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Low Earners and workplace pension saving – a qualitative study

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A report of research carried out by Kantar Public on behalf of the Department for Work and Pensions.

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Executive Summary

This qualitative research explores the attitudes, behaviours, and experiences of low earners regarding pension saving and later life planning. 119 interviews with four groups of low earners were conducted.

Research was qualitative. Therefore, while findings explore the range of opinions of participants and key reasons underlying their views, these are not generalisable to the general population.

Key Findings:

1. Attitudes, behaviours, and experiences of low earners:

- **Saving** into a workplace pension was generally **considered desirable** and **important** for future security.
- Low earners exhibited **diverse characteristics**, including by age, single or dual household incomes, and level of financial vulnerability, confidence and trust in pensions. These factors, particularly age, had a **greater influence on pension attitudes and the appeal of alternative pension scenarios** than current earnings or pension participation.
- Passive drivers of pension saving, such as **lack of awareness of opt-in/opt-out rights**, **legacy enrolment,** and **auto-enrolment**, were prevalent among participants.
- **Misconceptions from individuals that their benefit entitlement might be reduced or disappear** if they started saving into a pension led some who were eligible to decide against doing so.

2. Factors influencing opt-in decisions for earners below the trigger:

- Social and material factors, including **employers' own approaches**, **workplace norms,** and **pension infrastructure**, had a **stronger influence** on pension saving behaviour than individuals' characteristics and attitudes.
- Within the sample, active pension saving was more prevalent among those who **prioritised saving** in general or felt **financially secure** at a household level.

3. Factors influencing opt-out decisions for earners above the trigger:

- Reasons for opting out included a perceived need to **prioritise short-term budgeting** due to **rising costs of living**, or **financial shocks** and other **life events**.
- This decision was also observed among **younger people in temporary roles with variable hours** who felt more financially vulnerable, that pension saving was not yet relevant, or prioritised alternative investments.

4. Impact of proposed higher or lower contribution rates on low earners' pension saving behaviour:

- Participants generally had more **negative or neutral views** towards a **higher earnings trigger** compared to a lower one. There was a reluctance among all current pension savers **to miss out on the opportunity to contribute** to a pension.
- **Matched employer/employee pension contributions** were more appealing and 'fairer' than higher employee contributions, especially among non-savers.

5. Flexibilities within AE to encourage greater participation:

- **Lowering the trigger** and **offering flexibility** to opt down or up contribution levels were **likely to encourage participation** due to passive pension behaviour**.**
- While initially appealing, a more **flexible opt-up/opt-down/opt-out scheme** was seen as potentially **burdensome and confusing.**

Recommendations:

- **Targeting common misconceptions** such as the interaction between pensions and benefits, may help address why some low earners have decided not to save into a pension.
- Improved understanding of **attitudes within smaller and micro employers** may help promote pension saving in this context, overcome barriers, and identify opportunities for support.
- Examining **non-compliant employer behaviours** could help encourage participation and tackle the misconceptions these promote.
- The option of **employer/employee matched contributions** merits review given its broad appeal to the low earner audience.

Contents

Glossary of terms

Term	Definition
Automatic Enrolment (AE)	The legal obligation for every employer in the UK to enroll certain employees into a workplace pension scheme and contribute towards it. Employees qualify for AE by earning above the earnings trigger and being aged between 22 and State Pension age.
Earnings Trigger	The level of annual earnings before tax at which employees qualify for AE, currently set at £10,000.
Contribution Rate	The percentage of an employee's qualifying earnings that the employee and their employer pay towards their pension.
Income tax personal allowances	The amount of money individuals are allowed to earn each tax year before they are required to pay income tax.
Individual Savings Account (ISA)	A savings scheme allowing individuals to hold cash, shares, and unit trusts free of tax on dividends, interest, and capital gains.
Lifetime Individual Savings Account (LISA)	A savings scheme with limits on when money can be withdrawn. A LISA is accessible without a withdrawal charge to buy a first home, or from age 60 or over or where someone has a terminal illness.
Lower earnings limit (LEL)	The LEL of the qualifying earnings band determines the minimum level of an enrolled workers' earnings on which they and their employer have to pay contributions.
Opt out	Where an employee has been automatically enrolled, they can choose to 'opt-out' of a pension scheme, meaning they cease active membership. It can only happen within a specific time period, known as the 'opt-out period'.
Pension contributions	The payments made by employer and/or the employee into a pension plan.
Personal pension	Pension schemes that individuals can arrange themselves. In personal pensions, individuals choose their pension provider and make arrangements for their contributions to be paid.
Qualifying earnings	A band of earnings used to calculate contributions, used by most employers. For the tax years 2022/23

	and 2023/24 qualifying earnings are between £6,240 and £50,270.
Small and medium enterprises (SME)	A business with 5-249 employees. Employer size is determined by the number of employees. The Pensions Regulator categorised employer size based on number of employees as follows: Micro = 1 to 4 employees Small = 5 to 49 employees Medium = 50 to 249 employees Large = 250+ employees
State Pension	A regular pension payment from the government most people can claim when they reach State Pension age.
Workplace pension scheme (WPP)	A way for individuals to save for their retirement that's arranged by their employer.
Universal Credit (UC)	An in and out of work benefit system by which money is paid by the UK state to people who have a low income or no income, introduced in 2013.
Zero-hours contract	A non-legal term used to describe many different types of casual agreements between an employer and an individual. This is typically a contract in which employer does not guarantee the individual any hours of work.

Chapter 1: Introduction

To develop understanding of perceptions and experiences of Automatic Enrolment (AE) into workplace pensions and later life planning, Kantar Public conducted in-depth interviews with low earning employees aged between 18-45 and earning between £5,000-£19,000. Specifically, the research sought to provide clarity around the merits of altering the current earnings threshold of £10,000 that triggers enrolment into a workplace pension. The report provides evidence to inform the development of effective measures to help the low-paid build up pension savings. The focus of these measures is on expanding the coverage of AE and ensuring contribution rates are set at an appropriate level, which will provide adequate retirement funds while not overburdening low-earners.

The findings in this report cover the following areas:

- Factors influencing low-earners' behaviour and attitudes towards pensions, including individual, social and material factors.
- Differences in attitudes, behaviours and experiences of pension saving and later life planning between employees whose earnings are above/ below the £10,000 trigger and who are/are not enrolled in a workplace pension scheme.
- Responses from low earners to hypothetical future changes to AE requirements for workplace pension schemes.

Currently, AE legislation requires employers to automatically enrol employees (aged between 22 and State Pension age) who earn above the annual earnings trigger of £10,000 in one employment into a workplace pension. Earnings are broken down and calculated on a weekly basis, requiring the enrolment of employees who earn over £192 in one week. Workers earning between £6,240 and £10,000 (the 'lower level of qualifying earnings') are not automatically enrolled but have the right to opt in. Employers cannot refuse and must make contributions.

There is a minimum 8% of qualifying earnings that must be contributed into an employee's workplace pension, including a minimum 3% contribution from the employer. Any contributions made by an employee are exempt from income tax, a feature of pension saving known as "tax relief". The minimum contribution applies to qualifying earnings over £6,240 up to a limit of £50,270 (in the tax year 2022/23) – referred to as 'qualifying earnings'.

In 2021, there were just under 23 million employees eligible for AE and just under 5 million who were not eligible (DWP 2022). Those ineligible included those earning below the earnings trigger and aged between 22 and the State Pension age, and those earning above the trigger and either aged 16-21 or aged over the State Pension age but not over 74.

DWP carries out periodic reviews of AE including an annual statutory review of the earnings trigger and qualifying earnings band. This review tries to balance increasing participation with not increasing the financial burden on those who cannot afford to save. The review has continued to recommend that the earnings trigger remain at its current level. (DWP 2023).

Lowering the earnings trigger would require employers to automatically enrol more eligible workers into their workplace pension scheme. This would lead to more workers benefitting from their employer's contribution as they save into a workplace pension. However, the trigger must also protect those who cannot afford to save, ensuring AE works for those for whom it “pays to save” and ensuring employers are able to comply and keep confidence in workplace pensions high.

The current earnings trigger acts as a barrier to part-time workers and seasonal workers from participating in workplace retirement saving. Removing or drastically reducing the earnings trigger is likely to 'catch' more multiple jobholders. Multiple job holders are employees that could have one or more jobs that earn above or under £10,000 per annum. Those who are earning below £10,000 per annum in one employment means they are not guaranteed to be automatically enrolled on all their earnings, risking them saving less into a private pension than an employee with the same overall earnings from a single job.

Wider pension scheme participation would go some way to addressing inequalities that remain in workplace pension saving, for example the lower number of female employees who are eligible to be auto enrolled.

However, the challenge is that lowering the earnings trigger risks increasing the financial strain on potentially already financially vulnerable individuals.

Previous research

Employees earning around £10,000 are a heterogeneous group of workers. These low earners include, for example; part time workers from households with a full-time earner, those on benefits struggling to maximise take-home pay, multiple jobholders, students in part-time or fixed-term employment and seasonal workers. Later life planning is minimal amongst the study's target demographic (Foster et al. 2019) and fewer than half of those earning less than £10,000 have any private pension savings (DWP 2022a). Most pension saving commences because AE nudges employees to overcome inertia and start saving, and is maintained because of a bias for the status quo (Thaler & Sunstien 2008). The evidence suggests that employees save for retirement if they feel that they can afford to do so without jeopardising their current standard of living (James et al. 2020).

The low paid face a higher risk of job insecurity and job turnover (Cominetti et al. 2021). Lowering the AE earnings trigger risks enrolling individuals for whom it may not currently make economic sense to save. Diverting income from more pressing needs, such as debt reduction, into retirement savings could be counterproductive. Diverting income away from the day-to-day needs of the lowest earners risks impacting significantly upon their living standards, and some research suggests that the most financially insecure should not be absorbed into retirement saving but enabled instead to reduce debts and boost current consumption (Bourquin et al. 2020).

In addition, there is a concern that employees on low salaries may be more likely to opt out of workplace pensions due to financial constraints. Younger workers who are earning above the AE earnings trigger and are auto enrolled opt out less frequently than older workers, but are more likely to cite affordability reasons for doing so (NEST 2021). Stopping saving rates increased marginally when the contribution rate rose in 2019 (DWP 2020), and opt-outs from new enrolments rose during the COVID-19 lockdowns and show an increasing trend since late 2020 while remaining below their lockdown peak (DWP 2022b). Despite this, AE pension saving has proved resilient. Fewer than 1% of AE eligible employees who save into a workplace pension actively stop saving each month (DWP 2022b).

A key focus of this current research is to explore the factors influencing people above and below the earnings trigger to opt in or out of their workplace pension. This will build on existing research about issues including the influence of individual and household characteristics, social norms, and structural factors, such as employer contributions.

Individual and household characteristics: Existing research suggests that certain demographic characteristics, such as being female, are more prevalent among those below the earnings trigger who opt in (DWP 2022d). Employees may be taking a household rather than an individualised approach to saving. Earlier studies identify variations in income, education, and upbringing as instrumental factors in pension saving (Gough & Niza, 2011; Suh & James, 2021; Robertson-Rose, 2019). Previous DWP research has found that people’s income might be a determinant for their later life preparedness. For example, people on lower incomes are less likely to access any guidance to plan for their retirement (DWP 2022a).

Social norms: Saving into a workplace pension has become the norm, but there are sectoral differences in opt-out and opt in rates (ONS 2021). Participation rates are significantly higher in the public sector than in the private sector. While workplace norms are not well understood, existing research suggests that employer engagement and encouragement play a crucial role in employees’ decision to opt into pension schemes (Robertson-Rose 2019). Proactive opting-in may be a response to a combination of normative behaviours, where employers actively encourage scheme participation, and perceptions of secure upward career trajectories.

Employer contributions: Employee contributions are not usually subject to income tax, meaning that basic rate taxpayers often contribute 4% of their qualifying earnings from their net pay, which attracts a further 1% in tax relief (either implicitly in Net Pay Arrangement and Salary Sacrifice schemes, or via direct tax relief in Relief at Source schemes). Employers can contribute above the minimum requirements, and some employers encourage employees to match employer contributions. Contribution rates are higher for larger employers than smaller ones (ONS 2022). Behavioural economic theory suggests that matching contributions can effectively incentivise pension saving on an individual level (Beshears et al. 2010) but the effect this has on behaviour in the UK context is little known.

This study builds on existing understanding of the extent to which these factors are relevant to individuals’ attitudes, behaviours and experiences of pension saving and later life planning.

Research need

This research is required to provide evidence to help inform the annual statutory review of the AE earnings trigger, enabling the review to be informed by qualitative evidence on this important group of low earning employees. These findings will provide part of the wider evidence base to inform future decisions on the level of the AE earnings trigger from 2024/25 alongside other relevant considerations. Conducting this research is designed to enable a better-informed review of the earnings trigger by providing new and additional evidence on the potentially vulnerable groups of low earning employees in DWP's AE policy design.

The research will inform the implementation of the 2017 AE Review measures, specifically the planned removal of the lower earnings limit (LEL), which DWP is committed to introducing. This change will affect the take-home pay of lower earners who do not opt-out and who receive only the AE minimum employer contribution. To that end, it is important that DWP has a better understanding of the pension saving experiences and behaviours of lower-earning groups.

The research is intended to support evidence-based decisions on policies aimed at reducing under-saving for retirement. For example, it will inform the development of effective measures to protect lower earners while expanding AE and increasing savings rates for the majority. To support future policy design, the research investigated potential flexibilities in AE to encourage participation and higher contribution rates among employees. The challenge of incorporating flexibility in AE is to encourage financial resilience while maintaining the benefits of AE inertia.

Chapter 2 provides an in-depth overview of the research design, encompassing research aims and objectives, methodology and sample details, fieldwork specifics analysis methods, and research limitations.

Chapters 3 through 5 present a comprehensive analysis of the research findings. This analysis delves into the factors that drive individual decision-making processes, highlights the discernible differences between the research participants, and explores their varying perspectives concerning future changes to AE.

Chapter 6 includes recommendations for future research.

Chapter 2: Research design

This chapter outlines the research design for this study, including the research objectives and the approach to sampling, fieldwork and analysis.

Research aims and objectives

The aim of this research was to explore people's views about workplace pension saving under AE. Specifically, the research addressed the following objectives:

- Determine the attitudes, behaviours, and experiences of lower earners above and below the AE earnings trigger regarding pension saving and later life planning.
- Explore the factors influencing the decision of individuals earning below the trigger to opt into workplace pensions.
- Compare the differences between individuals below and above the earnings trigger who are saving (or not saving) into a workplace pension, and assess the variations between automatically enrolled lower earners and those who have chosen to opt in.
- Identify how the pension saving behaviour of low earners would be impacted by higher or lower contribution rates.
- Determine if there are any flexibilities within AE that can encourage greater participation.

Research methodology and sample

Kantar Public conducted 119 in-depth interviews with low earners (defined as employees earning between £5,000 and £19,000).

Interviews were conducted either face-to-face in participants' homes, or through video links according to participants' preference and to efficiently cover a range of UK locations. Thirty were conducted face-to-face and 89 online. Interviews took place between December 2022 and May 2023 and lasted up to 60 minutes.

Participants were purposively sampled to achieve a spread across four groups (see **Error! Reference source not found.**). The groups were split across two primary variables: their earnings from paid employment being above or below the AE earnings trigger; and whether they were currently saving into a workplace pension. The number of participants falling into each group is shown below. To ensure people from a broad range of circumstances were interviewed, secondary quotas were also applied across the sample for criteria for gender and age. A full breakdown of participant characteristics is shown in Appendix A.

Table 1: Summary of the primary quotas

	Earning below the AE earnings trigger (£5,000-£9,999)	Earning above the AE earnings trigger (£10,000-£19,000)	Total
Not saving into a workplace pension	30	30	60
Saving into a workplace pension	29	30	59
Total	59	60	119

Participants were recruited using a combination of survey recontact sample drawn from the 2020/2021 and 2019/2020 Family Resources Survey (FRS) dataset, and via free-find recruitment.

As is standard practice in qualitative research, participants were given a £40 voucher to thank them for sharing their time to contribute to this study. Relevant supporting resources provided by DWP were shared with participants, as shown in Appendix C.

Please note, all names have been pseudonymised to protect the identity of individuals who took part in research.

Fieldwork

Interviews were informed by a topic guide, which was agreed with DWP in advance to ensure the areas of interest were covered. This covered the following topics (below). A full topic guide can be found in Appendix B.

- Background to participants' lives, including their household situation, details of their employment, and any additional income streams (beyond income from paid employment).
- Participants' financial experiences over time and how these related to their attitudes, behaviours and experiences of pension saving and later life planning. This included a short pre-task activity (completed prior to the interview) where participants were asked to map fluctuations in their perceived financial security / comfort over time. During the interview, participants were prompted to consider how (if at all) these experiences influenced their experiences with AE (and later as a basis for exploring hypothetical future scenarios for AE).
- Participants' attitudes, behaviours and experiences of pension saving and later life planning, including factors influencing their experiences with AE (opting in / out).
- Participants' reactions to hypothetical future scenarios for AE, including; changes to minimum contribution rates, changes to the earnings trigger, and flexibilities around contribution rates (including 'employee opt-down').

The researchers were aware of the risk of low engagement and comprehension surrounding the topic of pensions. To elicit a meaningful response from participants.

the research included a practical demonstration of the impact of potential changes to AE regulations. The hypothetical scenarios were accompanied by three profiles of fictional individuals, earning £7,500, £10,000, and £14,000 annually. Participants were requested to select the profile that closely resembled their own earnings. Each scenario was followed by a brief summary of the impact of this specific change on their pension contributions and/or enrolment status. This allowed participants to draw parallels between this and their current and future financial circumstances and helping them engage with the scenario. Scenarios can be found in Appendix B.

