

Tips for Keeping Track of Your Pension

Each year the Pension Rights Center gets calls and e-mails from retirees asking for [help](#). Many are seeking a pension plan that was “lost” because their former company moved or merged. We also hear from workers who need help proving that they worked long enough to qualify for benefits. Other people come to us because their pension payments are less than the amounts they thought they had earned.

How can you avoid these problems? Below are some general tips on how to protect and keep track of your private pension benefits. Some of these tips may also be useful if your pension plan is a profit sharing, money purchase, 401(k) or 403(b) or governmental employee plan. Use the links below to find out what you can do to keep track of your pension benefits:

- [While You are Working](#)
- [If You Leave an Employer Before Retirement Age](#)
- [When You Retire](#)
- [If Your Pension Plan is Terminated](#)

While You are Working

- [Keep records](#) of your employment history, all correspondence, and any notices or documents relating to the retirement plan and your benefits.
- Find out the rules of your plan by reading [a copy of the Summary Plan Description](#) (SPD).
- Check the [individual benefit statements](#) you receive for accuracy. Is the plan crediting you with the correct number of years of service? Do the statements show all the contributions you have made?
- Ask if there are [restrictions](#) on your ability to work after you start collecting your retirement benefits. Find out if part of your Social Security benefits will be subtracted from your pension.
- Check on your plan’s funding status by reviewing the [funding notice](#) that is provided annually. You can also [request the financial form](#) the plan files with the government each year (the [Form 5500](#)).
- Contact your plan administrator to find out if your plan provides [cost-of-living adjustments](#) for pensioners.

If You Leave an Employer Before Retirement Age

- Before leaving an employer, verify your [current vesting status](#) and [your spousal or other beneficiary election](#).
- Before you leave, make sure you have a copy of the pension plan’s [most recent Summary Plan Description](#) – the one that is in effect on of your last day of service.
- [Keep track of your former employer](#). Corporate mergers, company relocations, bankruptcies and plan terminations can make it harder for you to find your pension plan

once you reach retirement age, so it is a good idea to keep tabs on your former employers.

- Make sure your [former employers](#) and/or the pension plan administrators know how to contact you about your benefits. If a former employer decides to terminate the pension plan they will need to notify you of the change.

When You Retire

- Generally you must apply for benefits in order to begin receiving your pension.
- [Read all forms you are asked to sign very carefully](#). For example, you may be asked to choose between taking your pension as lifetime payments or as a single lump sum. In some cases [the lump sum may be worth much less than the lifetime “annuity” payments](#). Similarly, if you are married, you and your husband or wife may be asked to choose between benefits that will be paid over both of your lives, or only for your life. These choices cannot be changed after you retire, so it is important to take the time to read and understand these forms.
- Upon reaching retirement age, check the accuracy of your company’s [benefit calculation](#). If the company’s calculation seems incorrect, you should contact the plan administrator immediately.
- Even after retirement, you should still keep your most important records in case an issue arises later.

If Your Plan is Terminated

- If your pension plan is [terminated](#), find out who will be administering the pension plan and get their contact information from your former employer. If the plan is a traditional defined benefit pension plan and had enough money to pay all promised benefits, a life insurance company will pay your benefits. If the plan is terminated without sufficient funding, the [Pension Benefit Guaranty Corporation](#) (PBGC) will likely take over the plan. The PBGC guarantees benefits in most traditional pension plans, but not all benefits are protected. See our [fact sheet](#) summarizing the guarantee limits.

For more information on how to keep track of your pension, read this [fact sheet](#).

Tips for Keeping Track of Your Pension: Additional Detail

This page is a supplement to the [Keeping Track of Your Pensions](#) fact sheet.

Keep Records

Pension plans have a duty under the law to maintain records about the pension plan and the individuals entitled to benefits from the plan. Workers should keep back-up records of their own in case there are mistakes in the plan's records or records are lost. Staying informed about your pension can help prevent a lot of problems as you move toward retirement.

