

## Client Case Study: Pension Consolidation

"When I contacted Niche I was confused about how much my pensions would be worth when I retired. I had saved in four different schemes but I found it hard to keep track of what contributions I had made and what my annual statements meant in 'real terms' - would I have enough money in retirement?"

Ms Carol Jones, age 48



## Our Solution

Carol explained her situation to us and how she would like to be more on top of her pension savings. She was unaware that she could review her pension plans to make sure they were performing, nor that they could be moved or combined. Older pension providers often charge high rates just for saving with them, and new schemes are much cheaper.

We investigated Carol's pension situation and found that all of her providers were charging higher rates - essentially eroding away her hard saved money, instead of building and protecting it as a pension should.

We were able to consolidate three of her four pension pots and transfer the funds into a single, new low cost scheme, making Carol better off with a greater capacity for growth. However, we decided not to move one of Carol's old pension schemes. This specific plan, although being older with higher charges, had a special guarantee built into it. It would allow Carol a fixed income from the pension when she retired, at a better rate than she would get today.

This 'bonus feature' would more than offset any losses that she would be making through the higher charges. In this case it was better for Carol to leave this scheme untouched in order to maintain her special benefit - a guaranteed annuity rate.

Many other advisers would have missed this and transferred the pension anyway, but our specialist pension knowledge meant that we ensured Carol will receive twice as much each year from this pension when she retires.\*

(\*based on current annuity rate comparisons at 5.5% now and 11% built into Carol's old plan.)

