do the rest. It can take two to eight weeks to complete tracing your pensions, but we'll keep you up-to-date, by email each time we find one.
- 3. Review**

When we've found a pension, we'll show you the details in your personal, secure, dashboard. We'll let you know their current value and where possible, whether there are any penalties, guarantees or valuable benefits you should be aware of. This way you can make informed decisions on what you do next.
- 4. Choose a product**

You can see your product options on your personal, secure dashboard. You should take the time to consider which product is best for your individual needs. You can also find more details on these options on our website [legalandgeneral.com/consolidation](https://legalandgeneral.com/consolidation)
- 5. Apply**

Once you've reviewed all the information, and made your decision on which product to consolidate your pension pots into, you then apply to consolidate your eligible pots. We'll let you know which ones are eligible. You can find details on which pensions you can't consolidate using this service, on the next page.

## What if I already know where all of my pensions are and their details?

If you already know all of the details of your pensions, including where they are and their benefits, and have decided that consolidation is the right thing for you to do. You can go straight to choosing a product and applying. Find out more at [legalandgeneral.com/consolidation](https://legalandgeneral.com/consolidation)

# Pensions we don't consolidate

Not all pensions can be consolidated into a Legal & General product. For example, pensions with special guarantees, benefits or features. When we present the pensions in your personal, secure dashboard, we'll let you know if any of these apply.

## When using our service you won't be able to consolidate:

- A pension that has safeguarded benefits;
  - a Defined Benefit Pension scheme (also known as Final Salary);
  - a Guaranteed Annuity Rate (GAR);
  - Guaranteed Minimum Pension (GMP);
- A pension in Income Drawdown or Flexi-Access Drawdown – this is where you've taken tax-free cash from your plan and left the rest of your money invested for you to take as a regular or occasional income;
- A pension invested in a with profits fund;
- A Self-Invested Personal Pension (SIPP) with investments that need to be transferred in their current form ('in-specie') and not as cash;
- Any workplace pension that's currently active and receiving contributions from you and/or your employer;

If we find one of these pensions, we'll let you know that it isn't available to consolidate on your dashboard. We'll also share as much information on the pension with you including contact details for your provider.

Although you can't consolidate these types of pensions using this service, if you apply directly for a guaranteed income product we may consider these types of pensions. For more information visit our [website](#).



# FAQs

## Can I consolidate my pensions myself?

You can trace your pensions by using the Government's [Pension Tracing Service](#) and contacting your previous employers and pension providers yourself. This can be a time-consuming process, especially if you have had a number of previous jobs. Once you know where all your pensions are, you would need to check each one to decide whether consolidating is the best thing to do, before applying for a product to consolidate them.

If you use our service, we'll do the hard work for you. For as little as five minutes of your time to register, we'll take the hassle out of finding your pensions, and do it for you. We'll display the pensions and some key information on a secure dashboard, detailing which pensions are eligible for consolidation and your options so you can focus on deciding what product is best for you.

## What if I'm not ready to consolidate my pots?

If you're not ready to, or don't want to consolidate your pots, but would like to trace other pension pots, then our trace-only service could do this for you. Our service has been designed to take away the hassle and make this easier for you, for a one-off £100.

If you'd like to use our trace-only service please visit [legalandgeneral.com/pension-tracing](https://legalandgeneral.com/pension-tracing)

## Should I consolidate my pensions?

You may want to consolidate your pensions to one product, for lower fees and charges, to receive one retirement income payment, for more retirement options or to make it easier to see what you have.

However, there may be reasons why consolidating a pension isn't right, such as charges and fees being higher, losing benefits or guarantees, any pension that's still being paid into by an employer, or losing wider investment or retirement options.

Our service can help you find out what pensions are eligible to be consolidated, but we can't give you advice on whether it's the right thing to do or not. You should take the time to compare the products, and you may want to get financial advice, before making a decision.



## Do I have to consolidate all my pensions to Legal & General?

No, you can choose which pension pots you'd like to consolidate, and whether it's right to move them based on the benefits and costs associated with the different pension pots. If you're consolidating into our Personal Pension, you can add more pensions later if you want to. However, with our retirement income products, it's a one-off purchase, you can't add other pensions to the same product later; however, you can always apply for another product.

## How much will consolidating my pensions cost?

We won't charge you any fees for using our tracing service when you're consolidating into one of our products.

Depending on the product you apply for, there may be management charges and fees.

### **Personal Pension**

A monthly 0.25% service charge and 0.31% Fund Management Charge with our Pension Plan.

### **Drawdown charge**

A monthly 0.25% service charge and between 0.14% and 0.31% Fund Management Charge, depending on the fund.

### **For annuity and fixed term products**

We take account of the charges when we set the rate. So there are no further charges for you to pay.

## What do I have to do if I've changed my name?

If you've changed your name, that's ok: we'll ask you for maiden or previous names when you register, and we'll use both names when performing our searches.

## Can I make contributions?

If you consolidate into a Legal & General Personal Pension, you can make contributions until the age of 75; however, you don't have to. You can start or stop contributions at any time.

## Can I cancel my consolidation?

You can cancel any consolidations that haven't started, by contacting us on **0345 076 0084**, Monday to Friday, 9am to 5pm. Call charges will vary. We may record and monitor calls.

You'll also have a 30-day cancellation period for any new product. However, each product has different conditions of cancellation, and you should read these carefully before applying for a new product.

## Where can I find an adviser?

You can find an adviser in your area at [unbiased.co.uk](https://www.unbiased.co.uk) who can advise you on any stage of consolidation, including charges and investment choices.



# Ready to get started?

[www.legalandgeneral.com/consolidation](http://www.legalandgeneral.com/consolidation)

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