To protect yourself, keep all relevant documents about your pension together in one place, sorted chronologically. The documents you should keep include your [benefit statements](#), notices from the plan, and official plan documents (such as the Summary Plan Description) provided by each pension plan in which you participated.

You should also keep documentation of your work history including W-2 forms and pay stubs. If a company loses your work records, those W-2s and pay stubs will help verify your employment. If you don't have your past W-2's, you can [request an earnings history](#) from the Social Security Administration for a small fee. You should also keep old tax returns which can show whether or not you reported receiving a distribution from your pension plan.

Find Out the Rules of the Plan

When you become a participant in a pension plan, you should receive a copy of the pension plan's Summary Plan Description (SPD). The SPD is a summary of the plan's rules. It will tell you the requirements for earning benefits, how your pension will be calculated, and when you can receive payments. It also includes information about contacting the plan, obtaining the underlying plan document, and applying for benefits. This is an important document to save for your records.

You should keep periodic [individual benefit statements](#), which provide individualized information about your benefits. Plan documents can be difficult to understand, so if you have questions about something you read in the SPD or your individual benefit statement, be sure to ask the person running your pension plan (the plan administrator).

If you have difficulties getting plan documents from your plan administrator, you should contact the U.S. Department of Labor's [Employee Benefits Security Administration](#) (Toll Free: (866) 444-3272).

Read the Department of Labor's (DOL) publication [What You Should Know About Your Retirement Plan](#) to find out more about plan rules. The DOL also provides answers to [Frequently Asked Questions about Pension Plans and ERISA](#).

Look for Rules Allowing Reductions in Benefits

Pension plans are permitted to adopt features that may affect the amount of benefits. Make sure to read the plan carefully for rules that allow the plan to reduce your benefits by a portion of your Social Security, disability, or workers compensation payments. Also look for rules that allow certain plans to reduce or suspend benefits under other circumstances, such as:

- When the employer gets into financial trouble.
- If you go back to work for the same employer (or in a related field) after you start collecting benefits.

Check Your Plan Funding

Employer-sponsored pensions are required to report their funding status to the government as well as to individuals entitled to benefits under the plan. The [Form 5500](#) is the annual report that plans must file every year with the Department of Labor, IRS and Pension Benefit Guaranty Corporation. The form provides useful information about the plan, including the plan's funding information.

You can [determine your plan's funding status](#) from the Form 5500. Plans are also required to send [periodic plan funding notices](#) to individuals covered by the plan. In addition to the funding notice, you are entitled to ask your plan for its annual reports. You may obtain also obtain annual reports from the [Department of Labor](#) and www.freeERISA.com.

Ask About Cost-of-Living Adjustments

Most private retirement plans do not provide cost of living adjustments (COLAs), which are increases in benefits reflecting increased living expenses, but it is important to know whether your plan provides a COLA. If you will be relying on your pension for 20 years or more, the presence or absence of a COLA can affect your financial planning for retirement. The existence of this benefit may depend on whether your plan can afford to pay a COLA and how well funded your plan is.

[Fact sheet on COLAs](#)

[New Rules Protect Cost-Of-Living Adjustments in Plans](#)

Find Out Your Current Vesting Status

Most plans will require you to work for a certain number of years before you vest in the benefit you have earned. A vested benefit is a benefit that cannot be forfeited even if you stop working for your employer. Before leaving an employer, make sure that you and the employer agree on your vesting status. If one has not already been provided to you in the previous 12-months, you can request your [individual benefit statement](#), which will provide information on your earned benefits and vesting status.

Read the Most Recent Summary Plan Description

If you leave employment before you retire, you should have a copy of the [Summary Plan Description](#) (SPD) in effect on your last day of work because your benefits will be determined according to the plan that was in effect on your last day. You can obtain the SPD by making a request in writing to your plan administrator.

