



Mintago

The Ultimate Guide to Tracing Lost Pensions

Who is this guide for?

A helpful guide for business leaders and HR professionals, exploring how you can help your employees to track down their lost pension pots and make the most of their retirement savings.

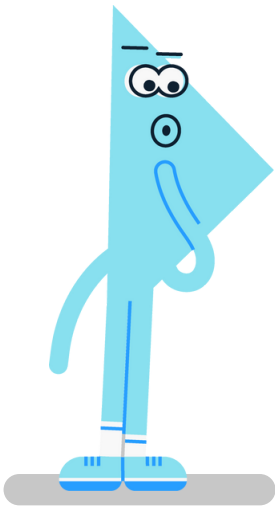
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Introduction

Tracing Lost Pension Pots

Despite pensions being one of people's largest assets, there is over £19 billion worth of lost and unclaimed pensions in the UK. This is a staggering figure and means that employees are missing out on hard-earned money that they are entitled to.



1 in 5 people are reported to have lost track of their pension, and many do not know where to start when hoping to conduct a search.

Within this guide, we will explore how you can help your employees to track down their lost pension pots and make the most of their retirement savings.

With the current cost of living crisis combined with high inflation rates, it is important to encourage employees to take advantage of any savings which can be added to their current pension fund.

Why do pensions get lost?

There are numerous reasons why pensions get lost. Below we will explore some of the top contributing factors.



1 in 5 people have lost track of a pension.

Moving jobs

Research shows that the average employee aged 45+ has switched employers 6 times during their working life. With auto-enrolment into workplace pension schemes being a legality in the UK, this means that many employees accumulate various different pension pots from different providers, often forgetting that they have multiple pots and failing to take these with them when they change jobs.

Nearly 2 in 5 employees are unaware that they are even able to take their pension pot with them to another employer and do not know how to go about transferring a pot. 3 in 5 workers do not know where their pension details are, and 14% of employees do not know how many pension pots they have. Therefore, many employees are leaving hard-earned money on the table unless they remain in the same job for life.

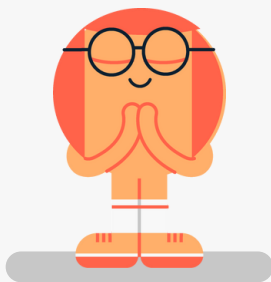
Why do pensions get lost?

Lack of knowledge

Employees may lose track of their pension pots due to a lack of knowledge and understanding when it comes to transferring their funds. Almost 3 in 10 workers admit to not knowing the name of their current workplace pension provider. If they leave a job without knowing this information, the process of recovering lost pots will be more difficult and time-consuming.

47% of UK employees say that they do not know what their total pension pots are worth. Across all UK workers with a private or workplace pension, the average total pension savings that they have is claimed to be worth £51,096. With over £19 billion of lost pensions in the UK, 28% of UK employees admit that a lack of knowledge regarding former pension funds causes significant stress. Improving employee knowledge of pension pots is vital in ensuring that they take charge of their future financial situation and avoid high levels of stress which can impact their job performance. Nearly a third of employees admit that they do not know how to begin tracking down a lost pension pot.

41% of employees are not aware that they pay charges on any of their pension pots. They may not know how to compare different providers to find the most economical option and therefore, may not optimise their retirement fund.



Having everything in one place, so it's easier to manage, is a top reason why people would combine their pension pots.

Why do pensions get lost?

Failure to combine pension pots from previous employers

Combining pension pots helps employees to view their pension funds from one place, managing their savings effectively and not forgetting to include pension pots from previous employers. However, over 1 in 10 workers do not know where their pension pots are, meaning that they cannot take steps to combine them.

46% of employees have stated that a desire to have all of their pension pots in one place making them easier to manage is a top reason for which they would combine their funds. With the average pension saver having 2 pension pots, it is easier for them to forecast their retirement lifestyle and keep track of their goals if they combine their pots.

Moving house

It is estimated that only 1 in 25 employees tell their pension provider or previous employer when they have a change of address. This means that correspondence from these parties continues to be sent to their old place of residence or previous employer. Individuals, therefore, lose track of their pension savings and without regular communication, may forget that they even have an existing pension and are missing out on important funds to boost their retirement savings.

Why do pensions get lost?

Failure to switch pension providers

Research has shown that UK workers are the least likely to switch their pension provider in search of a better rate of interest or lower charges on their pension funds. UK employees are more likely to have switched their household insurances, energy suppliers, mobile phone contracts and broadband providers than their pension providers. Many workers do not even consider switching as they are unaware that this is an option or do not know how to compare pension funds to find the best fit for them.

From a total of 2,297 UK adults in employment aged 18 to 66 surveyed, only 5% expressed that they had ever changed their pension provider. This indicates a clear lack of understanding on this matter and suggests that employees need help to understand the benefits of comparing and potentially switching.



41%

of people don't know they pay charges on any of their pension pots

Why track lost pensions?

Employees should track down their lost pensions to optimise their overall pension fund. This will ensure that they are on track to achieve the retirement that they desire and are not missing out on money which is already theirs.

With high inflation rates, increases in energy prices and the rise in food costs, employees should take advantage of all of their savings and understand that it all adds up to improve their overall financial wellbeing.

Many employees are struggling to make ends meet and as a result, cannot afford to lose out on money saved into their pension from previous employers. It is in the best interests of employees to take steps to track down lost pension pots and add these to their current funds.

Top reasons for lost pensions

- Moving house
- Changing jobs
- Lack of knowledge



How to help your employees

What you can do about it

As an employer, you are in a good position to educate your employees on the options that are available to them when attempting to track down lost pension pots. Here are some effective ways to start your employees on their journey to recovering lost pensions.