Analysis

Thematic analysis was conducted using the ISM (Individual, Social and Material) theoretical framework (Scottish Government n.d.). The ISM framework was developed by the Scottish Government and is used to understand and analyse factors that influence human behaviour. ISM takes three different contexts into consideration – the Individual, Social and Material – when analysing people's behaviours. It recognises that behaviour is not solely determined by individual characteristics but is also shaped by social interactions and the physical environment. In doing this, it provides a nuanced understanding of why people behave the way they do in different situations.

Thematic code frames were used to systematically summarise the full dataset which included detailed interview notes for each interview. Regular team discussions to facilitate data analysis were held throughout the fieldwork period, a crucial component of any qualitative methodology, which also supported the data management process.

Research limitations

This research was undertaken during a period of COVID-19-related financial disruption and subsequent rising price inflation. The research provides an important opportunity to overcome a shortfall in the evidence base relating to low earners' retirement savings choices during a financial crisis. The findings should be considered within the economic context; during a period of rising economic prosperity their validity will need to be re-assessed.

Where participants have shown a lack of understanding of private pensions, researchers have not corrected their view, nor does this report address those misconceptions. There is evidence in this report of employees' perceptions of employers not complying with their duties to enrol eligible employees into a workplace pension. While this is important when considering low earners' experiences with workplace pension saving, it was not within scope of this research to investigate this in more detail or follow up with specific employees or pension regulators.

When considering these findings, it is important to bear in mind that a qualitative approach explores the range of attitudes and opinions of participants in detail. It provides an insight into the key reasons underlying participants' views. Findings are descriptive and illustrative, not statistically representative.

The following Chapter 3 explores the influential factors driving individuals' decision making, before differences between the principal groups are explored in Chapter 4. Respondents views on future changes to AE are reported in Chapter 5.

Chapter 3: Factors influencing low-earners' behaviour and attitudes towards pensions

This chapter considers the different factors that underpinned participants' attitudes and behaviours towards, and experiences of, pensions and later life planning. It outlines the range of factors that emerged from the research, before linking these factors to audience differences (Chapter 4) and responses to potential changes to AE (Chapter 5).

During the interviews, these factors were explored by asking participants to reflect on their financial journeys over time and consider the influences on their general saving behaviour (see discussion guide in Appendix B). As discussed on p.15 in the Analysis section the ISM framework was used to ensure the research explored a wide range of potential factors that influenced people's behaviour towards workplace pensions and later life planning. The ISM framework enabled us to develop a holistic perspective and unpick factors that were most influential and therefore likely to explain audience differences and responses to potential changes to AE.

The factors that influenced saving behaviour at each layer of the ISM model – individual, social and material are summarised below (figure 1).

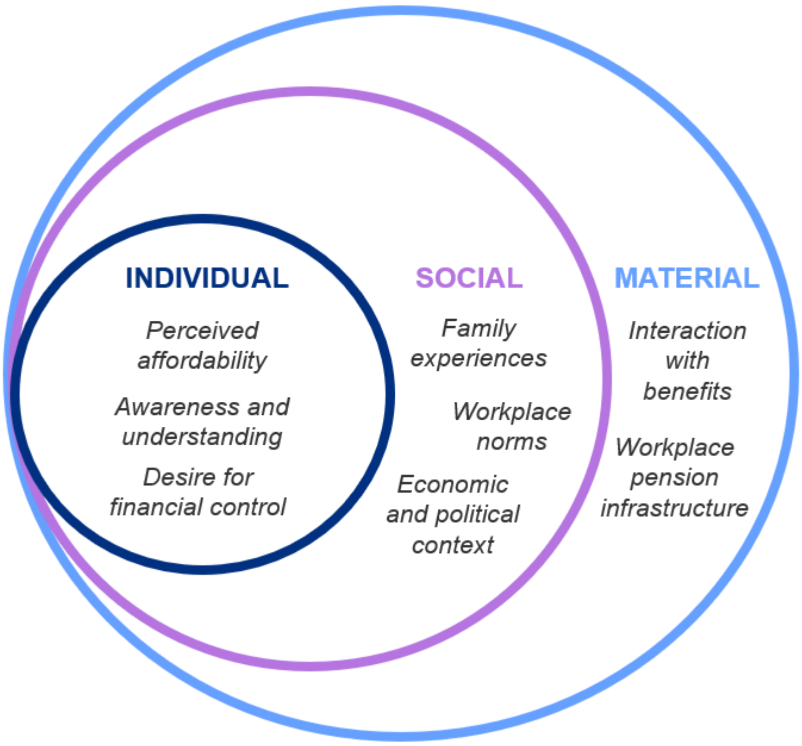

Figure 1: Factors that were seen to influence behaviour towards pensions at each level of the ISM model

Individual factors influencing pension behaviour

Individual factors that are known to influence behaviour include people’s attitudes and beliefs, their capability and agency, as well as their personal evaluations of costs and benefits associated with that behaviour.

The individual factors that participants flagged as influential on their behaviour towards pensions and later life planning included perceived affordability, awareness and understanding of pensions, and the desire for financial control.

Perceived affordability

While not universal, participants generally considered saving into a workplace pension to be a desirable activity and something that was important for their future. However, the extent to which people felt it was feasible for them to put aside money for the future varied considerably. For those who felt it was unfeasible to save, this was typically because they felt they needed to prioritise short-term budgeting.

Short-term budgeting for the weeks, and in some cases the days, ahead was common for many participants in our study. In particular, people cited rising energy bills and other living costs as being a barrier to saving (see ‘economic and political context’ later in this section). Those working in precarious jobs, such as short-term or zero-hours contracts also described feeling their income was too insecure to put money aside for later-life. This uncertainty around income and living costs meant people felt they either had little leftover or needed flexibility to be able to draw on any money as and when needed.

> *"When you're paying that extra on your gas and electric, you don't have that extra money to put away for your future." (Below earnings trigger, not saving into a workplace pension)*

This was a particular issue for those with dependent children, especially women. Parents in our sample described weighing the perceived affordability of pension contributions against the financial demands of supporting their children. For some, this meant choosing between investing in their own future retirement or providing for their children now, as doing both was not deemed feasible.

> *“I have a young family and they’re all depending on me. I have to provide for them somehow.” (Above earnings trigger, not saving into a workplace pension)*

> *"Life gets in the way of everything. Day to day spending, [living] costs, bills, kids, holidays. You think ‘live for today’ kind of thing.” (Below earnings trigger, not saving into a workplace pension)*

Where participants were less concerned about the perceived affordability of pensions, this was typically where they had access to other household income. This could be from additional jobs, investments and self-employment, or from a partner’s income. In particular, those in dual income households tended to take a household level approach to income and savings, including pension savings. If participants felt financially secure at a household level, this meant they felt able to sacrifice some of their take-home pay even if this was too little to live on if taken in isolation.

> *“Personally I don’t feel financially secure, because I work so few hours… but because of my husband’s work, I do [feel financially secure].” (Above earnings trigger, saving into a workplace pension)*

> *"My wife’s pension is the backup we've got for retirement. Hopefully a large teacher's pension." (Below earnings trigger, not saving into a workplace pension)*

Awareness and understanding

A further factor influencing individuals' attitudes and behaviours was the extent to which participants were aware of and understood pensions. While a small number of participants were able to confidently describe how workplace pensions worked, who contributed and how much, and how funds could be accessed at retirement, it was more typical for participants in our sample to acknowledge little to no understanding. They also acknowledged that this lack of understanding could be a barrier to engagement and action.

> *"I am really clueless when it comes to pensions. I don't understand how they work. I am literally a blank screen when it comes to pensions." (Below earnings trigger, saving into a workplace pension)*

Younger participants (aged 18-25) were a particular group where limited understanding was deemed a barrier to saving. For this group, retirement was typically described as being too far into the future for them to feel they needed to engage with pensions. The lack of perceived urgency meant they could delay engaging with saving for retirement until they had achieved greater financial security and higher earnings that would make saving both more feasible and more worthwhile.

> *"It feels quite far away to me, it's not something I've given much thought to." (Below earnings trigger, saving into a workplace pension)*

For those of all ages who felt a greater sense of urgency, a lack of understanding about pensions provoked feelings of fear and uncertainty, and in some cases paralysis. Whether or not people were currently saving into a pension, there was widespread worry they would not have sufficient funds for a comfortable retirement. In part this was related to wider concerns, such as uncertainty over their health and life expectations, the global economic outlook, and changes to the State Pension (see ‘economic and political context’ later in this section). But even for those saving into a pension, their lack of understanding about how much they would be able to access during retirement caused worry.

> *"It worries me to be honest because I feel I'm not building up enough for my own pension." (Above earnings trigger, saving into a workplace pension)*

Despite this widespread concern, participants typically acknowledged that they were unlikely to engage with pensions in the near future. Even for those who felt it would be relatively straightforward to enquire about their pension, this was not something they realistically expected to do. In part this was due to the perceived complexity and uncertainty of pensions – not knowing what funds they would need for a comfortable retirement, needing to look across multiple pension pots to understand their combined situation, and uncertainty about future projections of pension investments. It also reflected a reluctance to engage with potentially negative information, and a perceived inability to save more if participants confirmed this was necessary.

> *"I might need a private pension. It just seems complicated to work out how to have a pension." (Above earnings trigger, not saving into a workplace pension)*

Desire for financial control

A key factor influencing people's attitudes and behaviours towards pension saving was the degree of agency they wanted over their savings.

Participants recognised that pensions are different to other savings. A key distinction was that general savings were seen to be "controlled" by the participant and could be used flexibly with "instant access for rainy days". By contrast, a pension pot was generally seen as something that was "outsourced and managed by the employer" with limited control for individuals, both in terms of how money is saved and how savings are accessed. The extent to which this perception affected people's attitudes and behaviours towards pensions depended on their desire for financial control.

At one end the spectrum of views about control were those who were enrolled in their workplace pension without a strong understanding or interest in what it involved. People typically had relatively high levels of complacency about their own agency in this situation. Indeed, in a number of cases, participants explicitly valued the ease of being auto enrolled and not having to think about pension saving.

> *"The workplace pension is done for you so it makes it easy" (Below earnings trigger, saving into a workplace pension)*

Pensions were generally viewed by participants as a safe and sensible way of saving for the future. The lack of immediate access to pension savings could be appealing, especially for those who did not feel completely in control of their spending.

> *"The good thing about pensions is you can't spend them 3 months later… They're helping you save because they know you're not disciplined enough to put it there by yourself." (Above earnings trigger, saving into a workplace pension)*

However, in contrast, a number of participants preferred greater agency over their savings. This was predominantly linked to the previous point about affordability and people's need to prioritise short-term budgeting. For these participants, the sense that funds were locked away until retirement reduced the appeal of pensions. This led to some participants expressing a preference for alternative saving mechanisms where they had greater perceived control over access, such as savings accounts, property, and stocks and shares.

> *"For someone like me who has their pension many, many years away in the future, I'd rather have that money now and be able to utilise it, rather than let*

> *inflation and other factors in the world that are really unforeseeable [affect its value]…I'd rather put [my money] into liquid assets and move things around… I have some involvement in crypto currencies and stocks." (Above earnings trigger, not saving into a workplace pension)*

Concerns about handing over control of pension savings to third parties were also prevalent. Participants described low trust in the pension scheme provided by their workplace to invest pension funds appropriately. This mistrust could extend to employers more generally. Examples of pension schemes going bust or failing to pay out were cited spontaneously by concerned participants.

> *"I feel like you're not really in control of your pension. I know someone who had a pension, he had quite a lot of money in his pension, and somehow he lost it…It's nearly ten years later and it's still not resolved" (Below earnings trigger, not saving into a workplace pension)*

Some participants expressed concerns about wider issues outside their control such as the country's economic outlook, the State Pension age, and whether savings invested now would be secure or sufficient for retirement. Even participants who were less pessimistic about pension security expressed concerns about whether the level of contributions they were making would be sufficient to support them during retirement (see Economic and Political Context, below).

> *"What gets in the way is the uncertainty, because how it was 10 years ago is not how it is now, so I don't know what it'll be like when I hit the age of retirement, especially as the age of retirement is going up all the time." (Above earnings trigger, saving into a workplace pension)*

Social factors influencing pension behaviour

Social factors are those that "exist beyond the individual in the social realm, yet shape his or her behaviours" (Scottish Government n.d.). These include social norms, networks and relationships that might influence how groups of individuals behave.

The social factors participants identified as influential on their attitudes and behaviour towards saving and later life planning included family experiences, workplace norms, and the economic and political context.

Family experiences

Participants described being influenced by their family and upbringing in how they viewed pensions and the importance of saving for retirement. This included examples of people growing up in a family where long-term saving was encouraged and normalised, or where parents were actively engaged in supporting their children to save; for example, setting up savings accounts or even pensions on their behalf.

> *"My father set up my private pension for me and he was a big stock market person. And then unfortunately he passed away very suddenly and it was passed over to me, but now I am in control." (Above earnings trigger, saving into a workplace pension)*

"[Saving into a workplace pension is] something my dad's always done as well, the same as my mum, my step dad. I just thought it was the norm." (Below earnings trigger, saving into a workplace pension)

Participants described learning from the experiences of older family members in retirement. Positive experiences of family members enjoying a comfortable retirement had encouraged people to save into a pension. As did observing family members struggling in retirement due to lack of savings.

"My grandma manages but relies quite a bit on my mum and dad. You can tell she regrets not having paid into something." (Above earnings trigger, saving into a workplace pension)

Conversely, observing family members' negative experiences of pensions had the opposite effect and there were examples of people being dissuaded from enrolling into workplace pensions by their family. This included parents passing on their mistrust of pensions or preference for alternative investments, such as property. For example, one participant described how witnessing his father's pension lose value and therefore needing to continue working longer into old age to recover the value had reduced his own confidence in his workplace pensions, despite reluctantly remaining enrolled.

"My dad has lost a lot of money on his pension…Is it worth putting £5 [a month] into it if you lose it in the end?" (Above earnings trigger, saving into a workplace pension)

Workplace norms

The default nature of workplace pensions, combined with participants' limited engagement with pensions, meant that workplace norms were a strong influence on pension behaviour. Apart from a relatively small group of more actively engaged participants, participants typically conformed with the norms in their workplace.

For younger participants (aged 18-25) and people working in temporary contracts, this meant they were not expected or encouraged to enrol into their workplace pension. For example, a student working part-time was persuaded to opt out of her workplace pension by her manager who told her "nobody else who works part-time is enrolled." While this is not compliant with AE legislation and could be considered an inducement to stop saving, this employee was invited at the time to talk about it with her manager if she wanted to know more information. As noted above, this workplace norm aligned with many participants' own preconceptions, particularly that younger people should wait until they were in more established careers before considering pensions.

"I was not offered a workplace pension and I would not have bothered to opt in anyway as minimal would be going in. At this point I'd rather have the money but when I'm working as a doctor my pension will be a good one, so I've no worries."(Above earnings trigger, not saving into a workplace pension)

Norms regarding pension saving behaviour differed by age. For older participants (aged 40+), there was a sense that now was the time to engage with pensions. Several participants spontaneously cited Martin Lewis as influencing this view, particularly through his messages that people should check their State Pension in case they needed to 'fill any gaps' in NI contributions, and that pension contributions (%) should be half your age. Despite acknowledging this call to action, participants were influenced by a general disengagement with pensions by their employers and peers. People described feeling uninformed about their pensions, in some cases blaming employers for not sharing information. This has a potential link with employer size, which is explored further in the section on material factors.

One interviewee had asked her colleagues about the workplace pension and had been told that nobody knew anything about it – just that they were paying in.

> "*When we looked at [the WPP contribution] at work everyone said it's the worst, people were saying it's not worth putting in because she puts in the least." (Above earnings trigger, saving into a workplace pension)*

Similarly, very few participants recalled receiving an annual pension statement from their pension provider, which they felt might nudge them to engage more deeply.[1]

> *"I think it [annual pension statement] would give people a bit of reassurance - most people are like, well I'm paying my pension, but they don't know why they're doing it." (Above earnings trigger, saving into a workplace pension)*

Economic and political context

Linked to the perceived affordability of pension contributions, uncertainty about the economic climate was cited as a key driver of attitudes and behaviours towards pensions. On a practical level, participants described struggling to cover rising costs of essential goods and services, and needing to prioritise short-term budgeting over saving for retirement. However, the sense of economic uncertainty also prompted participants to question the value and relevance of pensions.

> *"Realistically I think whatever my personal movements are in terms of planning for the future, pensions are always going to be overshadowed by the global landscape, what inflation's doing, how much tax has gone up… and I think planning for the future based on that feels somewhat useless." (Above earnings trigger, not saving into a workplace pension)*

Even if this economic uncertainty did not dissuade people from saving into a pension, it added to personal uncertainty about how much they should be saving and what they were likely to need in retirement. Some participants described supplementing their pension with more reliable sources of income such as property or, if not homeowners, placing more trust in the idea of these investments than their workplace pension.

> *"What gets in the way is the uncertainty, because how it was 10 years ago is not how it is now, so I don't know what it'll be like when I hit the age of retirement, especially as the age of retirement is going up all the time." (Above earnings trigger, saving into a workplace pension)*

[1] This reflects low engagement, misconceptions or poor channels of communication as annual pension statements are compulsory.

Uncertainty over the political landscape for pensions was expressed by many participants. In particular, whether State Pension age will continue to rise, or whether there will still be a State Pension when they reach retirement age. This perceived uncertainty about the State Pension was polarising, undermining the perceived value of pensions as a whole for some, while driving others to prioritise workplace pensions. This sense of uncertainty also contributed to the tendency towards inertia from participants towards their pensions and whether they should be saving into them or not.

