

Published based on [Pension Transfers: Read this if you're getting older!](#)

Pension Transfers: Read this if you're getting older!

We are going to need to face a few facts. For one, our population is not getting any younger. With all of the advances we have seen in medical technology, and with all of the new knowledge we have gathered over the past few years, our life spans have grown to levels our grand parents would be extremely impressed to see. But unfortunately, that knowledge means we also have to plan to live longer, and our financial advisers need to make plans with longer time horizons in mind.

And one area in which many of our generation could use a helping hand is in [pension transfers](#). When it comes to either of the types of pensions (which we will get to in a moment), we all have moments where we could use some pension advice. And as we continue to get older and older, we will need this pension advice more and more. Let's start by briefly covering the two main types of pensions you are likely to encounter.

Defined benefit

Of the two types of pensions, this is the better by far. All you do is work for a certain amount of time, and you are covered for life. You will know how much money you are destined to make from an early age. And because you will have this prescient knowledge, you can plan your life's goals (such as paying off your home, sending your children to good schools and taking your dream vacation) around how much you will make at a given age.

Since your employer pays for all of your defined benefit pension, it makes perfect sense that these types of pensions are becoming as rare as bald eagles. And since it is all concerned with your relationship to your employer, it is unlikely that any pension transfers will be under your control (or even be noticeable to you).

Needless to say, any financial advisers who are worth their weight in fertilizer will tell you that if you have this type of pension, keep it. [Pension transfers](#) of the "benefit to contribution" variety are thoughts to be laughed away, if you can.

Defined contribution

Of the two types of pensions, this one is inferior to the other. And the reasons are fairly obvious from the get go. For one thing, a defined contribution pension's contribution is made by the employee primarily. You decide what you are going to have when you retire. If you contribute ten percent of what you make, you had better get used to the taste of dog food. If you can somehow contribute forty percent, and invest it reasonably, you can expect to leave your descendants a reasonable nest egg.

Since this is your money, your employer is perfectly indifferent to whether or not you participate in it. And of course, since it is your money, pension transfers are a matter in which you have a fair measure of control.

As we grow older, it is vital that we keep track of our own money, and stop the silly habit of pretending that someone else is going to take care of us in old age. So find a professional who's in the know and can give you solid pension advice - and help yourself to a great retirement!