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Planning and Preparing for Later Life 2024: Willingness to pay for pension products and services

July 2025

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Executive summary

The government has launched – or is preparing to launch – a range of different products and services to assist people in making well informed and timely decisions about how to access their pension. The Department for Work and Pensions (DWP) is keen to understand more about how much people value these different pension products and services.

Willingness to pay methods provide a way to understand more about how much people value these different pension products and services. In the absence of a market value for these services, value can be ascertained by asking people how much they would be willing to pay to ensure that a product or service was provided. The Department for Work and Pensions included questions asking people's willingness to pay for different pension services as part of the Department's Planning and Preparing for Later Life (PPLL) survey. PPLL is a representative survey of 4,036 adults aged 40-75 in Great Britain interviewed towards the end of 2024.

People were asked about their willingness to pay in order to gauge how much they valued different products and services. However, as was made clear to survey respondents, there are no plans to charge for services which are currently available for free. People were asked about their willingness to pay for six products or services. Amounts quoted for willingness to pay are an average across all respondents, including those who said they would pay £0 or did not think the service should be provided.

Pension Wise: 86% of 40 to 75 year olds thought that Pension Wise should continue to be provided. The mean amount that people said they would be willing to pay – as a one off amount – for a Pension Wise appointment was £25.50.

Simple annual benefit statements: 92% of 40 to 75 year olds thought that simple annual benefit statements should continue to be provided. The mean amount that people said they would be willing to pay annually for a simple annual benefit statement was £6.60.

Midlife MOT Website: 81% of 40 to 75 year olds thought that the Midlife MOT website should continue to be provided. The mean amount that people said they would be willing to pay – as a one-off payment to ensure the website, as described in the survey, continued to be provided was £14.20.

Retirement packs: 84% of 40 to 75 year olds thought that retirement packs should be provided every 5 years from the age of 50. The mean amount that people said they would be willing to pay every five years to receive a retirement pack was £9.50.

Automatic consolidation of small pension pots: 73% of 40 to 75 year olds thought that automatic consolidation of small pension pots should be offered. The mean

amount that people said they would be willing to pay, each time pots were consolidated, was £8.80.

Default pathways for accessing a DC pension: 43% of DC pension holders aged 40 to 75 thought that pension providers should offer default pathways, defined as the pension provider selecting how they would access their pension. The mean amount that people would be willing to pay – as a one-off amount – for the option of a default pathway – was £7.00.

It is important to bear in mind that these figures are provided in response to a hypothetical situation and are at best a guide to how people may behave in the real world or if presented with a different product description.

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The successful delivery of the Planning and Preparing for Later Life Survey relied on input from a wide range of people at NatCen, including survey programmers Pamela Ritchie and Jatin Bhatt, data managers Migle Aleksejunaite and Martin Hogg, statisticians Christos Byron and Tobi Li, Telephone Unit managers Sonia Shirvington and Joy Linstead, and the telephone interviewers working on the project, and Alun Humphrey, Head of Household Surveys at NatCen. Head of NatCen's Questionnaire Design and Testing hub Joanna D'Ardenne, along with Sophie Pilley, oversaw the cognitive testing of the questions while researchers Helena Wilson, Sinead Palmer and Amy Dyer were instrumental to the successful delivery of the survey overall.

In addition to input from the report authors, the development and piloting of the Willingness to Pay questions was overseen by James Edgar at WPI Economics.

Lauren Wilkinson at the Pensions Policy Institute helped develop the product descriptions used in the questionnaire.

Last but not least, we want to thank our respondents who gave up their time to take part in the survey.

Author details

The report was written by Sarah Butt, Gianfranco Addario and Joseph Crowley at the National Centre for Social Research and Edward McPherson and Rob Fontana-Reval at WPI Economics.

Glossary

Automatic consolidation of Defined Contribution small pension pots

Government plans announced in April 2025 will enable any small non-active Defined Contribution pension pots (initially starting from those under £1,000) that an individual has not yet accessed to be automatically brought together into one place. Individuals will have the option to opt-out of this.