> *"By the time I'm ready to retire, what you've saved in your pension is what you'll be getting. I'm not sure how much of a State Pension will be left by then." (Below earnings trigger, saving into a workplace pension)*

> *"Pensions just sit there… they don't grow and won't keep up with inflation as it is… And who knows what the retirement age will be by then – look what's happening in France at the moment – protests about the retirement age increase." (Above earnings trigger, not saving into a workplace pension)*

Material factors influencing pension behaviour

Material factors are constraints and influences that exist in the wider environment that may shape behaviour, including the physical infrastructure, rules and regulations, and institutional structures.

The material factors mentioned by participants as being influential on their attitudes and behaviour towards pensions and later life planning included the interaction of pensions with benefits, and their employer's workplace pension infrastructure.

Interaction with benefits

Many of the participants in our sample were receiving income-related benefits, including Universal Credit (UC) and support with housing costs and council tax. Participant attitudes towards workplace pensions were influenced by the perceived interaction between pension funds and benefit-related savings limits.

A wide range of differing perceptions were expressed.[2] Some participants feared that their pension savings would count against them when claiming UC and this could disincentive them from saving. For example, one participant, although enrolled into her workplace pension, was worried about reaching the Universal Credit savings limit of £6,000 through her pension savings.

> *"When you do try to get those savings up on Universal Credit, that's when the government say 'because you've got those savings you can use them' not thinking you are getting ready for retirement." (Below earnings trigger, saving into a workplace pension)*[3]

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[2] Many of the views expressed reflected misconceptions by participants around the interaction between benefits and their pension savings and contributions.

[3] This is a misconception. Pension wealth is not included in Universal Credit calculations.

Another participant felt penalised for saving into a pension whilst also struggling with reduced income in the short-term.

Others, conversely, recognised workplace pensions contributions as a safe place for income that would otherwise be capped under Universal Credit tapering rules. A single parent (below) described opting into a workplace pension solely to reduce her take-home salary so that she remained entitled to Universal Credit.

> *“Because I am a wee bit over the (UC) threshold, I was happy for them to take [pension contributions] because it meant the government wasn’t getting it.” (Below earnings trigger, saving into a workplace pension)*

More generally, participants claiming benefits described feeling trapped in low incomes. This included the perception that the only way to afford pension contributions was to increase their hours and therefore salary, but that would affect their eligibility for benefits and further reduce their take-home pay.

Workplace pension infrastructure

The default nature of AE inevitably meant that participants’ employment context and workplace pension infrastructure played a significant influence on their pension behaviour. The most obvious way this played out was people automatically being enrolled into their workplace pension. Employers are not obliged to enrol employees earning under £10,000 or who are under 22 years old, but some employers chose to do so. In some cases, employees claimed to only becoming aware of being enrolled when they spotted contributions in their payslip (see Chapter 4).

Beyond this, individuals’ pension behaviour could interact with other aspects of their employment context such as employment contract. This happened, for example, as priorities and the decision on what job was needed to meet these priorities, shifted from salary towards benefits. One participant contracted by an agency as a teaching assistant felt that her pension and job security was becoming more of a priority as she got older, so she decided to change jobs.

> *"I'd have been paid more if I'd stayed on with an agency, but I wanted to work with the council because I get the pension. Though it's less money, the job is secure, and you get a pension." (Above earnings trigger, saving into a workplace pension)*

There were concerns about the affordability of pensions for smaller employers. One participant working part-time for a small charity claimed not to have been offered a workplace pension because her employer couldn’t afford contributions.[4] Participants could feel particularly loyal towards smaller employers they had worked at for a long time. For example, one participant who opted out of a pension scheme along with a colleague had worked full time in a family-run hairdresser for over 18 years. Despite reassurances from the owner, she was worried about impact of the employer contributions on the small business and felt grateful to them for keeping her employed since she started as an apprentice.

[4] The lack of affordability does not exempt employers from their obligations under AE. However, this finding is based on participant perceptions alone. Employer behaviour and circumstances cannot be verified independently.

> *"It's a small business so employer contributions would mean the business would struggle. Business is slow and their bills are going up now. I'd feel bad about the owner having to contribute." (Above earnings trigger, not saving into a workplace pension)*

Participants also cited situations where employers had discouraged pension enrolment. For example, a participant who worked part-time for a local authority for over 11 years described being asked by her manager to consider the financial costs to the authority of having to make employer contributions. Whilst this pre-dates the introduction of auto-enrolment of pensions, the negative experience had a long term impact in that the participant remained opted out. It was only when the participant's working hours had increased three years ago (and her salary met the AE threshold) that she was enrolled into the workplace pension scheme and she decided to stay in.

> *"I know now it was very wrong but one of my managers came up to me and said 'are you sure you want to be in the pension because we have to match what you pay and we can't financially do that', and I was only young and I didn't realise at the time that was very bad and they could get into a lot of trouble for that." (Above earnings trigger, saving into a workplace pension)*

Chapter 4 draws on the key factors that underpin participants' attitudes and behaviours towards, and experiences of, pensions and later life planning. Variations and similarities between those who are earning above and below the earnings trigger and those who have been automatically enrolled or decided to opt in are explored in further detail.

Chapter 4: Exploring differences in attitudes, behaviours and experiences of pension saving and later life planning

This chapter builds on an understanding of the key factors identified in Chapter 3 that underpin participants' attitudes and behaviours towards, and experiences of, pensions and later life planning. It explores how these differ across the four groups engaged with through the research.

The chapter's focus is on comparing the differences between individuals below and above the earnings trigger who are saving or not saving into a workplace pension, and assessing the variations between automatically enrolled lower earners and those who have decided to opt in.

Groups explored through the research

The research was structured primarily to explore the profiles and experiences of four groups defined by their annual earnings and whether or not they were saving into a workplace pension. These four groups were:

1. Those earning below the AE annual earnings trigger of £10,000 and not saving into a workplace pension (not auto enrolled)
2. Those earning below the trigger but currently saving into a workplace pension ("participating below the trigger")
3. Those above the trigger but not saving into a workplace pension ("opted out")
4. Those above the trigger and saving into a workplace pension (auto enrolled)

The main reason for this sampling approach was that the AE earnings trigger remains the primary policy lever available to DWP to increase or decrease participation in the workplace pension. For ease, each group is referred to by its number (e.g. Group '#') and a brief description.

A summary of the overarching differences between each group's drivers for saving or not saving into a pension is outlined in Figure 2 below.

Figure 2: Summary of participant differences based on drivers of pension saving behaviour

Below the earnings trigger			
Group 1: Not auto enrolled		**Group 2: "Participating below trigger"**	
Active	**Passive**	**Active**	**Passive**
• Short-term budget priority • Workplace norms	• Unaware of being able to opt in • Low awareness and engagement	• Prompt from employer • Quality information • Saving prioritised /normalised	• Legacy enrolled / auto enrolled • Lack of information to opt out
Not saving into a pension		*Saving into a pension*	
Group 3: "Opted out"		**Group 4: Auto enrolled**	
Active	**Passive**	**Active**	**Passive**
• Short-term budget priority • Precarious roles • Financial shocks	• Not informed • "Not AEd" by employer[5]	• Value pensions • Part of saving behaviour • Affordable	• Auto enrolled
Above the earnings trigger			

Each of these four groups was made up of a range of types of participants, and key characteristics influencing attitudes and behaviour were found to cut across the groups. These characteristics affected members of each group in different ways, and interacted with one another to shape attitudes to pensions, and pension-saving behaviour.

Before exploring each of the four groups, it is worth reflecting on these common characteristics. The key factors that cut across the groups included their individual and household characteristics (age, gender, having a partner or children), their engagement with and attitudes to pensions and saving, and the stability of their work and earnings.

Individual and household characteristics: Younger workers and students working temporary jobs and contracts appeared in all groups. While research was qualitative and defined by strict quotas, low earners appeared more likely to be female, reflecting findings from the Living Wage Foundation using Office for National Statistics (ONS) survey data (Aziz & Richardson 2022).[6] Single mothers with

[5] These participants included some below the age of 22 not eligible for enrolment but also those aged over 22 who believed they had not been auto-enrolled by their employer. If true, these cases could represent a potential contravention of AE law.

[6] 14% of all women in the UK were found to be paid below the living wage, in comparison to 9% of all men.

childcare responsibilities were present throughout groups, including those receiving benefits for children with disabilities. The groups also included immigrants whose earnings and job prospects were limited by their settled status or not speaking English as a first language, or where any spare income was used to support family members living overseas.

Engagement with and attitudes towards pensions and saving: As noted above, engagement with the topic was low across all groups. People struggled to recall details of their workplace pension scheme or the value of their pension if they were enrolled. Those sceptical about the value of pensions were found in all groups, not just those who had opted out of AE. Their views ranged from the perception that pensions would not adequately provide for them in later life, to a mistrust of employers and/or pension providers more generally. Similarly, those who valued pensions were found in all groups, even if they did not currently feel able to save into a pension or had a low understanding of the system and the ability to opt in or out. All groups included those with varied levels of financial confidence - the extent participants felt able to make good decisions with money.

Stability of work and earnings: Across all groups, those working in stable jobs were more likely to say they felt informed by their employer about pensions. Those working in precarious jobs (e.g. temporary, seasonal or gig-based contracts) described more ad hoc relationships with employers and poor communication about benefits, including pensions. For these participants, pension behaviour was more dependent on their employers in terms of quality of information received and whether they were nudged to engage with their pension. As explored in Chapter 3, current annual earnings could also be perceived as highly provisional by participants across the four groups. Younger people in particular were willing to delay considering pensions until they were in a more established career.

It is important to recognise the dynamic nature of the groups. Each contained subgroups defined by participants' varied characteristics, circumstances, attitudes, and experiences, and these were liable to change over time. The differences and similarities within each group are considered below, followed by reasons for behaviour, reflections on comparisons between the groups. Note that these findings are based on qualitative research, which was designed to explore the groups in depth (through purposive sampling), rather than to measure prevalence of views and behaviours.

The four groups are explored in turn below, starting with those least engaged with their workplace pension (below the earnings trigger and not saving into a workplace pension) and finishing with those who are could be viewed as most 'locked into' pension saving (above the trigger and saving into a workplace pension). This allows comparison of groups with similar earnings but different pension behaviour and prioritises those most likely to be affected by any future changes to AE.

Group 1: Not auto enrolled (Below the earnings trigger, not saving into a pension)

	Group 1: Not auto enrolled	
	Active	**Passive**
Drivers of pension-saving behaviour	• Short-term budget priority • Workplace norms	• Unaware of being able to opt in • Low awareness and engagement

The low earners who fell into this group were more likely than other groups to be in insecure or temporary work, and typically working part-time. They included young people and students, those balancing work with childcare responsibilities, and some older participants, typically in precarious jobs and feeling financially vulnerable.

Commonalities and differences in attitudes and experiences

Within this group, the main differences in pension attitudes and experiences were the result of age, participants' perceived stability of role and whether they had a dual household income.

A key subgroup of this audience was younger people, who could be living in a rent-free or rent-reduced situation. Ranging from those who had just left school to others in their 30s, and spanning jobs from hospitality and childcare to working as a lifeguard, they were more likely to treat their current employment as a temporary 'fill-in' job. As a result, workplace pensions were often viewed as only relevant to a more established future career and did not allow for financial control. This was especially the case when current financial circumstances were challenging and balanced with studies.

As discussed in chapter 3, the workplace norms and employers of the part-time workers and students who were prevalent in this group also discouraged enrolment. This aligned with preconceptions that the decision to enrol should be delayed until a more secure and permanent future role. Those aged under 22, who would not have been automatically enrolled even if their earnings were above the trigger, had typically given the least thought to the topic.

> *"I don't need a pension right now. I need the money. The pension can wait, but I hadn't thought about what I'd be losing at all." (Below earnings trigger, not saving into a workplace pension)*

> *"Pensions are a lower gratification form of saving than others – you don't get what you put in 'til a really, really long time in the future and you may not even get it, so it's very hard to motivate yourself. When you have a savings account you put the money in and you see exactly what you have. With a pension it*

> *goes off into the ether." (Below earnings trigger, not saving into a workplace pension)*

This group also included those whose pension behaviours were strongly influenced by the nature of their employment contracts and perceptions of low financial security. They were often in highly precarious roles, with little money to spare due to supporting families, often on one salary, and saw pensions as unaffordable (see reasons for not saving into a workplace pension, below). In contrast, others in this group were working part-time in more permanent and secure contracts, more often in dual income households. This second group included those not opposed to pensions but currently supported by a partner's income who believed they could benefit in a similar way in later life through a higher earning partner's pension. Responses suggested this view was a combination of self-justification after partners were auto-enrolled and they were not, and participants feeling contributions were more affordable for their partners, or their pension schemes more generous than their own. The group also included others planning to make life changes (e.g. to move overseas) who therefore felt pension saving could be a 'waste' in the short term.

Reasons for not saving into a workplace pension

As explained previously, if earning below £10,000, workers are not automatically enrolled into their workplace pension scheme but, if earning above £6,240, can opt in and their employers cannot refuse. While none of Group 1 (Not auto enrolled) had opted in, an active and confident decision *not* to opt in was rare. More often, participants claimed not to be aware of their right to opt in. Many were uncertain about whether they were currently saving into their workplace pension scheme, reflecting low levels of understanding and awareness about pensions more generally.

Those who had passively remained opted-out from their workplace pension claimed they had not been informed about the option to opt in by their employer, or may have ignored or missed information. As was explored in chapter 3, participants in this group also described employers advising against joining the scheme or telling employees they did not qualify (see case study 1, below); for example, due to the number of hours they worked.

Case study 1: Employer advised against joining the WPP due to employee not working enough hours

(*Below earnings trigger, not saving into a workplace pension)*

Claire**,** age 35, earns below the earnings trigger and does not save into a workplace pension. She lives with her husband and three young children in the countryside and works in two part-time merchandising roles while her husband works as a full-time carpenter. Claire's part-time roles give her the necessary flexibility to look after her three children. But balancing work and childcare is an ongoing challenge, and she is unable to save.

Claire has never paid into a workplace pension. She was told that she doesn't work enough hours to be eligible.[7] She is concerned about the risk of not having enough money to live on in retirement.

"If you've got a private pension, you're lucky, and can live a great life. But if you haven't got that private pension, then it's going to be a struggle."

During the interview, Claire realised that she would be eligible to opt in to her workplace pension. Claire felt frustrated by the lack of communication and information from her employer. She intended to speak to her employer about opting into the workplace pension in the future.

Among active decision-makers in Group 1 (Not auto enrolled) the decision not to opt in was typically the need to prioritise short-term budgeting, as discussed in chapter 3. Others discussed previous negative experiences of pensions, including employers changing providers or demanding higher, unaffordable, contributions of employees.[8] Some participants had previously been enrolled in a workplace pension but had opted out as their circumstances changed (for example, reducing their hours and pay) or as the impact of the rising cost of living made pensions feel unaffordable.

The few in this group with low trust in pensions had actively chosen not to opt in either because they felt pensions would be insufficient to support them in later life or mistrusted their employers or pension providers. This included people who described the idea of long-term income security as a 'mirage'. Instead, they prioritised other forms of savings, such as investments, personal ISAs or reliance on a partner's income.

> *"(Pensions) are like a fairytale for grown ups… Saving 50 years to benefit for 8 years is definitely not a good thing."* (*Below earnings trigger, not saving into a workplace pension*)

Case study 2: Opted out of workplace pension and prioritises alternative investments

(*Below earnings trigger, not saving into a workplace pension)*

Vasile, age 42, moved from Romania to the UK when he was 36 and now works an average of 8 hours per week in two roles at a university while studying for a degree. He recently opted out of the workplace pension scheme following an increase in required employee contributions from 5% to 10%, with employer contributions also rising to 10%. Vasile has a negative perception of pensions, particularly when comparing the length of contribution with the period he would benefit from it.

"It was now roughly 10% of my wages. It's definitely too much! The university contributed more than 10%, it's a really nice pension but for me it's too much! They could pay three times more and I'd still opt out!"

[7] This claim is incorrect, but the reason for the employer giving this explanation cannot be inferred from the participant interview.
[8] As above, this comment is based on participant perceptions alone. Employer behaviour cannot be verified independently.

Vasile has savings to sustain his lifestyle for three months and pays £10 per month into a Help to Buy ISA. But he is concerned that inflation will undermine his savings. As a result, he plans to start his own business soon which he predicts will be his financial safety net for retirement.

Group 2: “Participating below trigger” (Below the earnings trigger, saving into a pension)

	Group 2: “Participating below trigger”	
	Active	**Passive**
Drivers of pension-saving behaviour	• Prompt from employer • Quality information • Saving prioritised /normalised	• Legacy enrolled / auto enrolled • Lack of information to opt out

Those who were enrolled in a workplace pension at this lower earnings level were a mixture of profiles and demographics, generally working one or more part time roles. They were largely similar to Group 1 (Not auto enrolled). However, young people were a smaller component of this group, with more relatively older participants balancing hours with childcare or moving from full-time to part-time roles. The group also included those who had returned to work after having children, and those historically supported by a second income who had made the decision to ‘catch up’ through pension saving before retirement.

Commonalities and differences in attitudes and experiences

Within the group, key differences in pension attitudes and experiences were associated with people’s perceived ability to save money and the priority they placed on saving generally, and whether they were in a dual income household.

The group shared a general lack of financial security or stability, experience of disruptive life events such as unplanned pregnancies, divorces, getting into debt, and struggled to financially support their children.