Contact previous employers

Encourage your employees to make a list of all of their previous employers, including how long they worked for them. This will help to jog their memory and get them to consider whether they paid into a pension when working for each employer.

Employees can also search through old filed paperwork for correspondence from previous pension providers. Useful paperwork can include pension fund statements and any reference to the existence of personal pension schemes.

It is important to let your employees know that some of their previous employers may have had a name change or the organisation may have been taken over by another brand. Employees can search the internet to determine whether this is the case.

Once an employee has identified a previous employer, urge them to call, email or write to the organisation's Human Resources department as a good starting point in their quest to find their lost pension.

How to help your employees

Get in touch with previous pension providers

Another way to help employees track down lost pension pots is to encourage them to get in touch with previous pension providers.

If employees know that they were enrolled in a pension scheme with a particular pension provider in the past, they can contact them and provide some key information such as their pension plan number and approximate scheme enrolment date. However, employees may no longer have access to this information, so could contact their old employers to retrieve these details if possible.



3 in 5

people don't know where all their pension details are

Although this is a viable option for some employees, it can be time-consuming and sometimes fruitless, especially if their former employer no longer exists.

If employees do not hear back from their previous pension provider within a couple of weeks of their initial contact, urge them to follow up and set regular reminders to do this.

How to help your employees

Use a pension tracing tool

Encourage your employees to make use of the free UK Government Pension Tracing Service. By using this tool, they can receive help in identifying whether they have a pension from a previous employer and the pension provider that this employer used. However, employees will have to contact their previous employer or pension provider themselves, and will not be told the value of their lost pension pot, only discovering whether it exists. The process can be time-consuming and it is not guaranteed that employees will be able to recover lost pots easily.

Government plans are in place to create a pension dashboard for UK workers that will help them to track down lost pots, see how much they have saved and increase pension engagement. Although this could be useful for employees, the estimated release date of the dashboard is 2023/2024, meaning that this does not provide an immediate solution to recovering the large number of lost pension pots in the UK.

Some pension providers offer pension tracing services to employees. Many of these tools allow workers to track down lost pots quickly and easily and manage them efficiently. However, there are often hidden costs associated with signing up, ultimately limiting employees' financial freedom of choice.



How to help your employees

Use Mintago's Pension Hunter

An effective way to support your employees in tracking down their lost pension pots is to promote the use of Mintago's Pension Hunter technology. The Pension Hunter tool is available to use for all employees given access to the Mintago platform through their employer. Employees can track down their lost pension pots with minimal hassle, providing a small amount of information before the Mintago pension hunting experts get to work on tracing and recovering their lost pots.

Mintago's Pension Hunter tool
has a **+90% success rate**

Once an employee's pension pot is recovered, this is added to their Mintago pension dashboard, where they can view the total value of their pots in a clear and concise way. Employees gain a well-rounded understanding of their financial situation and are able to make more informed financial decisions, set retirement goals and keep on track to achieve these in this challenging climate.

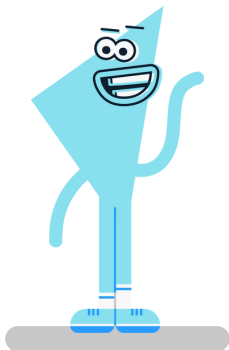
If an employee wishes to combine their pension pots once they have been recovered, they can complete this process easily. Employees will have more control over their pension and future retirement lifestyle, reducing stress and promoting good pension wellbeing.

Benefits

The benefits of helping employees find lost pensions

Helping your employees to track down lost pensions from previous employers is not only beneficial to them and their overall financial wellbeing, but also benefits you as an employer.

Employees who are concerned about their finances, especially their future retirement, are likely to be less productive in the workplace and may fall victim to stress-related illness, therefore having to take time off of work. This disrupts the productivity of your team and could result in tasks not being completed well or on time.



Helping your employees to track down lost pensions will show them that you care about their future, and they are more likely to be loyal to you as an employer as a result of this.

Employees who are urged to take steps to recover their lost pensions are likely to feel more confident about their finances and will value your input as an employer.

Suggesting ways to begin tracing lost pensions to your employees will set them on the path to better management of their financial situation, and if they successfully recover a pension pot with your advice, they will trust your judgment and appreciate the time and effort you have invested into helping improve their financial wellbeing.

Benefits

Help employees gain knowledge

As an employer, you can help your employees by educating them on the importance of pension hunting. Lost pension pots can often be recovered, but it can be a complex and time-consuming process. By helping your employees to understand the steps involved in pension hunting, you can give them the best chance of recovering their lost pension pots.



How Mintago can help

Navigating the financial wellbeing technology landscape may seem a little challenging, but Mintago offers a straightforward, user-friendly solution that makes it easy for you to provide high-quality guidance and assistance to your employees.



Mintago Tools

Our platform provides all the tools and resources your employees need to take control of their finances and cope more easily with the cost-of-living crisis, including access to:



Expert financial advisers



Online masterclasses and over 1,000 pieces of educational material



A Money Helper AI tool, to help them control their finances



A pension dashboard, that allows full pension management



A Pension Hunter tool, to locate lost pension pots



The Mintago Score tool, that provides a full financial health check

With Mintago, you can empower your employees to get to grips with their finances and gain greater financial security, giving you a happier, more productive workforce, ready to contribute to your business's success.



Next Steps...

If you would like to learn more about how Mintago can help you support your employees' financial wellbeing and combat the cost-of-living crisis, get in touch today.



Mintago

The Ultimate Guide to Tracing Lost Pensions

Mintago helps employers support their employees on their journey towards better financial wellbeing.

Start supporting your employees'
financial wellbeing with Mintago today.

www.mintago.com