Default pathways for accessing Defined Contribution pensions

The government is legislating in the Pension Schemes Bill introduced in 2025 to require pension providers to offer pension holders a default option for how to access their DC pension. Under this approach pension providers would propose an option for the pension holder based on what they know about the pension holder's needs and financial circumstances. The pension holder would be consulted on the default solution and would have the option to choose an alternative if they wanted. The survey referred to a version of this policy, using the language of 'default pathway' to describe a situation where a decumulation decision is made by a provider on behalf of a pension holder. The survey did not specify that the pension holder would be able to choose an alternative option like in the measures proposed in the Pension Schemes Bill.

Discrete choice models

A method for eliciting people's willingness to pay for a product or service by asking them if they would be willing to pay a specified amount in order for a product or service to continue to be provided. If the respondent said yes to the first amount, they were then asked whether they would be willing to pay the original amount plus an increment. If they said no to the first amount, they were asked whether they would be willing to pay the original amount less an increment. The responses to these two questions provide information on the distribution of people's WTP relative to the starting value which can then be modelled to produce a central estimate of respondents' overall willingness to pay.

Midlife MOT website

A Midlife MOT is a service for individuals in mid-life that helps them take stock of their finances, skills and health, and enables them to better prepare for their retirement and build financial resilience. A Midlife MOT can take the form of a discussion (such as the Jobcentre Plus Midlife MOT group sessions) or a web-based tool such as the DWP Midlife MOT website which was launched in by DWP 2023. The survey asked about willingness to pay for the Midlife MOT website but did not specify that it was the DWP website.

Payment card approach

A method for eliciting people's willingness to pay for a product or service by asking them which of a set of banded amounts the amount they would be willing to pay falls

into. After selecting a band, they are then asked exactly how much, within that band, they would be willing to pay.

Pension Wise

A free and impartial service set up by the Government in 2015 offering guidance for people regarding Pension Freedoms introduced in the 2014 UK budget. The service is available to people aged 50 years and over with a DC pension to help them understand what they can do with their pension pot(s). Guidance is delivered via telephone, face to face appointments, or online.

Retirement pack

Packs pension providers are required to send to people 4-6 months before they may be accessing their pension. Packs are aimed at ensuring people receive timely, relevant and adequate information about their retirement options to enable them to make an informed decision about accessing their pension savings. Some pension providers (those regulated by the Financial Conduct Authority) are now also required to provide a single page summary retirement pack from age 50, and every five years after that, until the pension pot is accessed. Retirement packs are sometimes referred to as 'wake-up packs'.

Simple annual benefit statement

A short document (no more than 2 pages) provided by Automatic Enrolment schemes to people with Defined Contribution pensions which sets out: how much money people have in their pension pot, how much they are likely to have by the time they retire and what they could do to give themselves more money in retirement.

Summary

Since the UK pension flexibilities were introduced in 2015, decisions around private pension saving have become simultaneously more important and more complex. From the age of 55, people with Defined Contribution (DC) pensions (now the majority of pension holders) have a much greater choice regarding when, how and how much to access their pension. The government has launched – or is preparing to launch – a range of different products and services to assist people in making well informed and timely decisions about how to access their pension. The Department for Work and Pensions (DWP) is keen to understand more about how much people value these different pension products and services

Willingness to pay methods provide a way to ascertain the value placed on goods and services for which there is not currently a market value (such as government services provided free at the point of use or possible future services). Instead, people are asked how much they would be willing to pay to ensure that a product or service was provided. DWP commissioned the National Centre for Social Research, in collaboration with WPI Economics, to field questions asking people's willingness to pay for different pension services as part of the Department's [Planning and Preparing for Later Life \(PPLL\) survey](#). PPLL is a representative survey of 4,036 adults aged 40-75 in Great Britain interviewed towards the end of 2024. Two different approaches to measuring willingness to pay – discrete choice and payment card approaches - were used.