In comparison to those not enrolled, certain members of this group put more effort into saving and felt this was important. However, this was often not deemed possible or affordable. Despite everyone currently saving into a workplace pension, this group included people who felt generally unable to save in other areas of their life. Those who felt unable to save were typically receiving benefits and discussed the ‘poverty traps’ in the system and the drain of the cost-of-living crisis on their spending. For example, some participants believed they would earn less if they increased their working hours due to their benefits being reduced as a result. However, they could not increase their income from benefits so felt ‘trapped’ in their current financial state.

Those with young children also discussed being focused on short-term budgeting, delaying any longer form of personal or family saving (excluding pensions) until their children were older and more self-sufficient. As explored in chapter 3, saving toward a pension allowed some respondents to keep their earnings at a level that meant they retained some benefit payment under Universal Credit.

Those in this group who could afford to save (both generally and into a pension) were typically able to do so by taking a household (rather than individual) approach to saving as a result of a partner's salary. Others felt secure and able to save from owning mortgaged property or not having to pay rent.

> *"Not having to think about that [paying rent] is massive. Before I got this job with the church that came with a house we lived nearby and had to pay £1200 a month for rent before bills. That was all of my income plus one third of my wife's income!" (Below earnings trigger, saving into a workplace pension)*

Group 2 also contained people for whom saving was extremely important, even if this was challenging and they were only able to save up small amounts at a time. These individuals wanted to create a buffer for unknown circumstances, or performed 'mental accounting', allocating savings to specific purposes such as maintenance for their disabled child to survive on in adulthood. In a more practical sense, spending apps were also used to forecast spending for coming weeks and months.

> *"I'm a great believer that nothing is guaranteed in life. I could lose all my money tomorrow, something could happen and at least I've got something to fall back on if I need it." (Below earnings trigger, saving into a workplace pension)*

> *"The only time I would actually consider [opting out] if I couldn't afford food for my children."* (*Below earnings trigger, saving into a workplace pension*)

Despite widespread confusion about pensions, these more committed savers were more likely to understand how their workplace pension operated and see it as one component within their wider savings strategies. As a result, they were also more likely than Group 1 (Not auto enrolled) to have made an active decision (in this case, to opt in). Personal life and financial values, often learned, were a motivator for members of this subgroup, with pension saving being viewed as a positive, 'normal' or socially desirable. Others justified being opted in by explaining that their contributions felt affordable and already accounted for in their daily spending.

Reasons for saving into a workplace pension

As with Group 1 (Not auto enrolled), many in this group did not recall making a decision about whether to opt into their workplace pension scheme. This reflected the low awareness and understanding across all groups, and that mechanisms exist that can lead to workers below the trigger being auto enrolled into a pension scheme. These include contractual enrolment and employers choosing for all employees to be auto enrolled, as well as examples explored below.

> *"I didn't know that I could do that [opt in or opt out]. I think now, having just learnt that I can do that, I don't think I would opt out. It seems like a vaguely*

> *sensible thing to do." (Below earnings trigger, saving into a workplace pension)*

Workers who were passively enrolled included those who had been auto enrolled by their employer without being given (or simply not recalling) the opportunity to decline. They also included the 'legacy enrolled': those who had been auto enrolled when their earnings were above the trigger and remaining enrolled when their earnings drop below the trigger (see case study 3, below).

Case study 3: Passively remained in workplace pension after salary reduction

(*Below earnings trigger, saving into a workplace pension*)

Orla lives with and cares for her 10-year-old daughter who has disabilities. Orla has been working for her brother's law firm for the last 10 years. On average, she works around 16 hours per week to have enough time and flexibility for her daughter's medical appointments. She also receives Child Benefit, Tax Credits and her daughter's Disability Allowance.

Orla opted into a workplace pension when her salary was higher in the past and has remained in the scheme despite her income falling below the AE earnings trigger when she reduced her hours. She noticed the reduction in her salary when she first enrolled and adjusted spending based on this level. However, she has been saving into it long enough that she doesn't notice it any more.

"If it was increased I'd notice it again, but would then adjust. It might have quite a big impact though the way things are going!"

Participants in this group appeared to be more likely than those earning higher salaries to have missed or not received information from employers telling them they could opt out. This could be the result of poorer quality workplace pension infrastructure from employers, as discussed in chapter 3. It could also be due to participants combining multiple jobs (and therefore multiple communications channels), or taking on temporary work or changes to their contract, for example reducing hours to cover childcare or study.

Those who had made an active decision to opt in typically described being prompted about the option by their employer. They were then either explicitly encouraged to opt in by their employer or had made an individual assessment about the value and affordability of doing so (see case study 4, below). In our small sample, this experience was less common than people claiming to have been auto enrolled either on their current or previous salary.

> *"3% isn't much - it makes no real difference to our home finances or saving for extras."* (*Below earnings trigger, saving into a workplace pension*)
>
> *"[The annual pension statement] said there's only seventeen thousand in my pension and I thought that's not a great deal…I considered taking it out but*

> *decided against it because it's still a lot of money."*[9] *(Below earnings trigger, saving into a workplace pension)*

Case study 4: Active decision to prioritise saving for retirement

(Below earnings trigger, saving into a workplace pension)

Asif works as an evening receptionist at a local college, lives with his wife and two children, and receives Universal Credit. Due to health problems and caring responsibilities for his mother, he is currently unable to work longer hours and struggles to save money.

He was automatically enrolled into a workplace pension at a previous full-time role. He opted into a workplace pension in his current role as he considers it an important thing to do, and he saw his father living off his pension first-hand. His faith also prohibits earning interest rates on other types of savings. He finds pensions complex but regards himself as financially responsible and his current financial contributions as manageable.

"I am very sensible. I am Asian. I have been brought up to be careful"

"It provides peace of mind. It is your hard-earned money, you benefit from it when you are not as strong."

Group 3: "Opted out" (Above the earnings trigger, not saving into a pension)

	Group 3: "Opted out"	
	Active	**Passive**
Drivers of pension-saving behaviour	• Short-term budget priority • Precarious roles • Financial shocks	• Not informed • "Not AEd" by employer[10]

This group contained participants from a broad mix of ages and living situations, including those living with parents, in house shares, alone or with partners. They were more likely than those in other groups to be working on 'zero hours' contracts and for their working hours to vary widely.

[9] Note that under Normal Minimum Pensions Age (NMPA) this would not be possible without penalties: Increasing Normal Minimum Pension Age - GOV.UK (www.gov.uk). This participant may not have been aware of this.

[10] Please see the footnote on p34 for more detail.

Commonalities and differences in attitudes and experiences

Key differences around pension-saving attitudes and experiences within this group included desire for financial control, and the perceived ability to prioritise saving over short-term budgeting.

This group's desire for financial control appeared to be higher in general than unenrolled earners below the trigger (Group 1). There was a range in people's financial confidence, but discussions suggested that this group more commonly used budgeting tools and alternative savings and investment products. As with Group 1, younger earners discussed wanting to delay their pension-saving decisions to later in life.

A key subgroup within this group was those who felt extremely financially insecure and were focused on prioritising short-term budgeting. This included those using their overdraft facilities and with credit-card debt, living 'paycheck to paycheck' and those seriously affected by rising costs of living.

> *"Every month they take £20 from your salary. Obviously, now, in this hard time, we need that £20 to eat." (Above earnings trigger, not saving into a workplace pension)*

There were also those trying to achieve financial balance in the aftermath of financial shocks, events like redundancy or divorce, and individuals who were focused on other sources of investment as a route to feeling secure.

Reasons for not saving into a workplace pension

As with other groups, there was generally low understanding of and engagement with pensions. However, this group included some of those who were more engaged and active with their pension decision-making. The subgroups who opted out did so for reasons of financial vulnerability, were younger people in temporary roles and those with alternative investments. Others claimed to have not been enrolled despite being eligible.[11]

Those who had opted out to prioritise short-term budgeting included people who felt they were in desperate financial situations. This was typically linked to rising costs of living, life events and financial shocks affecting their household finances, such as childbirth, divorce, job loss or bereavement. One participant had opted out of his pension to provide more money for his family of five children in the short-term. Having lost his job and now working on a zero-hours contract he saw value in pensions and worried about the future, but felt he would have to prioritise his children's immediate welfare.

> *"I've had very good times in the past but it's the worst at the moment. Income and the climate, inflation. I feel really bad and I'm in the red zone at the moment…[It's] not being able to provide for the family as you have provided*

[11] These claims were based on participants' self-reported perceptions. Eligibility was not independently verified as part of the research.

> *in the past. I feel demotivated at the moment. It's not a very nice feeling." (Above earnings trigger, not saving into a workplace pension)*

Another participant had opted out the previous year due to financial struggles after his father passed away and he became a carer for his mother. He reported the pension money now went towards unexpected but important costs such as dentist visits or vet bills. While open to opting in again, he acknowledged that this was not feasible unless his salary increased.

> *"At the moment I wouldn't opt back into the pension scheme, but moving into a new career, it's something I might reconsider." (Above earnings trigger, not saving into a workplace pension)*

The contrasting subgroup was those who opted out for reasons not directly linked to their financial vulnerability. They tended to be younger and working more temporary jobs. Some were advised by employers against saving at this stage and told to delay until they had a more established career. These participants also tended to feel more financially secure or confident due to a combination of individual attitudes and having alternative savings or investments, property, help available from parents (see case study 5, below) or expectations of inheritance.

> *"I didn't really know what the workplace pension meant. I asked my mum if I should opt out given the role is temporary and she asked a friend who is an accountant and told me to opt out as it's not worth it." (Above earnings trigger, not saving into a workplace pension)*

Case study 5: Pension sceptic who preferred alternative plans for retirement

(*Above earnings trigger, not saving into a workplace pension*)

Hazeema, 22, works full-time as an agency teaching assistant and wants, long-term, to train as a teacher.

Hazeema's dad's financial attitudes had a big impact on her. He did not believe in pensions but instead prioritised property investment. It is therefore Hazeema's goal to have a mortgage by the age of 25. She regularly watches videos on money saving and keeps track of her expenditures on spreadsheets.

Hazeema's planning for later in life is centred on property investment. It consists of saving as much money as possible now so she can invest in rental property. Hazeema plans to retire in her mid-40s to have more time for her future children. Following advice from her father and his 'loathing of pensions', she opted out of the workplace pension in her current position and instead saves the money towards property investment. She prefers to stay in control of her own money.

Within this group were also those aged under 22, whom employers were not obliged to auto enrol them into a workplace pension but could choose to opt in. As with under 22-year-olds in other groups, pensions were felt to be irrelevant given their current, often temporary, working circumstances.

The final sub-group were people who claimed not to have been auto enrolled by their employers, despite being eligible.[12] Where this occurred, participants typically

[12] As above, these self-reported claims cannot be independently verified as part of the research.

claimed they had not been informed about the workplace pension. In this way, they were similar to those below the trigger whose employers failed to let them know they could opt in. Neither group had taken an active decision to remain unenrolled. Participants who fell into this category were either complacent about their position or described feeling confused and frustrated about the lack of information from their employer (see case study 6, below). Those whose employers showed a lack of engagement with the topic often felt apathetic towards them too.

Case study 6: Confused about pension-saving

(*Above earnings trigger, not saving into a workplace pension*)

Natasha, 38, lives with her 12-year-old daughter in a rented flat, works in dementia care for a private agency and is training as a nurse. Her mental health and finances suffered severely following the recent loss of her mother and a child, but she feels more in control now. Natasha worries about retirement and whether she will have enough money to support herself. She has always felt confused by pension providers' projections and opted out of her workplace pension as the projected amount did not feel adequate. She feels she doesn't get enough pension information from work and this could be simplified. She is considering a personal pension and trying to put aside money for her daughter before retirement.

"They really should simplify the information so we can understand what we are getting."

"I want my daughter to have something when she is older. It will give her a lump sum at some point."

Group 4: Auto enrolled (Above the earnings trigger, saving into a pension)

	Group 4: Auto enrolled	
	Active	**Passive**
Drivers of pension-saving behaviour	• Value pensions • Part of saving behaviour • Affordable	• Auto enrolled

Participants in Group 4 tended to be older than those in other groups, typically in their 30s or 40s, living with children and a partner. This group were more likely than the others to have a dual household income and to own their own home. Compared with groups 1 and 2 their partners were more likely to be paying into their own separate pension pot. Younger participants were also present in the group. Although still likely to be working part-time, members of this group were often working closer to full-time than other groups, for example 25-35 hours a week.

Commonalities and differences in attitudes, behaviours and experiences

The main differences in pension attitudes and experiences within this group were the result of age, whether participants had a dual household income, and levels of trust in and engagement with pensions in general.

In terms of their attitudes and behaviour, this group shared a focus on saving. Saving could be for short-term gain, for example for treats and holidays, or part of longer planning. This had often started earlier in their adult life and been paused and restarted when necessary. Parents' attitudes to saving were an important influence. Less proactive savers appreciated that pensions were an aspect of saving that was taken out of their hands and constituted something helpful they didn't have to worry about.

Despite extremes in individual circumstances, this group had higher levels of financial security in general. While awareness and understanding of pensions remained low, people in this group were more likely to feel positively about paying into a pension and valued it more than those below the earnings trigger.

> *"I'd just been brought up to save. It was drummed into me at a young age." (Above earnings trigger, saving into a workplace pension)*

> *"If you opt out you're not helping yourself because you're eating tomorrow's money now…It's a good way of stopping me from touching it, helping me later in the future." (Above earnings trigger, saving into a workplace pension)*

A key distinct subgroup was younger participants, as seen in other groups. However, in contrast with groups 1, 2 and 3, while working low-paid jobs, these earners typically had some level of parental support that reduced their living costs and/or viewed pensions as part of wider investment strategies. ISAs, LISAs, crypto-currencies and other pension plans were also mentioned as other sources of financial security.

> *"My plan with crypto was for a house deposit but I lost that. I have safer investments in stocks and shares too. I took the pension offered at work. I know I can't rely on a state pension as it will be nothing by then, the triple lock can't last." (Above earnings trigger, saving into a workplace pension)*

> *"It's a no-brainer - they put in 3-4 times what I do - I do 3% and they do 10%."[13] (Above earnings trigger, saving into a workplace pension)*

Another key subgroup was those with live-in partners and dual household incomes. This was a major driver of feelings of financial security. While this subgroup could still struggle financially, they tended to feel in a better position than those attempting to support themselves and children on one income.

Despite contributing towards a workplace pension, Group 4 (auto enrolled) included participants who were sceptical about the value of pensions, an attitude present across all four groups. This ranged from people who were broadly positive about

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[13] Note that this is an example of employers contributing above the AE minimum. Individual workplace arrangements may vary.

pensions but felt their workplace pension alone would not be sufficient to support them in retirement, to people who actively distrusted their employers and had low trust in pensions.

> *"I don’t know how to find out [how much is in my pension pot]. I would cry probably." (Above earnings trigger, saving into a workplace pension)"*

> *“It’s worth doing. However, it's probably not enough to be saving which is why I'm going down an alternative route. I'm trying to get a [personal] pension fund of my own so this will just be an add on.” (Above earnings trigger, saving into a workplace pension)*

Reasons for saving into a workplace pension

As with other groups, and inevitably due to the default nature of AE, there was little active decision-making in relation to workplace pensions. Participants were generally pleased to be contributing to their pension but had little knowledge of how much they were contributing and some feared discovering how little this was (see case study 7, below).

Case study 7: Active pension saver with limited understanding

(Above earnings trigger, saving into a workplace pension)

Katie is 23 and lives with her partner and young baby and has returned to a job as a GP surgery administrator in a part-time capacity after having a child. Katie considers herself good at saving money and feels financially secure. She uses different saving pots for house, car or holiday expenditures.

"It [saving] makes me feel secure, so I don't have to worry and I know where all our money is and I know how much we've got for each thing. It makes me feel not so stressed."

For her retirement, Katie and her partner are planning to rely only on their workplace pensions. When she first started her role as apprentice, she did not opt in as she was not earning enough money to afford pension contributions. She was automatically enrolled when she moved on in her career and earned more than £10k. She likes the ease of contributing directly from her salary and values the sense of security she feels from regularly saving into a pension. However, she doesn’t feel confident in her understanding about pensions and doesn’t feel she has received clear information either from her pension provider or her employer.

"It's just so above my head I don't understand it. I can read about it, but I don't understand it!"

Self-motivated and financially literate students and young people valued pensions as a component of their wider saving behaviour and stated they were unlikely to opt out in the future (see case study 8 below). Those with dual incomes, as a result of feeling financially secure, also felt able to afford pension contributions.

Case study 8: Active pension saver

(Above earnings trigger, saving into a workplace pension)

Daniel, a 20-year old engineering student, lives in a shared house and has been working as a warehouse operative for more than 18 months. His working hours range from full time during holidays to 10 hours whilst he is studying. Daniel also lives off his student loan, crypto currency investments as well as company shares. He describes how his upbringing in a poor household made him prioritise a stable income and encouraged responsible money management. However, he considers risky investments to be acceptable while he is still young.

While he considers himself good at saving money, he lost more than £10k in crypto currency investments which pushed him into his current position as a warehouse operative. The income from this job goes towards his savings and is compensating for his past investment loss.

He feels well informed about his current workplace pension scheme, as well as other alternative saving options, such as ISAs and SIPPs. Daniel is very proactive in managing his finances, driven by the knowledge gained from his family's financial difficulties that he cannot rely only on a State Pension during retirement. He started his current workplace pension with his full-time warehouse operative position by opting in as he was only 19 and too young at the time to be auto enrolled. He considers workplace pensions to be very important in order to retire early (before State Pension age) and securely, which he wants to do by the age of 50.[14] Daniel is currently still contributing to his workplace pension despite working part-time and values the matching 5% employer contributions of his current scheme.

"I did my LISA a year late so missed out on a free £1K from the government. They did a bad job at advertising it. I found out about it on YouTube'

"I value [the workplace pension] a lot… if [the employer]didn't put in I'd be losing 5% per hour."

