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Fact Sheet

PENSION ACTION CENTER, GERONTOLOGY INSTITUTE

JOHN W. McCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES

Protect Your Retirement Income: Documents to Keep and Questions to Ask

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. Based on our experience at the Pension Action Center with finding lost retirement income and with helping people to get their benefits, we recommend that you save the following information:

- 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 stating you are vested)
- Names, addresses, and phone numbers of employers where you participated in a pension or retirement plan
- Detailed records of your employment dates, pay status (hourly, salaried, union-covered), compensation, 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 any pension distributions)

Special note about tax returns and address changes:

Our clients often ask us how long they should keep tax returns. Our answer: Forever!

Many tax preparers, and even the IRS¹, advise that you keep your tax returns for just 7 years. However, the Pension Action Center recommends that tax returns be kept indefinitely 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 today and avoid pension problems in the future.

Also, remember to notify your pension plan administrator of any address changes so that the plan has your most current contact information.

Questions to Ask:

If you have a 401(k) or other retirement savings plan through your employer, ask yourself these questions on a regular basis:

1. 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?

¹ IRS, <http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/How-long-should-I-keep-records>

- Does the statement show transactions you did not authorize, such as loans or withdrawals?

2. Understand the investments in the 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?
- If not, do you get annual statements?
- Is the 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 accounting fees?

3. Do you know how the plan works?

- Do you have a Summary Plan Description (SPD) or plan document? Have you requested one?

4. Do you have reasons to be worried about the plan?

- Is the employer having financial problems?
- Have co-workers had difficulty getting information from the plan? Or getting distributions from the plan?

If the answers to any of the questions above raise concerns, feel free to contact the Pension Action Center at www.umb.edu/pensionaction or 888-425-6067 to discuss those concerns.

Do you have any questions about this fact sheet? Call the Pension Action Center at 888-425-6067 or visit us online at pension.umb.edu

About This Fact Sheet

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Disclaimer

This fact sheet is intended to provide general information about pensions and other retirement benefits and should not be used as a substitute for a consultation with an attorney or other legal professional. Individuals should always consult a legal or financial advisor to discuss the facts and circumstances of their specific situations.

Because of the rapidly changing nature of the law affecting pensions and other retirement benefits, the information published online by the Pension Action Center is subject to change without notice. Although every effort has been made to verify the accuracy of information presented, there may be errors.

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