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'Job for life' a thing of the past

Most Millennials and Gen Z have two or more pension pots

If you've worked multiple jobs over the years, you may have been auto-enrolled into a number of pension plans by past employers. You might also have a few pension plans that you opened yourself. Keeping track of all your plans' policy numbers and knowing exactly how much is in each of them might start to get confusing as the years go by.

Ten years after auto-enrolment was introduced, new research shows almost two-thirds (63%) of Millennial and Gen Z workers aged 18 to 41 have two or more pension pots^[1]. The government's Pensions Dashboards programme is due to launch in 2023 and will enable people to see information about all of their pensions in one place.

DIFFERENT AGES

The research also identified the average number of pension pots at different ages. Two-thirds (66%) of workers have more than one pension, with two pension pots being the most common (30%). More than 60% of 18 to 41-year-olds have two or more pension pots.

15% of working-age people have four or more and the proportion doesn't change much with age – 13% of under-40s compared with 16% of over-40s – suggesting that more frequent job moves among the younger generation, together with auto-enrolment, are having a significant impact on the experience of building up a pension. One in 17 (6%) did not know how many pension pots they had.

PENSION HOLDINGS

This will be more of an issue for Millennials (1980 to 1995) and Gen Z (those born between 1996 and 2010), who have the most to gain from seeing all their

pensions in one place. The Department for Work and Pensions previously estimated that people would have an average of 11 jobs over their working lives.

Younger workers tend to move more quickly between jobs than the older generation did earlier in their working lives. This change in the way careers are built – from 'jobs for life' to jobs for two or three years – occurring at the same time as auto-enrolment means that as people build up experience and pay rises between different employers, they also build up an increasingly complex pension history.

SECURING THE FUTURE YOU WANT

Although the Pensions Dashboards will be extremely useful, it doesn't fully mitigate the need to keep all of your pension information for yourself. It will still be a good idea to keep documentation from different providers and pensions – if you wish to make changes to any of your pensions, for example, to the underlying investments, you would still need to contact the providers directly. To find out more or to discuss your situation, please contact us. ■

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Source data:

[1] https://media-prod.ii.co.uk/s3fs-public/pdfs/Great_British_Retirement_Survey_2021.pdf

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