The attitude among those aware and relatively engaged with pensions, even those who were somewhat sceptical, was that they 'might as well' be in the scheme for the return on investment it provided. Less financially literate or engaged participants liked that they were able to contribute with minimal effort and thought. Others who defined themselves as 'spenders' felt it was useful that the pension contribution was kept out of their hands to support them in later life.

> *"It's something that I think of like tax, it's just taken out of my wage so I don't mind." (Above earnings trigger, saving into a workplace pension)*
>
> *"It's a good way of stopping me from touching it, helping me later in the future." (Above earnings trigger, saving into a workplace pension)*

[14] Note that under Normal Minimum Pensions Age (NMPA) this would not be possible without penalties: Increasing Normal Minimum Pension Age - GOV.UK (www.gov.uk). This participant may not have been aware of this.

Summary of differences between the groups explored in research

While the groups were each extremely varied, differences or tendencies were identified between those below and above the earnings trigger who are saving (or not saving) into a workplace pension.

Age and employment contract: Those in Group 1 (Not auto enrolled) tended to be younger and working more temporary roles. Those earning the same but saving – Group 2 (“Participating below trigger”) - tended to be older and had more of a mixture in type of contract and weekly hours worked.

Savings engagement and strategies / other financial support: Compared to those not saving, both groups saving into a pension Group 2 (“Participating below trigger”) and Group 4 (Auto enrolled) were more savings-oriented in all aspects of their lives. They were also more likely to contain those with dual incomes, receiving parental support, or in rent-reduced housing.

Benefits: Receiving Universal Credit appeared more prevalent Group 2 (“Participating below trigger”), see below.

Working hours: Those above the trigger and not saving into a pension (Group 3) were most likely to have varied working hours, which informed their nervousness towards pension contributions.

Automatically enrolled lower earners and those who chose to opt in did not differ to a great extent in attitudes and behaviours or experience beyond their annual earnings. With lower contributions, older opted in participants without a dual income were particularly anxious about the future. Another relevant difference was that one appeal of pension contributions to those opted in, below the trigger and on Universal Credit was to keep their savings below any imposed limits and prevent what was described as “the government from taking their money”.

Building on this understanding of differences in the drivers of low earners’ pension saving behaviour, the next section, Chapter 5, examines responses to the future changes to AE presented in research.

Chapter 5: Participant reactions to hypothetical changes to AE

This chapter explores responses from low earners to hypothetical future changes to AE requirements for workplace pension schemes. These hypothetical changes were presented as stimulus during research interviews (see Appendix B). The chapter also draws on what has been learned about different groups and subgroups to set out important considerations regarding the hypothetical changes. For the purposes of this section, each change will be referred to as a ‘scenario’.

Through the three scenarios tested with participants, this chapter is designed to assess the following:

- How low earners’ pension behaviours would change if contribution rates were to change.
- How flexibilities in the AE framework might encourage participation.
- How participants react to changes in the AE trigger.

Scenarios explored through the research

Three possible future scenarios were presented during the research interviews, with different options for each scenario. Each scenario is discussed below in the same order as the objectives they relate to: contribution rates, flexibilities, and the earnings trigger. Specific examples and theoretical contribution amounts were outlined in the stimulus. Note that these figures were only included to help participants engage with the scenario and discussions focused on whether the broad principle of the change was understood, appealed, and its potential implications.

- **Scenario 1:** Increasing the minimum contribution rate. Participants were asked to imagine that the total minimum contribution was increased from the default of 8% to 12%. Three different versions of this change were discussed:
    a. The employee contributes more than their employer (9% vs. 3%)
    b. The employee pays less than their employer (5% vs. 7%). In this scenario, the employee’s contribution would remain the same as at present if their employer only contributes at the statutory minimum.
    c. Both employee and employer matching each other (at 6%)
- **Scenario 2:** Employee opt-down/up. This scenario focused on a more flexible approach to pension contributions. As with scenario 1, participants were asked to imagine the total minimum pension contribution was increased to 12% with two alternative default versions of this scenario (outlined below). They were told they could increase or reduce their contribution from this level or opt out of the scheme altogether.

   a. Employee pays more (9% vs. employer's 3%), with flexibility to adjust or opt out
   b. Employee pays less (4% vs. employer's 8%), with flexibility to adjust or opt out

- **Scenario 3:** Changing the earnings trigger. This scenario focused on the current earnings trigger of £10,000 being lowered or increased.
   a. Earnings trigger lowered to £6,240 (the current 'Lower level of qualifying earnings'). This is the earnings level above which employers are required to contribute to enrolled eligible employee's workplace pensions under AE.
   b. Earnings trigger increased to £12,570. This figure reflects the income tax Personal Allowances above which most people pay income tax.

Lessons from how people engaged with the scenarios

Before discussing participants' reactions to the individual scenarios, it is worth reflecting on how they responded to the exercise generally. Participants' engagement with the stimulus has potential lessons for how to engage people with the topic of pensions and gives further insight into their pension behaviour. Three themes emerged across the interviews – how people engaged with the costs, how they responded to potential contribution increases, and key groups at higher risk of negative consequences from the proposed changes.

When engaging with the scenario costs, many participants were surprised that the figures used to illustrate pension contributions were lower than expected. People also typically used mental short-cuts to assess scenarios rather than more concrete assessments of personal affordability; for example, using existing contribution rates and the earnings trigger as a benchmark for what was deemed reasonable, or emphasising the intuitive 'fairness' of matched employer-employee contributions. Taken together, these responses highlight participants' limited engagement with pensions and that their reactions are based on partial knowledge rather than assessments of what is or is not personally affordable.

> *"If 12% is what they're saying you should save each month, then that's what I would aim for." (Above the earnings trigger, not saving into a pension)*

Reactions to potential contribution increases were polarised. Some participants connected pensions to their own behaviour and the potential benefits they could gain, feeling a sense of personal responsibility or wanting greater financial control. Others viewed pension saving as a decision or burden that was imposed on them and struggled to identify its benefits. Those in the first category were more open to accommodating higher personal contributions by changing their lifestyle and behaviour, even if this would be extremely challenging. Those in the second category tended to view an increase in contributions as inherently 'unfair' and unmanageable. This split in views – underpinned by variations in life and saving experience and levels of financial literacy – suggests that people default to these positions rather than rationally assess costs and benefits.

> *"It's for [my] benefit at the end of the day, it is a saving pot, it's helping [me in] the future, nobody else." (Above earnings trigger, saving into a workplace pension)*

> *"It doesn't seem fair that I have to pay in more and they're not paying in as much." (Below earnings trigger, not saving into a workplace pension)*

Finally, people's reactions to the scenarios highlighted certain types of low earners who were at greater risk of negative consequences from the considered scenarios. These at-risk earners included those paying into a pension but in precarious roles or perceiving any increase in contribution to be unaffordable. They also included those whose employment context made them vulnerable to missing key pension information.

Reactions to scenario 1: Increasing the minimum contribution rate

This scenario involved increasing the minimum contribution rate from the default of 8% to 12%. Three potential options were explored.

Overall, participants were open to the idea of the overall contribution rate (i.e. the combined amount paid in by employer, state and employee) increasing. Those saving into a pension were more likely to see this increase as positive. In contrast, the appeal of scenarios and their likelihood to change behaviour varied more among those not saving into a pension. Minimum contributions that required an equal contribution from employees and their employer (e.g. 6% and 6%) were felt to be the 'fairest' across all groups.

Option a) employee pays more

In this option, employees would contribute 9% to their pension, and their employer 3%.

This option was typically accepted (if not generally preferred) by those saving into a pension (groups 2 and 4), and met with scepticism from those not paying in (groups 1 and 3).

Compared to the other options presented, asking employees to pay more could be perceived as a significant increase and off-putting, expensive and unappealing. Participants in Group 4 (Auto enrolled) appeared least likely in relation to other groups to want to opt out if their contributions increased to 9%. This was mainly due to their valuing of pensions, in general and as their only form of retirement saving, and that the increase could be justified as affordable. This response likely also reflects a bias for the status quo and the loss aversion effect.[15]

[15] Loss aversion effect: individuals have a tendency to want to avoid a loss rather than acquiring an equivalent gain. In this case, more spending money per month.

“I’d happily pay more because it’s my pension at the end of the day.” (Above earnings trigger, saving into a workplace pension)

More financially secure participants, such as those supported by dual household incomes, either felt the increase would have minimal impact or would manage the increase by dropping certain comforts or luxuries. In general, participants claimed they would have to take more care with their spending or cut costs in response. Alternatively, participants working part-time roles discussed increasing their hours, although this was judged as harder or impossible for those with childcare responsibilities.

"I wouldn't buy that bottle of wine I was going to buy!" (Above earnings trigger, saving into a workplace pension)

“You just do, it’s just a saving for the future, you just make it work.” (Above earnings trigger, saving into a workplace pension)

Participants who reported being under the greatest current financial strain but who valued their pension reflected that careful planning and sacrifices would be needed to accommodate a higher contribution. The prospect of increased contributions was distressing to those who currently valued their pension but seriously questioned its affordability at a higher level (in Group 2 - “Participating below trigger”, and Group 4 - Auto enrolled). They claimed the cost-of-living crisis had already driven them to cut spending in a range of areas and additional sacrifices were not possible. These participants tended to express that as a minimum they would carefully consider the decision or feel forced to opt out.

“I’d have an absolute meltdown and think what costs am I going to cut? I’ve already turned off my Sky, turned off my landline, it’s oh my God what can I do now?” (Above earnings trigger, saving into a workplace pension)

"I wouldn't be able to put in my son's savings account or car fuel. Something would have to go." (Above earnings trigger, saving into a workplace pension)

“9% is too much when you're on a low wage, it's money than you might need now - you might find paying bills challenging, you'd have to cut back on other savings.” (Below earnings trigger, saving into a workplace pension)

Those currently not paying into a pension (groups 1 and 3) responded negatively to the idea of their contribution increasing to 9%, and claimed they would be even less likely to opt into the scheme in this instance. Eliciting extremely strong reactions from those who were opted out, this was felt to discourage those who might consider opting into a pension in the future.

“Increasing the mandatory percent and putting all of that onto the individual, especially in today’s current climate where so many people are in dire need, taking more money out of their pocket is a ridiculous notion.” (Above earnings trigger, not saving into a workplace pension)

“I think that is a fairly significant increase, I think that would just make me hesitate a bit more.” (Below earnings trigger, not saving into a workplace pension)

Option b) employer pays more

In this option, employees would contribute 5% to their pension, and their employer 7%.

In contrast to option a., responses to the prospect of employers paying more into pensions were driven more by employment context and attitudes than which research group participants were in. This largely appealed, particularly to those who felt their employers, or businesses in general, should take more responsibility for supporting their staff.

> *"Business is a way of supporting the economy, so the onus shouldn't be on us employees. We are being squeezed enough, and businesses should step up." (Above earnings trigger, saving into a workplace pension)*

However, there was a fear this change could have unintended negative impacts on them and their colleagues by increasing the financial burden on employers. This could be in the form of increased pressure or demands on their time, reducing wages or the likelihood of pay rises, or in driving redundancies. These participants were often in precarious, highly replaceable roles, working for SMEs, or in stretched areas of the public sector (for example nursing or education).

As resistance was also expected from employers, participants spontaneously described this option as 'unrealistic' despite its appeal. This was particularly the case in areas of the public sector felt to be particularly stretched, such as the NHS and schools. These participants were responding to the prospect of an increase in contribution levels. As many public sector employees already have high contribution levels beyond 7% for employers, the specific case discussed would unlikely have this impact in practice.

> *"What impact would [increasing employers' contribution] have on jobs? I work in education!" (Below earnings trigger, saving into a workplace pension)*

One participant who had worked in a major UK supermarket chain for almost 20 years felt it was highly unlikely that their employer would ever pay more into their pension than she did. It was also expressed that pressure on employers could lead to a rise the price of goods and make the cost of living more expensive.

A niche view expressed by different types of participants, in more stable work, was that this was unfair on employers. This was felt most strongly by those who worked in partners' or family members' companies but was also felt by employees of SMEs with close relationships with their employers.

> *"I think any ratio where someone else is paying more than me, is a little bit unfair." (Below earnings trigger, saving into a workplace pension)*
>
> *"I see how hard it is for the employer at the moment with the increases in PAYE, VAT, tax in general. Each week we pay into [pension provider], we pay weekly, and the employer physically couldn't afford to do it if you increased." (Above earnings trigger, saving into a workplace pension)*

Option c) employee and employer match each other

In this option, both employee and employer would match each others' pension contributions at 6%.

The concept of matching appealed broadly to a range of participants saving and not saving into a pension due to it being seen as the 'fairest option', and its relative affordability (asking for +1% more in their contribution) compared to others. This smaller increase was contrasted with option a. which was felt to be 'a burden'. It was also felt to be the most manageable for employers given that employee and employer contributions would close to double under the other two options. As these options were explored qualitatively, some of the appeal of option c. is likely to be in that it represents a comprise between two extremes.

Participants not saving into a pension (groups 1 and 3) were more likely to claim they would opt in under this option as a more enticing offer. Those saving into a pension (groups 2 and 4) often perceived this as more rewarding (see case study 9, below). Fairness could represent a potential hook for those earning between the lower earnings limit and the earnings trigger. This has to be considered against the challenge of low engagement with and comprehension of the topic of pensions in general.

> *"If my employer was stepping up and increasing their contribution too, that would make me feel better." (Below earnings trigger, not saving into a workplace pension)*

However, others claimed they would not opt in even under this potentially fairest and most affordable option. These were participants who would be reluctant to opt in under all circumstances. Typically, this was due to perceived affordability, feeling they had no additional money to spare, or participants who fell into the subgroups of younger workers in fill-in or temporary jobs with no interest in paying into a pension yet.

"Even [with] the 6%, realistically, you're going to see the difference in your wage." (Below earnings trigger, not saving into a workplace pension)

Case study 9: Greater impact and more financial control from a matched, flexible pension pot with a higher default employer contribution

(Above earnings trigger, saving into a workplace pension)

Frank is 32 and married with two young children. He works part-time at a supermarket and sells painted figurines. He is focused on short-term budgeting (e.g. for his mortgage) but also wants to save for his children's future. He is trying to increase his hours, has had two pay rises, and uses a banking app which puts change from transactions into a savings pot: *"At the end of the month I can save ten to fifteen pounds just with that."*

As Frank values his pension, he would continue saving into it regardless of any changes to the AE scheme. A combination of different AE scenarios is highly appealing. Having his employer match his contributions would lead to a bigger pot, but he does not think it is right for his employer to pay any more than him. Flexibility to increase his contributions in the future is highly appealing, although he is not aware that he can already do this.

"If they matched, but I [sic] could individually increase mine I'd be happy with that."

Reactions to scenario 2: Employee opt-down/up

This scenario focused on a more flexible approach to pension contributions, where participants could increase or reduce their contribution or opt out. As with scenario 1, the total minimum pension contribution would be increased to 12%.

Participants often found the flexibility offered by this scenario intuitively appealing. Similar to the ‘fairness’ of employer-employee matching, it appealed both to those saving and not saving into a pension. The scenario addressed concerns outlined in chapter 3 about accessing pension funds and a lack of control. Therefore, across the four groups, it especially appealed to those anticipating potential changes in their lives or to their income, and those who wanted greater financial control over pensions. The latter group included those who were saving into and valued their pension. A flexible pension was also felt to have clear practical advantages for those whose incomes fluctuated month-to-month or were unpredictable. However, as explored below, participants also felt that a more flexible pension could undermine some of the benefits of AE, i.e. that it is automated and money is ‘locked away’.

Option a) opt down/up, employee pays less

For this option, employees would pay *less* than their employer (4% vs. employer’s 8%), with flexibility to adjust this up or down, or to opt out.

This was the more appealing of the two options tested, especially among those not saving into a pension (groups 1 and 3). More flexibility was often seen as attractive and to encourage them to consider opting in. This lower default employee contribution was preferred as a way to contribute even a small amount to their future and seen as a ‘good deal’.

> *“I think that would encourage me to do it, rather than it being completely fixed. That would definitely help make that decision easier.” (Below earnings trigger, not saving into a workplace pension).*
>
> *“[This option] is a lot of reward for not as much risk.” (Below earnings trigger, not saving into a workplace pension).*

This option appealed to those who valued and saved into a pension in groups 2 and 4, could not afford higher payments for now but were expecting or worried about future changes to their life that would affect payments (for example childcare or a mortgage). See case study 10, below, for an example of this. Those in precarious work felt this could cushion the blow of having to contribute to a pension and better accommodate the fluctuations in earnings experienced by many in this group. This response likely also reflects a mental shortcut that paying only slightly less than the default has inherent appeal when pension contributions currently feel "too much". Participants feel they are gaining back a bit of money in the short-term, while not losing out on their pension.

Case study 10: A flexible pension pot that can adjust to career progress

(Below earnings trigger, saving into a workplace pension)

Jackie is 37, a single mother with three children working as a care assistant, about to start a law degree. She secured a student loan for her degree in order to lead to a career that will improve her and her children's lives. Jackie wouldn't opt out under any AE scenario, although she feels she could not currently afford to pay more in. A more flexible scheme would allow her to increase payments in a more established career in the future.

"I'm on a low income and can't afford to put more in, if the employer can they should. It's an incentive to be more loyal to them as well, a lot don't stay long where I work so maybe it's a good incentive to keep your staff."

"I need to have a pension. Whatever they do I'm going to stick with it to get something at the end of my life."

A more flexible pension scheme with a lower default employee contribution (of 4%) also appealed to those anxious about the impact of a lower earnings trigger discussed in the research interview. This is explored in more detail in the section below on scenario 3.