Keep Track of Your Former Employers

Periodically, you should check for any significant corporate changes at companies where you earned a pension. Visiting a company's web site can often reveal any recent changes. In particular, watch for company mergers, buyouts or bankruptcy. The easiest way to track an employer is through the employer identification number (EIN), which is a unique identifier that is registered with the Department of Labor and can be found on the plan's Form 5500, and your old W-2 forms. If at retirement you are unable to locate your pension plan, the Pension Benefit Guaranty Corporation publication, [Finding a Lost Pension](#), provides helpful information. Also see [What Happens When a Plan Terminates](#).

[EDGAR Company Search](#) ([Securities and Exchange Commission](#)) allows you to search for company information, including SEC filings which might alert you to an impending sale or merger.

Make Sure Your Former Employers Know How to Contact You

Keep all pension plans -- past and current -- informed of any changes to your contact information, including changes in address, phone numbers, e-mail address, your name, and your marital status. You should send this information to the plan administrator or to the human resources department of your former employer.

Read Application Forms Carefully

As part of the pension application process, you may be asked to fill out additional forms that will ask you to choose how your pension should be paid. All traditional pension plans must offer annuities, which are lifetime monthly payments. If a worker is married, the plan must also offer a joint and survivor annuity, which allows pension benefits to be paid out over the lives of both the worker and the worker's spouse.

If you are married, make sure that both you and your spouse understand the choices you are being asked to make. A common mistake occurs when spouses unknowingly sign away their legal right to choose to receive a lifetime survivor's benefit if the worker dies.

There are other choices that you may be asked to make when you apply for your pension. Some can result in reduced payments. Common benefit options include early retirement, lump sums, and annuities that pay out over different periods of time. Choosing the form of benefit that is best for you depends upon what you (and your spouse) think you will need in retirement.

Check Your Benefit Calculation

A traditional pension plan uses a formula to calculate your pension benefit. The Summary Plan Description should provide an explanation of the formula. You are entitled to receive an [individual benefit statement](#) from your plan, which will show your benefit as calculated by the plan.

If the benefit calculation provided by your plan is different from the amount you expected, you should contact the administrator and request an explanation of your benefit calculation. You can provide records of your work history to verify your earnings and length of service. [See Record Keeping](#)

If the company has calculated a benefit that is *higher* than the amount you are expecting, you should alert your plan and ask for a recalculation. If the plan determines at a future date that you received an overpayment on your pension benefit, the plan could reduce your benefit to collect past overpayments. Recoupment of overpaid pension benefits can pose a serious financial burden for retirees on a fixed income.

You may request a clear explanation from the plan in writing of how your benefit amount was determined (how many years of service are they crediting, how much in compensation do their records indicate) and check for inaccuracies. If you find proof of an error, you can appeal the calculation and provide copies of your evidence, such as W-2s showing past service credit.

Read about a [recoupment case](#).

What Might Happen If Your Plan Terminates

If your pension plan is terminating, it must provide you with a notice of intent to terminate at least 60 days before the termination date.

When a company terminates a traditional pension plan, the termination is reviewed by the [Pension Benefit Guaranty Corporation](#) (PBGC), the government agency that insures most pension plans.

If a terminating plan is fully funded, it will be required to purchase annuities for plan participants from an insurance company. If benefits are less than a certain amount, a one-time lump sum benefit (also known as a forced distribution) may be paid out to participants.

When a plan does not have sufficient funds to meet its benefit obligations, administration of the plan will be taken over by the PBGC. Knowing the fate of your terminated plan is important, because the PBGC insures benefits only up to a certain amount, and will not fully pay benefits that were increased within five years of the plan's termination, went into effect. The PBGC also reduces pension payouts for employees younger than age 65, and will not pay lump sums and certain other benefits.

It is also important to know whether an insurance company or the PBGC is administering your terminated plan so that when the time comes, you will know where to apply for your retirement benefits. You can also visit the [PBGC web site](#) to search for terminated plans.