

Protecting Your Pension

Q: How can I make sure I get my full pension when I retire?

A: Workers who retire with a pension from their employer may never expect to get into a dispute over how much their pension is worth—but it can happen. To make sure your employer gives you all the money you are owed, you need to keep your own records.

The Pension Action Center at the U. Mass Boston Gerontology Institute works to improve retirees' and workers' standard of living in retirement through work with individual cases, as well as advocacy and analysis to reform of public policy. The Center recently published a paper called *Protect Your Pension: Important Documents You Should Keep*. Here are excerpts from that paper:

No matter what kind of pension or retirement plan your employer offers, you should keep certain documents indefinitely to ensure that you receive the retirement benefits you have earned. We recommend that you save the following information

- The Summary Plan Descriptions for any and every plan in which you've participated
- Any and all benefit statements you have received from those plan(s)
- All other pension-related correspondence (such as letters saying you are vested.
- Names, addresses, and phone numbers of employers where you earned a pension.
- Detailed records of your employment dates, pay status (hourly, salaried, union-covered), compensation (wages, retirement benefits), and breaks in service.
- Copies of union pension notices and union membership cards
- Tax returns (including W-2s, which show your wages, and 1099R forms, which would show your wages and any pension distributions). The Pension Action Center recommends that you keep your tax returns indefinitely—not just for 7 years—because resolving a pension problem in the future may depend on it. Many pension disputes hinge on whether an individual has been cashed out of a plan. If a pension plan is claiming that you were cashed out and therefore not entitled to benefits, you can verify this by reviewing your tax returns. Pension distributions will be shown on your tax return because they are considered taxable income. So, save your tax returns and avoid pension problems in the future.
- Notify your pension plan administrator of any address changes so that the plan has your most current contact information.

If you have a 401(k) or other retirement savings plan through your employer, look at your account statements: How frequently do you get account statements? Have you kept them? Do they come at regular intervals? Do the statements show your contributions going into the account on a regular basis? Does the statement show what the investments are? Are these the investments you authorized? Is there a significant drop in the account balance? Are there withdrawals from the account?

You should also understand the investments in your account: Does the statement show transactions you did not authorize, such as loans or withdrawals? Did you decide the account in which to invest? If so, do you get quarterly statements? Do you at least get annual statements? Is your account invested in employer stock? If so, what percentage is in employer stock? Are you allowed to change this? If you decided what account in which to invest, did you get information on the fees charged for each investment? Did you get a statement from your employer of any fees charged to individual accounts for administration of the plan such as legal or administrative fees

- Do you know how your plan works? Did you receive a Summary Plan Description (SPD)?
- Do you have reasons to be worried about the plan? Is your employer having financial problems?
- Have your co-workers had difficulty getting information or distributions from the plan?

Making sure you are getting the pension payout you deserve is your responsibility. If you have concerns, The Pension Action Center can be reached at www.umb.edu/pensionaction or 888-425-6067. For a fact sheet on understanding the specialized terms in retirement plans, go to

http://scholarworks.umb.edu/cgi/viewcontent.cgi?article=1008&context=pensionaction_pubs