Option b) opt down/up, employee pays more

For this option, employees would pay *more* than their employer (9% vs. employer's 3%), with flexibility to adjust this up or down, or to opt out.

Starting with a higher default employee contribution (of 9%) was less appealing. Higher default contributions were perceived as unaffordable for participants or their household. More financially literate participants also identified that reducing their contribution under this option would mean a smaller pension pot in total due to the lower employer contribution.

A flexible option was favoured by those saving into a pension who wanted greater financial control and liked the idea of increasing their contributions as employees. One participant made a parallel between this and overpaying on mortgage contributions.

> *"I'd probably put in slightly more if it was me...it's not going to affect me too much and give me a bit more security at the end of it." (Above earnings trigger, saving into a workplace pension)*
>
> *"I overpay my mortgage, I don't need to but it's useful to be able to do this." (Below earnings trigger, saving into a workplace pension)*

Neither of the two options presented appealed to those disengaged with pensions, for example those early on in their career or those with inherent low trust in pensions (see case study 11 below).

"£9 a month, if you think about it, that's a day's meals for me and my husband and my son, so I could realistically think 'I can't eat that day because I'm paying for this pension." (Below earnings trigger, not saving into a workplace pension)

Case study 11: No options appeal due to low trust in pensions

(Above earnings trigger, not saving into a workplace pension)

Mo is 36 and works at a toys and games shop. He works part time in order to care for his mother, who he lives with. He opted out of his workplace pension a year ago due to its perceived affordability and low trust in the long-term value of pensions. The rise of crypto-currency has made him more sceptical of traditional savings options.

As he is focused on maximising his income, no change to AE would make a difference to him at the moment, although flexibility would be most acceptable. He is considering retraining as a teacher, a role in which pensions may be more appropriate.

"I just don't know if [a pension] would be something in the long term that's going to be financially secure…the way society is shifting, were shifting towards other means of paying…at the moment to be contributing towards a pension scheme is something I just thought I would take a break from."

Participants' responses, attitudes and behaviours indicate risks from introducing more flexible pensions. Those who valued and were paying into their pension felt they could be tempted to opt-down when their circumstances changed and lose the benefits of a pension. While appealing to those desiring greater financial control over pensions, proactive monitoring was seen as unrealistic and burdensome by disengaged and 'passive' participants (see case study 12, below). Participants were also confused and sceptical about how a flexible pension would work in practice, and whether this was practical for them or their employer to manage.

"Reducing it is a bit silly because you won't be financially secure when you get to retirement." (Below earnings trigger, saving into a workplace pension)

"You'd probably think I'd keep that bit because if you put in less there's always that temptation to spend it and not put it in!" (Above earnings trigger, saving into a workplace pension)

'What happens if you go down to 3%? Would the employer contribution drop too? And how flexible can you be over time? Can you change it every year or 2? I doubt if it could be every month as it would be too costly to administer." (Below earnings trigger, not saving into a workplace pension)

"It's a great idea in principle but probably only for big employers. A small business would find that very difficult." (Above earnings trigger, saving into a workplace pension)

Case study 12: Informed choice difficult for person disengaged from pensions

(Below earnings trigger, not saving into a workplace pension)

Michelle is 44 and lives with her husband and 21 year-old son. She has just started working in a school canteen to supplement the job she loves and has been doing for 18 years: a school crossings guard. Despite recently losing Universal Credit due to her husband's new job, she feels financially stable for the first time in her life.

She doesn't understand pensions and was advised by her employer against enrolling due to her low wage. This lack of understanding meant none of the options appeal and she worries whether she would be informed enough to manage a flexible pension. She might opt in in the future if her contributions were minimal or if the MoneySavingExpert told her it was an important thing for her to do.

"Realistically, thinking about pensions, I don't know enough. I will listen to what Martin Lewis has to say."

Reactions to scenario 3: Changing the earnings trigger

This scenario focused on the current earnings trigger of £10,000 being lowered or increased.

Responses to the options within this scenario naturally differed between those above and below the current trigger of £10,000 and triggers proposed in the scenario (£6,240 and £12,570). However, other factors and subgroups are important to take into account. These groups included opted-out participants who were opposed to opting in at any level due to affordability (including participants of all ages) and those who were delaying opt in until later in life or a new job (typically younger participants). Crucially, those passively not saving into a pension were also more likely to expect to stay in a pension if automatically enrolled under a new trigger.

Option a) Earnings trigger lowered

In this option, the trigger would be lowered to £6,240 (the current 'Lower level of qualifying earnings').

If the trigger was lowered, certain participants below the earnings trigger and not saving a workplace pension claimed they would opt out as soon as they could. These participants either felt unable to afford saving into a pension or were distrustful of them. For example, one participant currently put aside just a few pounds every month, had money allocated to cover bills, and a small pot for emergencies. His money left over was viewed as disposable income rather than 'savings'. The amount felt critical, and he was not willing to spare it for a pension.

> *"If you can opt out then it's 'yeah, see you later! Keep your pension, thank you very much, I need to pay my bills'." (Below earnings trigger, not saving into a workplace pension)*

Those with low trust in pensions claimed they might be able to afford or accommodate a contribution, but did not value the system enough to do so.

> *"I have a big issue with the long-term impacts of saving for a pension anyway….you're actually losing money because as inflation is rising your*

> *savings are devaluing." (Below earnings trigger, not saving into a workplace pension)*

Projected behaviour in responses to this was varied. One participant claimed that if this change came into practice, she would look to work multiple jobs to 'avoid' AE.

Claims from those who feel they would opt out if the trigger was lowered should be treated with caution given the pattern of existing passive behaviour and low engagement with pensions. Some younger and more financially stable participants claimed they would not opt out, prioritising ease. While questioning AE at this low level, they would stay in as this was an easier decision and the amount felt affordable.

> *"If you're automatically enrolled I think you're more likely to stay in - it's easier than having to opt in yourself and I want to have a pension for the future". (Below earnings trigger, not saving into a workplace pension)*

This scenario was considered in combination with other options proposed. Remaining enrolled was largely felt to not be feasible if it involved paying more than the current default into their pension (9% as in scenario 1, option a.).

Others currently under the earnings trigger claimed they would consider not opting out if this trigger was lowered, but only if they could make flexible pension contributions (scenario 2. These employees would want to be enrolled paying 4% of their earnings in rather than the current 5%, with the option to increase or reduce this in the future.

A lower trigger was also seen as a prompt by some of those more passive about not saving into a pension to consider its benefits and suitability. Existing behaviour suggests this would be unlikely to happen in practice. However, better understanding of pension costs and the prospect of a lower trigger encouraged one participant to consider discussing this with his employer, a major UK supermarket. Being informed, receiving quality information from employers and making opting-out easy to do were seen as critical.

> *"I like the idea of having more autonomy over, not just having a pension, but also over how much you want to put in, because what that is saying is that if I was in a financial situation where having money now felt more important than having money a really long time in the future…that's the ideal scenario really." (Below earnings trigger, not saving into a workplace pension)*

> *"I think it's better to be lower as [currently] auto-enrolment means [those earning below £10,000] have to actively think about it and make a decision. But I think there does need to be more education, so people understand better." (Below earnings trigger, not saving into a workplace pension)*

Group 2 ("Participating below trigger") responded positively to the idea of lowering the trigger as it reflected their current behaviour and the value placed on a pension. For those more passively paying in, for example due to being enrolled at a higher wage before reducing their hours, this also felt feasible as nothing would change about their financial circumstances. Auto-enrolment was seen in the most part as a positive, by taking an important decision out of people's hands that could ultimately benefit them.

> *"I would rather have the decision made for me. I don't know how pensions work, but would rather (I was getting) something than nothing. People won't miss what they haven't had." (Below earnings trigger, saving into a workplace pension)*

Lowering the earnings trigger would have little to no impact on the behaviour of Group 4 (Auto enrolled) and views reflected how well they felt it would benefit or not benefit other earners. For example, those who valued their pension expressed that the 'lower the trigger the better' to support people's future. Those aware of the financial struggles of those in lower income brackets, including close friends, were more concerned with this option.

Option b) Earnings trigger increased

In this option, the trigger would be increased to £12,570

Participants' views towards a higher earnings trigger were generally more negative or neutral than towards lowering it. The responses of different groups are explored below in the order in which this change would directly impact their pension saving behaviour and participation in the workplace pension.

Those above the earnings trigger and saving into a workplace pension ranged in their annual earnings from £10,000 - £19,000. Therefore, this proposed change would affect members differently depending on their current salary. Regardless of current earnings or how active or passive their decision to save into a workplace pension had been, there was a reluctance to lose out on the opportunity to pay into a pension pot.

> *"[The pension value is] going in the right direction. I wouldn't say it's everything to me but I wouldn't want to be without it….it's more money!" (Above earnings trigger, saving into a workplace pension)*

However, the prevalence of passive decision-making and the role of the earnings trigger as a behavioural prompt would risk those earning between £10,000 and £12,570 remaining out of the system in this scenario. Participants earning below the newly proposed trigger were concerned that they would never have entered a workplace pension scheme in the first place without AE and so would 'lose out' under this policy. Even when actively weighing up whether to opt in, one participant explained how the trigger shaped decision-making by anchoring the level at which it appeared sensible to opt in or out.[16]

> *"I don't think I would have opted in even if I had the choice, I think I would have had quite a simplistic view of it, thinking that if the trigger is £12,570, that must be an amount at which its sensible to do it." (Above earnings trigger, saving into a workplace pension)*

While sceptical of the idea of raising it, Group 2 ("Participating below trigger") tended to claim they would still opt into a scheme in this instance. This was most often

[16] 'Anchoring' is a behavioural heuristic (i.e. mental shortcut) in which people depend on an initial piece of information (the anchor) to inform subsequent decisions.

because they valued their pension. However, in practice, participants' pension behaviour is unlikely to be this proactive. This is especially true of the 'passive' members of Group 2 who remained enrolled in the scheme despite reducing their hours or salary.

> *"I'd still remain in, even if I was on a trigger where I wouldn't be enrolled in, I would still chose to opt in because of the financial benefits later on in life." (Below earnings trigger, saving into a workplace pension)*

> *"I always like the idea of contributing towards a pension - it's not been at the top of my list...I've always said to myself I'm too young to be worrying about that, but it's time now." (Below earnings trigger, saving into a workplace pension)*

> *"Auto-enrolment is better than having to do it yourself as you wouldn't bother." (Below earnings trigger, saving into a workplace pension)*[17]

Views of Group 1 (Not auto enrolled) and 3 ("Opted out) on raising the earnings trigger mirrored these groups' views towards a lower trigger. Participants who felt pension contributions were not affordable within the context of their situation and the cost-of-living crisis favoured an increase in the earnings trigger so they would not be AE'd. This included those in precarious roles who prioritised short-term budgeting. In contrast, those who viewed their working situation as more temporary and expected to make a decision to save into a pension in the future tended to feel pension-saving was important for everyone and the trigger should not be raised.

Responses to other potential flexibilities and options

Participants were also asked about other potential facilitators to pension saving and planning for retirement. A pension pot that you keep with the same pension provider as you move between jobs ('Pot for Life' or stapling) was the most appealing of these. This also reflected existing behaviour from those who wanted financial control, who mentioned themselves or partners already using tools such as Pensionbee and PensionWise. This was most attractive to those currently saving, as keeping track of pensions was a barrier to engagement but a key reason for opting out. However, setting this up needed to be made as easy as possible. The ability to make one-off contributions appealed to those who wanted a flexible pension they could increase over time. Spontaneously, participants across all four groups complained about lacking clear, quality information about the final value of their pension that would encourage them to keep paying in.

[17] This participant was 'legacy enrolled': enrolled while earning above the trigger and working full time, and remained enrolled as their earnings dropped below the trigger when working part time.

Chapter 6: Conclusions and recommendations for further research

Attitudes to AE and pension saving

In this research, AE was generally regarded positively amongst lower earning employees. While participants were experiencing a range of financial pressures exacerbated by the cost-of-living crisis, they tended to feel people should contribute towards their pension if they could afford to do so. One result of this attitude was that, because AE was broadly seen in positive terms, the prospect of widening participation in workplace pensions had more inherent appeal than limiting it across the different groups interviewed.

Research also suggested that comprehension of and views on AE and pension saving are influenced by employer contexts, particularly among those working for small or micro businesses. These views included concern over the affordability of pension contributions for employers, and misconceptions around qualifying for AE or having the right to opt in.

Misconceptions around benefits and pension saving

The interviews also revealed common misconceptions among low earners concerning the interaction of the workplace pension with benefits. Individuals expressed that their benefit entitlement (including Universal Credit) might be reduced or disappear if they started saving into a pension and led some to decide not to contribute to a pension despite being eligible.

More generally, a lack of understanding around pension saving, including whether an individual qualified for enrolment and the benefits of being in the workplace pension, could often be a barrier to engagement and action. Given the wide range of incorrect views expressed within this qualitative sample, this confusion and general lack of knowledge could be expected to be seen within a wider population of low earners.

Passive and active drivers of pension saving behaviour

Examples of ‘passive’ pension saving behaviour were observed from all groups of participants, regardless of earnings or whether they were participating in their workplace pension. As well as simply being auto-enrolled, those whose pension saving was passive included those unaware of the right to opt in or out, and those legacy enrolled.

Within the sample, those who made active decisions to save into a pension (including those below the earnings trigger) tended to prioritise saving in general or feel financially secure at a household level. Among those making more active decisions not to save into a pension, motivations for doing so varied. One primary motivation was a perceived lack of their affordability, while other views included low trust in pensions and preference for of alternative savings vehicles or investments such as ISAs or cryptocurrency. Participant views on pensions' affordability were open to changing when they were presented with example amounts of what they might be expected to pay. This reflected complaints about pensions' lack of tangibility and points to the value of clear and concise information to inform decision making.

Uncertainty and fear could drive pension behaviour. Participants' uncertainty about the future often led to present bias. Fear was also a driver of pension-saving behaviour, including saving through fear and not saving due to paralysis.

Policy implications and opportunities for further research

This research has covered a wide range of views and experiences from low earners relating to pension saving, and explored multiple dimensions of AE. It has identified and categorised the varied factors shaping pension-saving behaviour. The research has recognised the importance of 'passive' influences, as well as social and material factors such as workplace pension infrastructure in driving pension saving behaviour. Therefore, it is worth considering these factors when developing or introducing changes to policy. These can also be used as a framework for structuring and targeting future interventions and policy decisions.

Recommendations for further research to build on these findings are set out below.

1. Participants typically described a lack of knowledge about their workplace pension, poor engagement from their employers with WPP requirements and a lack of information. This potentially links to type of employment contract and employer size. Some participants described a feeling of loyalty towards smaller employers that had employed them for a long time (Chapter 3: Workplace Pension Infrastructure). Previous DWP research has found differences in employers' capacity to engage with pensions to be dependent on their size (DWP 2022c). Research could be conducted with employees of smaller and micro employers, to understand how to better support these businesses to engage their staff in pensions. This would include exploring lower enrolment rates among those employed by these types of organisations, and the role of workplace norms and pension infrastructure.
2. Participants described a lack of motivation to save into a pension. This is in parts caused by the complexity of the pension system, a lack of understanding, and the need to look across multiple pension pots (Chapter 3: Awareness and Understanding). The government's ambition to launch pension dashboards will enable potential research to look closer into the impact of dashboards on savings outcomes.
3. This research focussed on participants on low income, some of whom were in receipt of Universal Credit. Although not a research objective, the interviews indicated widespread confusion about the interaction between benefits and pension saving. Further exploring the experiences of pension saving, specifically amongst those receiving working age benefits (e.g., Universal Credit) may benefit the development of clearer communication and guidance.

4. Some participants who were not saving into a workplace pension decided to use other means of saving and investment, such as property, crypto-currencies and other financial products (Chapter 5: Group 3). Some participants described their cultural identity being an important factor when deciding to save (e.g., being Asian, case study 4). Investigating cultural determinants of pension saving could enable a more informed approach to supporting more people of diverse backgrounds to save for a secure retirement.
5. This research has identified multiple areas where participants showed a lack of clear understanding or discussed their uncertainty leading to fear. These include the State Pension, tax relief, and other considerations when receiving benefits (Chapter 3: Economic and Political Uncertainty). Research into particular areas of pensions where knowledge appears to be particularly lacking, could complement DWP research 'Engaging with pensions at timely moments' about when people are likely to engage with pensions.

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Appendix A: Achieved Sample

Income	
£5,000 - £9,999 (saving into a workplace pension)	29
£5,000 - £9,999 (not saving into a workplace pension)	30
£10,000 - £14,000 (saving into a workplace pension)	20
£10,000 - £14,000 (not saving into a workplace pension)	15
£14,000 - £19,000 (saving into a workplace pension)	10
£14,000 - £19,000 (not saving into a workplace pension)	15
Gender	
Female (below £10,000 saving into a workplace pension)	24
Female (below £10,000 not saving into a workplace pension)	17
Female (above £10,000 saving into a workplace pension)	20
Female (above £10,000 not saving into a workplace pension)	18
Male (below £10,000 saving into a workplace pension)	5
Male (below £10,000 not saving into a workplace pension)	13
Male (above £10,000 saving into a workplace pension)	10
Male (above £10,000 not saving into a workplace pension)	12

Age	
18 - 25 (below £10,000 saving into a workplace pension)	4
18 - 25 (below £10,000 not saving into a workplace pension)	15
18 - 25 (above £10,000 saving into a workplace pension)	6
18 - 25 (above £10,000 not saving into a workplace pension)	14
26 - 35 (below £10,000 saving into a workplace pension)	6
26 - 35 (below £10,000 not saving into a workplace pension)	8
26 - 35 (above £10,000 saving into a workplace pension)	9
26 - 35 (above £10,000 saving into a workplace pension)	5
36 - 45* (above £10,000 saving into a workplace pension)	17
36 - 45 (below £10,000 not saving into a workplace pension)	7
36 - 45 (above £10,000 saving into a workplace pension)	15
36 - 45 (above £10,000 saving into a workplace pension)	11

Appendix B: Research materials

Pre task

Before we speak to you, we would like you to complete a short 'pre-task'.

This should take you ***no longer than 5 minutes*** *to complete and will* ***involve drawing a line on a BLANK PIECE OF PAPER*** *and making some notes. We've included an example on the next page to help you with this.*

Think about your adult life, from 18 up to the age you are now.

- What were the times in life you felt more financially secure or comfortable? For example, having saved up money to spend on a trip or a life decision.
- What were the times you felt less financially secure of comfortable? For example, finding it difficult to pay your bills or afford meals or drinks outside.
- What about those moments in between?

Please draw a line to show how your levels of financial comfort have changed. Everything above the line should indicate you were more comfortable and secure, below the line less comfortable and secure. We will ask you to hold the line up to the camera and ask you to talk about the line you've drawn.

Write out any life events or changes in circumstances that may have prompted a change in how you felt, and please write the year and indicate an arrow. You may also want to include your age at each moment.

KANTAR PUBLIC PROJECT: 262400204 DWP AE_Pre-task v2 1

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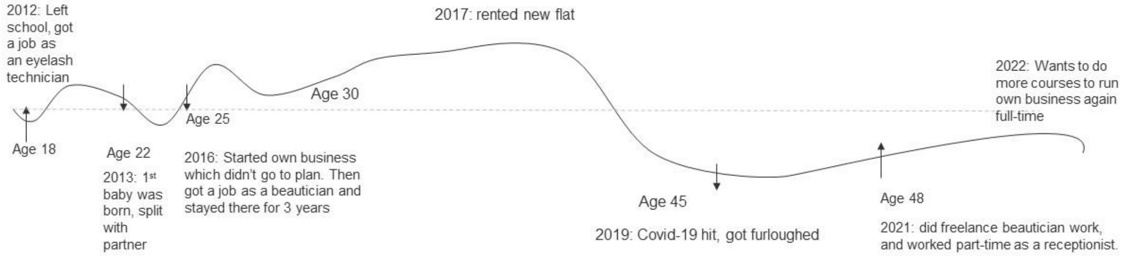
Pre-task - example

Draw a line (with peaks and troughs) to indicate changes in perceived comfort/security based on income / outgoings / life events. These lines can also indicate marked key financial events (e.g. significant income changes, investments, debt, saving). Write down the events above each age or time.



KANTAR PUBLIC Kantar Public 2

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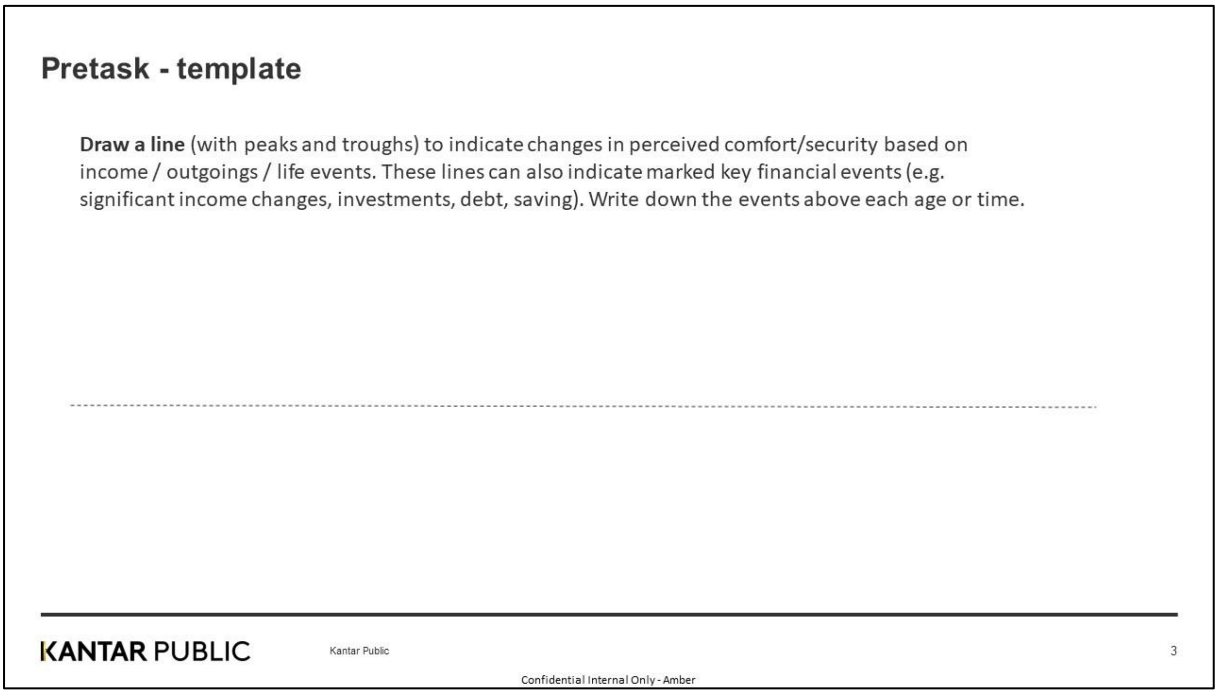

Topic guide

DWP Research with low earners on Automatic Enrolment

Background

The Department for Work and Pensions (DWP) has commissioned Kantar Public, an independent research agency, to carry out research into workers' perceptions and experiences of Automatic Enrolment (AE) into workplace pensions and later life planning.

Currently, AE legislation requires employers to automatically enrol employees (aged between 22 and State Pension age) who meet the annual earnings trigger of £10,000 into a workplace pension. Workers earning between £6,240 and £10,000 (the 'Lower level of qualifying earnings') won't be automatically enrolled but have the right to opt in. Employers cannot refuse and must make contributions.

There is a minimum total amount that must be contributed into an employee's pension savings by the employee, employer and government (in the form of tax relief). These minimums are generally: 5% from the employee (which includes tax relief) and 3% from the employer. The minimum contribution applies to earnings over £6,240 up to a limit of £50,270 (in the tax year 2022/23) – referred to as 'qualifying earnings'.

As part of a 2017 review[18], recommendations were made to develop and improve AE. However, stakeholders were divided about whether the earnings trigger should be raised, lowered, or remain the same. There is tension between wanting to bring

[18] https://www.gov.uk/government/publications/automatic-enrolment-review-2017-maintaining-the-momentum

more people into pension saving on the one hand, and not increasing costs for employers or bringing in people who can't afford to save on the other. The earnings trigger therefore remained at £10,000. By conducting research with individuals who earn above and below the earnings trigger, DWP will be able to explore and understand the pension saving experiences and behaviours of lower earning groups who would be affected by any decision made on the future of the trigger.

The research will also provide evidence to: help inform the annual statutory review of AE thresholds; support decisions on policies to protect lower earners whilst expanding AE and increasing contribution rates for the majority; and inform the implementation of the 2017 AE Review measures, particularly the removal of the lower earnings limit, which the DWP remains committed to introduce. This will have the biggest proportional impact on take home pay for lower earners.

The aim of this research is to explore people's views about the AE scheme. Specifically, this research will address the following objectives

- Identify the relative attitudes, behaviours, and experiences, in relation to pension saving and later life planning, of lower earners above and below the AE earnings trigger
- Compare the differences between people below and above the earnings trigger who are (and are not) saving into a workplace pension
- Explore the factors influencing those earning below the trigger to opt-in to workplace pensions
- Assess how automatically enrolled lower earners differ from those who have opted in
- Identify how low earners' pension saving behaviour would change if employee contribution rates were higher or lower
- Explore whether there are flexibilities in AE which would encourage participation

Equipment list
- Dictaphone
- Paper with line on it [pre-task]
- **A3 Paper** for journey mapping
- **PowerPoint Stimulus** for journey mapping (if interview is online)
- **PowerPoint slide-pack (physical or online)** for discussing scenarios

Key contacts
- Project director: Alice Coulter alice.coulter@kantar.com
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- Senior research executive: Sandra Hicks sandra.hicks@kantar.com

Please note, this guide is not a script and is intended to be used flexibly, with participant responses guiding the flow of the conversation, topics covered in the order that they naturally arise and probes used only when needed.

Introduction (3 minutes)

Section aim: Introduce research, reassure about confidentiality and set tone of discussion

- **Introduce moderator and Kantar Public**: Kantar Public is an independent research agency who have been asked to conduct research on behalf of Department for Work and Pensions (DWP). DWP is a government body responsible for work and pension services.
- **Aims:** The aim of the research is to understand workers' pension saving experience and explore views about later life planning in general.
- **Interview length** – 60 minutes
- **How their information will be used:**
- Information will be used for this research only and we will delete all identifiable information 3 months after the end of the research.
- Their views and experiences will be looked at together with views of others taking part in interviews across Great Britain.
- These views will be analysed by theme then a report written based on those themes.
- **Ethical considerations:** The research is **confidential and voluntary** and participants can withdraw at any time. Your responses will be anonymised and analysed alongside other participants. Taking part in the research will not affect their current or future relationship with DWP. Kantar Public and DWP comply with General Data Protection Regulations. DWP is the data controller for the study. The research for this study is contracted to Kantar Public, who act as the data processors. You can find more information about Kantar Public's privacy notice here https://www.kantar.com/uki/surveys/.
- Share consent form for participant to read through and sign to show they are happy to take part in research.
- **Incentive**: You will receive £40 as a thank you for your participation in this research.
- Any questions?
- **Thank** respondent for agreeing to talk to us about their experiences and views. **We have compiled a list of support resources which we can share (if desired) at the end of the interview.**
- **Recording -** Ask participant for permission to record, then start recording and confirm consent. **Only proceed if participant has signed consent form**

Introduction (5 minutes)

Section aim: to warm up participant to the conversation and to understand participant context, including their perceptions towards saving and later life planning in general

- Participant introduction Confirm name and age[19]
- Explore household situation
- Who they live with / other earners in the household / dependents / caring responsibilities
- Explore employment situation *(focus on employed work here)*
- Type of job – and whether multiple jobs (*'Tell us what you do'*)
- Full time or part-time – reason for working specific hours (where relevant), including whether to stay within benefits/tax/pension thresholds, all employer offers etc.
- Sector work in (i.e private, public, charity etc)
- Working hours – whether regular / irregular / seasonal
- Length of time in their role
- Explore whether they have additional income streams – personally / in their household
- Side business, run self-employed business (*online or offline)* / investments in addition to working, property income, pension income, benefits including Universal Benefit *(interviewer to note this point for later)*
- Explore perceived financial security – what does this depend on for them; spontaneous, then probe (*be sensitive and keep this brief / high level*):
- Housing status (i.e. private/ social renter, home-owner)
- Family circumstances
- Job security / income level
- Savings / investments / debts
- Other

If participant has multiple jobs / side-business:
*[**Note to researcher:** If necessary, repeat upfront reassurance that this interview is confidential and taking part in the research will not affect their current or future relationship with DWP or the benefits they receive]*

- Explore details of multiple jobs / side-business
    - Reasons and motivations for working multiple jobs / side-business
    - Explore length of time working multiple jobs / side-business

[19] FOR GENERAL INFORMATION: Age requirements for Automatic Enrolment are workers aged between 22 and state pension age which is 66 years old.

- Explore average/estimated income per month from these activities *Note to moderator: note any mention of future financial planning*
    - Explore participant plans for later life planning in relation to their multiple jobs and their side-business / investments

Mapping financial experiences (15 minutes)

Section aim: to explore participant's financial journeys over time and how these relate to attitudes, behaviours and experiences of pension saving and later life planning.

RESEARCHER NOTE*:* Each participant was asked to complete a **pre-task** prior to the interview, drawing a line (here-on referred to as a 'map') which demonstrates fluctuations in their perceived financial security / comfort over time, and marking factors underpinning those fluctuations. <u>If the participant did not complete the pre-task, ask them to briefly talk you through their experiences using the pre-task sheet and complete the 'map' with them.</u>

Note that we will use the map in two places: (1) here, to explore the factors affecting participants' attitudes, behaviours and experiences in relation to pension saving and later life planning; and (2) later, as context to exploring scenarios for potential changes to AE (*where would the line need to be to feel comfortable with each scenario?*)

Researcher to explain that they appreciate this may touch on sensitive life events and the participant should only discuss what they are comfortable sharing. This exercise is designed to help us discuss your experience of this topic rather than find out everything about you.

- Ask participant to talk through their 'map' chronologically – add detail to the map as needed
    - What factors affected any changes in perceived financial security / comfort – spontaneous, then *lightly* prompt:
        - Changes to relationships, dependents, family circumstances, housing, health, bereavement, inheritance [*Researcher note: be sensitive]*
        - Work events – e.g. job changes, study, impact of Covid-19 (furlough, redundancy)
        - Financial events – e.g. inheritance, benefits (including Universal Credits), tax, debts
        - Other – e.g. rising cost of living

    - Interviewer to focus on **one** of these events or triggers. What financial decisions, if any, did they make as a result of this? Were they more active / passive in decision-making? Why?
    - How participant felt at each stage – prompt financial stability / insecurity
    - Any changes in priorities and impact on pension saving and later life planning
- Add any saving experiences to the 'map' – if they have saved, clarify points at which they started / paused / stopped saving

[Note to researcher: probe on saving generally here, don't mention pension saving or AE yet]

    - Explore reasons for starting / pausing / stopping saving
        - If not saving, what is stopping them
    - Where in their journey they felt most / least able to save
    - (Where relevant) How do they save – how frequently, how long for, whether they dip into their savings and why / when Extent to which saving behaviour relates to events described in 'map' and perceived financial security / comfort
        - how they save / or how they feel towards saving
    - If there anything they could use or that they are aware of that might make savings / pension saving easier
        - E.g. banking app tools (e.g. savings pots, spending trackers)

RESEARCHER: *check in with participant. Ask they how they are feeling and whether they would like to take a break.*

Attitudes, behaviours and experiences of pension saving (15 minutes)

Section aim: to explore participant's attitudes, behaviours and experiences of pension saving and later life planning.

RESEARCHER: Remind participant that this research is about understanding workers' pension saving experiences and their views about later life planning, which will be the focus of the rest of the discussion. Remind them they do not have to answer anything they feel uncomfortable answering.

- Explore views and experiences of pension saving and later life planning
    - Word association with 'retirement' then 'pensions' – what words come to mind, why
        - How do pensions compare to other savings, why
    - Explore their experiences of planning for retirement – whether they have financial plans for later life
  - If so, what do their plans involve – spontaneous then prompt on workplace pension, private pension, state pension, assets, inheritance, ISAs, property, downsizing etc
  - Explore facilitators / barriers to planning for retirement – spontaneous then prompt on affordability, financial thresholds (e.g. tax, benefits, AE), keeping track of pensions, inaccessibility of pension savings, other priorities
  - If keeping track of pension savings is a barrier –what (if anything) might help with this; spontaneous, then briefly probe:
    - Having information about all pension pots in one place
    - Having a pension scheme that follows you wherever you work (i.e. you don't have to set up a new pot for each job)
    - What other things might make it easier to save for a pension – spontaneous, then briefly probe:
    - Employer matching any contributions made
    - Being able to make one off extra contributions into the pension
    - Impact of covid-19 / cost-of-living crisis on planning for later life

- Explore experiences of saving into a workplace pension
  - Confirm whether or not they are currently saving (or have ever saved) into a workplace pension – if necessary, clarify: this is a pension scheme set up by an employer to help employees save money for retirement. The employer and/or employee pay contributions into the employee's pension pot (depending on income level / eligibility)

- For those currently saving into a workplace pension (*either above or below the AE earnings trigger*)
    - Experiences of saving into a workplace pension (where relevant)
        - How they came to be saving – automatically enrolled, opted in, role of employers, other
        - Awareness / understanding of the scheme(s) – contribution rates, earnings thresholds, pension pot
            - Whether they have received information about their pension; for example, an Annual Benefits Statement (ABD) – and whether they read / understand it; why/why not
        - Impact of saving on household finances – how it relates to other financial decisions
    - Views about saving into a workplace pension – affordability, whether associated with retirement security
    - Views about saving into a workplace pension, whether associated with retirement security
    - Extent to which they value their pension – why / why not
    - Whether they think about other retirement saving options (other than workplace pension) – e.g. property, cash ISA, LISA (lifetime ISA), etc

- **For those who opted into the workplace pension** (below the AE earnings trigger and currently saving into a workplace pension)
    - Reasons for opting in – spontaneous, then probe: affordability, to save for retirement, employer encouragement, other
    - Was anyone else involved in the decision?
    - Perceived [security] / feelings towards having opted in and having a pension?

- **For those who opted out of the workplace pension** (above the AE earnings trigger and not currently saving into a workplace pension)
    - Reasons for opting out – spontaneous, then probe: affordability, change in circumstances, employer encouragement / norms, other
        - Whether this was a temporary decision – why, for how long, what circumstances will be required for them to opt back in
    - Who was involved in decision – employer, colleagues, family/friends
    - Impact of opting out – whether aware of / considered the implications (giving up employer contributions, tax relief)

- **For those not automatically enrolled who have not opted in** (below the AE earnings trigger and not opted into a workplace pension)

- Awareness of workplace pensions – extent to which it was an active decision to stay below the earnings trigger to be automatically enrolled (e.g. decisions about salary / hours to stay below £10,000 threshold)
- *[Note to researcher: employers must provide information about the workplace pension scheme*]
- Reasons for not opting in – spontaneous, then probe: affordability, employer encouragement / norms, other

Reactions to AE scenarios (15 minutes)

Section aim: to explore participant's reactions to hypothetical future scenarios to AE

RESEARCHER NOTE: *These are not future government policy, and participants should not be afraid that the government is about to imminently change how much they need to pay into a workplace pension – the government is considering how to improve pension saving, and these are some of the options available to them, which some employees/employers already do.* We want to explore their views about these future scenarios and how they might affect them as well as their pension saving and later life planning before any proposals are made. Refer back to their 'maps' to ensure discussions are based in reality as far as possible (e.g. situations where they felt more/less able to save).

Moderator to open stimulus PowerPoint, share screen with participant

Slide 1: ask to them to choose a profile most similar to them in terms of annual salary. Explain that we will use this profile to explore their reactions to these (hypothetical) different pension set ups.

Slide 2: explain that before we come to discuss different scenarios, we will first take a look at how employees/employers currently pay into pensions.

- The amount you and your employer pay into your pension scheme may vary depending on which pension scheme you choose.
- However, by law, you and your employer have to pay a **minimum amount** into your scheme.
- This is set as a default at 8% of your earnings. The employer must pay at least 3% of this.
- Your minimum contribution is 5% as a default.

Slide 3: moderator to show the different profiles and (for chosen profile) talk through what the current situation means for their monthly and annual payments, and total annual value of their pension.

Slides 4-7: Introduce **scenario 1**. Explain that the first scenario involves **changing** the contribution rate from 8-12%, and there are three options for what this could look like.

Slide 8: Moderator to explain auto-enrolment: that employers are required to automatically enrol employees earning over £10,000 (the "earnings trigger") into a workplace pension scheme and that those earning between £6,240 and £10,000 won't be automatically enrolled, but have the right to opt in.

Slide 9-10: Introduce **scenario 2.** Explain that this second scenario involves either **lowering** or **increasing** the earnings trigger. This would either be down to £6,240 or up to £12,570. Show how this would affect different profiles.

Slides 11-14: Introduce **scenario 3.** Explain that another option would be to increase the total default amount (as with scenario 1), but allow flexibility over the employee's contribution, with them either paying more or less than their employer. The earnings trigger would stay at £10,000.

- Explore views about each scenario
    - Explore initial reactions – how does the scenario make them feel, and why
    - Any confusion / questions about this scenario
    - What impact would this scenario have on them generally
        - how would they respond
        - positive / negative impacts (e.g. affordability, saving)
    - How might it affect their pension saving and later life planning – would it make them more/less likely to participate (opt in/out)

Scenario 1: researcher note - key points to understand

- How feasible are the options for them?
- If the contribution went up, who should be paying - the employee, the employer or both equally?

Prompts for scenario 1 (ask only if these do not come up organically)

For those that are currently contributing

- Would they opt-out – under which options
- How would they manage the drop in income if contributions increased
    - [If working part time] – would they increase hours worked

For those that are currently not contributing

- Would they opt-in if the employer was more generous. Why/why not

For those that are currently contributing

- Would they opt-out if required to pay more (options A and C). How would they manage the drop in income if contributions increased.
    - [If working part time] – would they increase hours worked

Scenario 2: researcher note - key point to understand

- How would they respond to the earnings trigger being moved and how much would this affect them

Prompts for scenario 2 (ask only if these do not come up organically)

- What would you do if the trigger went down or up?

For those that are currently below the £10k trigger and not contributing

  - If auto enrolled under this, would they opt-out.
  - How would they handle the drop in income if automatically enrolled
    - [If working part time] – would they increase hours worked
    -

For those that are currently above the £10k trigger and auto enrolled

  - If they would not be auto enrolled under Scenario 2 option B (trigger increased to £12,570) would that help their financial situation
  - If not auto enrolled, would they choose to opt-in

Scenario 3: researcher note - key points to understand

- Do they want flexibility with their pensions contributions; to pay more or less?

Prompts for scenario 3 (ask only if these do not come up organically)

For those that are not currently contributing

  - Would they opt-in

For those that are currently contributing

  - How would that affect their retirement savings

Ask all.

- These decisions would affect the amount of savings you had available in retirement. Do you have any sense of what amount that would be?

Reflective section (5 minutes)

This section aims to uncover which scenarios people perceive to be most impactful and the reasons behind this

- Which of the scenarios discussed appeal the most to them? Which are the most negative? Why?
  - Which would have the biggest effect on their pension saving and later life planning
  - [If opted out] would any of these make you opt into a scheme. Why

- [if opted in] would any of these make you opt out of a scheme. Why
- Explore how they think others would react? E.g are certain groups of people likely to be more affected than others? Why?

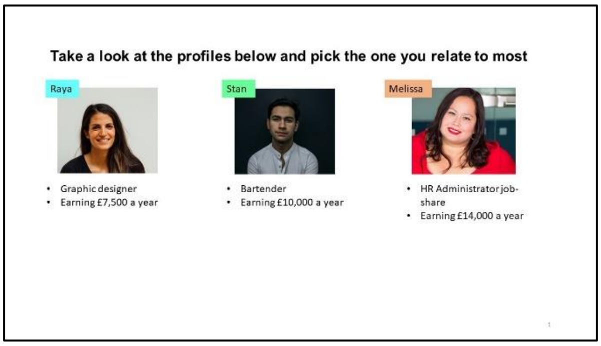
Wrap up and final reflections (2 minutes)

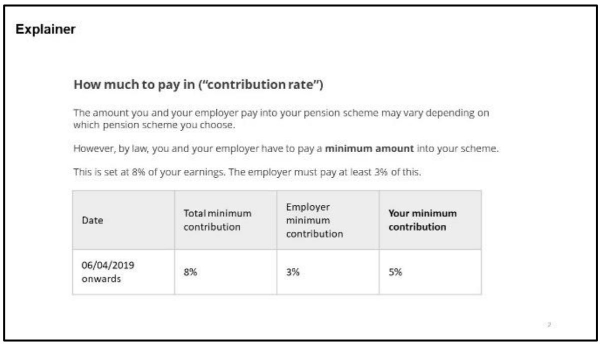
Opportunity to address any outstanding questions and wrap up.

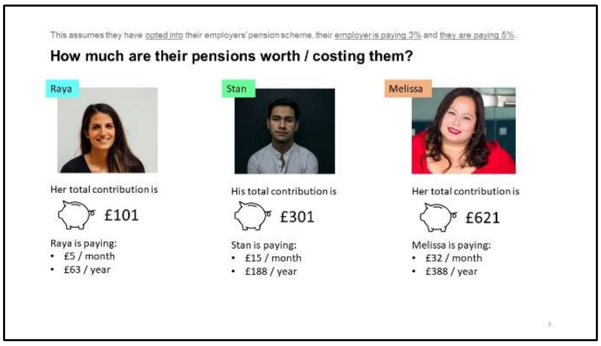
- **Any final thoughts on Automatic Enrolment of pensions that we haven't captured?**
- **Thank you for your time. You will receive £40 as a thank you for your participation within 10 days of completing the research.**

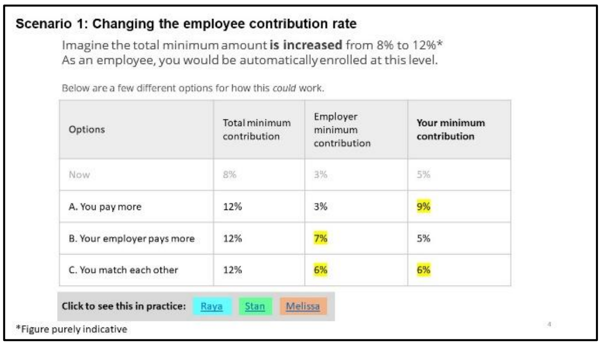
[NOTE TO MODERATOR: Double check with participants if they are happy to be contacted for clarifications if needed]

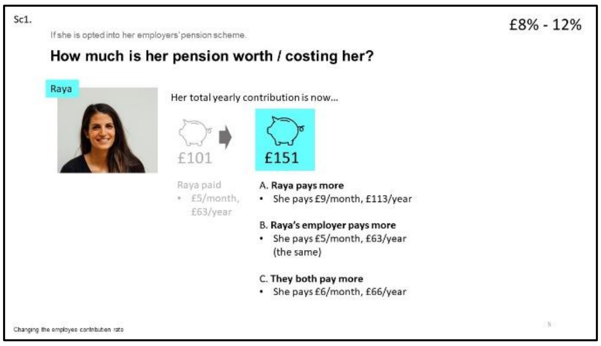
Stimulus

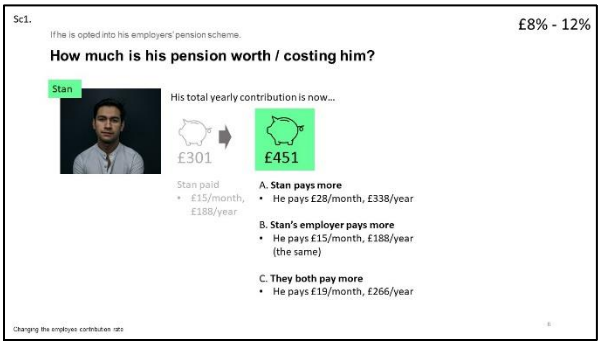


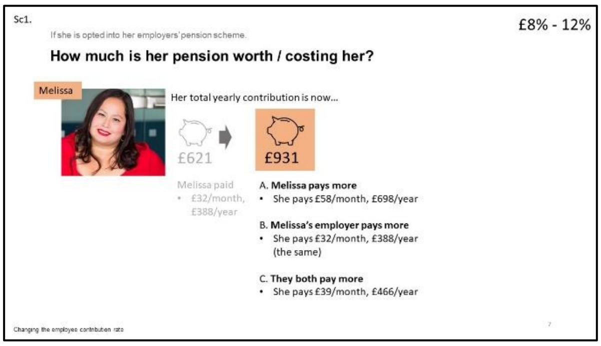




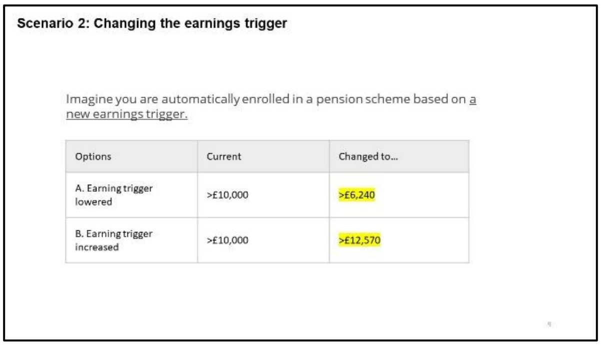




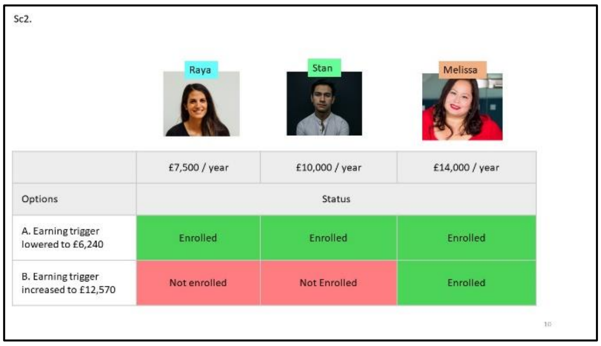




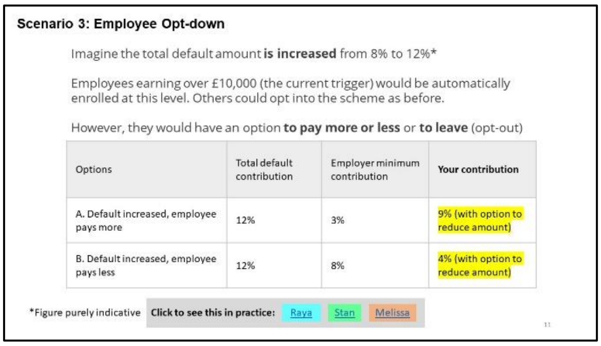
Annual earnings	Status
>£10,000	Automatically enrolled
£6,240 - £10,000	*Right to opt in to pension*



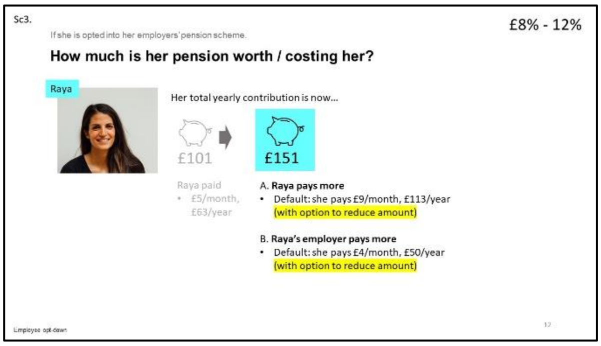
Options	Current	Changed to…
A. Earning trigger lowered	>£10,000	>£6,240
B. Earning trigger increased	>£10,000	>£12,570

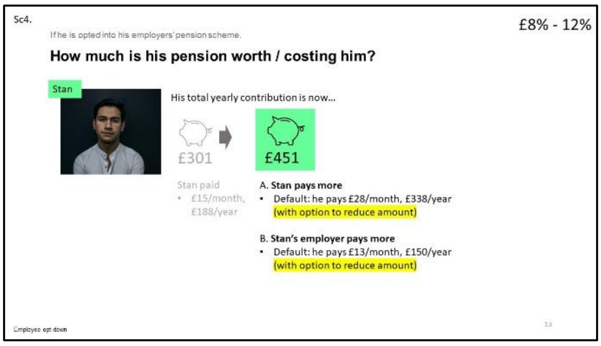


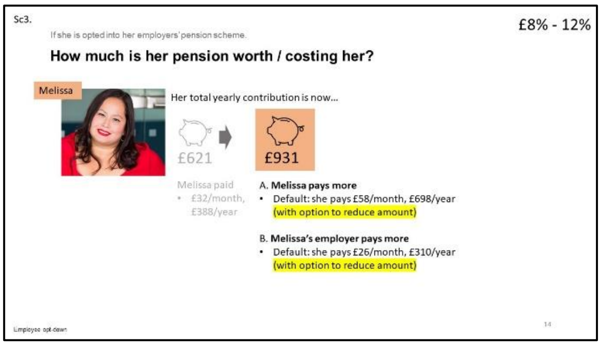
	£7,500 / year	£10,000 / year	£14,000 / year
Options	Status		
A. Earning trigger lowered to £6,240	Enrolled	Enrolled	Enrolled
B. Earning trigger increased to £12,570	Not enrolled	Not Enrolled	Enrolled



Options	Total default contribution	Employer minimum contribution	Your contribution
A. Default increased, employee pays more	12%	3%	9% (with option to reduce amount)
B. Default increased, employee pays less	12%	8%	4% (with option to reduce amount)







Appendix C: Supporting Resources

Resources shared with participants

List of resources

Department for Work and Pensions (DWP)

DWP is a government body responsible for welfare, pensions and child maintenance policy.

Website: https://www.gov.uk/government/organisations/department-for-work-pensions

Advice on money and debt

Citizens Advice Bureau (CAB)

The CAB provide advice, resources and tools about debt, money, work, housing, family and health.

Telephone: 03444111444

Text: 03444111445

Website: https://www.citizensadvice.org.uk/

Help for Households campaign

Government site providing advice on how to access support with the rising cost of living.

Website: https://helpforhouseholds.campaign.gov.uk/

Money Advice Trust

A national charity helping people across the UK to tackle their debts and manage their money with confidence. Runs the National Debtline which offers free and independent debt advice over the phone and online.

Telephone (free) for National Debtline: 0808 808 4000

Website: https://www.moneyadvicetrust.org/

Website for National Debtline: https://www.nationaldebtline.org/

StepChange

A national charity providing fee debt advice service.

Website: https://www.stepchange.org/

Telephone: 0800 138 1111

Turn2Us

A national charity providing practical help to people who are struggling financially.

Website: https://www.turn2us.org.uk/

MoneyHelper

MoneyHelper joins up money and pensions guidance to make it quicker and easier to find the right help, MoneyHelper brings together the support and services of three government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise.

Website: https://www.moneyhelper.org.uk/en

Pensions telephone helpline: 0800 011 3797

Health and wellbeing

Mind Infoline
Mind Infoline gives confidential support and information on lots of mental health related issues including where to get help, drug treatments, alternative therapies and advocacy. Mind also has a network of nearly 200 local Mind associations providing local services.

Telephone: 0300 123 3393 (9am-6pm Mon-Fri except bank holidays)
Email: info@mind.org.uk
Website: https://www.mind.org.uk/information-support/helplines/

SANE Mental Health Helpline
SANE runs an out-of-hours helpline offering specialist emotional support and information to anyone affected by mental illness, including family and friends. Open every day of the year from 4:30pm-10:30pm.

Telephone: 0300 304 7000 (4:30pm-10:30pm)
Website: sane.org.uk/what_we_do/support/helpline

Rethink Mental Illness Advice Line
Provides expert mental health information & advice on practical issues. They also give help to health professionals, employers and staff.

Telephone: 0300 5000 927 (9.30am-4pm Mon-Fri except bank holidays)

Email: info@rethink.com
Website: rethink.org/about-us/our-mental-health-advice

Samaritans
Provides emotional support 24 hours a day, 365 days a year. They allow people to talk about feelings of distress and despair and are confidential and offer non-judgmental support.

Telephone: 116 123 (Freephone 24 hours a day)

Email: jo@samaritans.org
Website: samaritans.org

Advice about Coronavirus

UK Government advice

https://www.gov.uk/coronavirus

NHS advice

https://www.nhs.uk/conditions/coronavirus-covid-19/

Health and Safety advice

https://www2.hse.ie/conditions/covid19/