The willingness to pay (WTP) questions were thoroughly tested to ensure that they generated valid measures of how far people value the different products and services asked about. Nevertheless, there are limitations to the willingness to pay (WTP) approach - and its reliance on people's stated preferences - to ascertaining value. It is important to bear in mind that these figures are still provided in response to a hypothetical situation and are at best a guide to how people may behave in the real world.

The research is intended to serve as a guide to how much people value the different products and services to inform policy making. There are no plans to stop offering or to start charging for services that the government already provides.

People were asked about their willingness to pay for six products or services that the government either currently offers or is considering offering something similar to. Amounts quoted for willingness to pay are an average across all respondents, including those who said they would pay £0 or did not think the service should be provided. Depending on the service being asked about, the amount refers to how much people would be willing to pay for a one-off service or more regularly, e.g. annually to receive a pension statement. Across all products and services, people on higher incomes and with higher financial literacy were willing to pay more.

Pension Wise

Pension Wise is a free and impartial service offering guidance for DC pension holders aged 50 plus regarding Pension Freedoms.

- In 2024 **26%** of DC pension holders aged 55 to 65 had ever used Pension Wise, with **8%** having done so in the past 12 months. Use had increased since 2020/21 when only **20%** of DC pension holders aged 55 to 65 said they had ever used Pension Wise.
- **73%** of DC pension holders aged 55 to 65 who had used Pension Wise said they were very or quite satisfied with the information provided to them, with **28%** very satisfied.
- **86%** of 40 to 75 year olds thought that Pension Wise should continue to be provided. **63%** were willing to pay a non-zero amount for this, while **23%** thought the service should be provided but were not willing to pay anything towards it.
- The mean amount that people said they would be willing to pay – as a one off amount – for a Pension Wise appointment was **£25.50**.
- People who had used Pension Wise, but not in the last 12 months, had a mean willingness to pay of **£33.40**.

Simple annual benefit statements

A simple annual benefit statement is a short document (no more than 2 pages) provided by pension providers to people with Defined Contribution pensions giving information about their pension.

- **79%** of DC pension holders aged 40 to 75 said they remembered having received a simple annual benefit statement from their pension provider.
- People who recalled receiving a statement were generally positive about them. **32%** said they found them very helpful and **56%** said they found them quite helpful. **82%** agreed that the information helped them understand how much income to expect in retirement.
- **92%** of 40 to 75 year olds thought that simple annual benefit statements should continue to be provided. **62%** were willing to pay a non-zero amount for this while **31%** thought the service should be provided but were not willing to pay anything towards it.
- The mean amount that people said they would be willing to pay annually for a simple annual benefit statement was **£6.60**.
- People who recalled receiving a simple annual benefit statement (**£6.80**) had a higher willingness to pay than other DC pension holders who did not recall receiving one (**£5.70**). However, overall, whether or not someone had a DC pension did not affect their WTP.

Midlife MOT website

- A Midlife MOT is a service for individuals in mid-life that helps them take stock of their finances, skills and health, and enables them to better prepare for their retirement and build financial resilience. Various web-based tools such as the DWP Midlife MOT website allow people to complete an MOT online. The survey asked about “the Midlife MOT website” but did not specify whether this was the website hosted by DWP or another service provider such as the Money and Pensions Service.
- Awareness of Midlife MOTs was low and only **2%** of people aged 40 to 75 said they had ever had one. However, after being made aware of the service as part of the survey, **55%** of 40 to 75 year olds who had not yet retired said they definitely or probably would consider a Midlife MOT in the future.
- When asked about the Midlife MOT website, **81%** of 40 to 75 year olds thought that it should continue to be provided. **56%** of people were willing to pay a non-zero amount for this while **25%** thought the website should be provided but were not willing to pay towards it.
- The mean amount that people said they would be willing to pay – as a one-off payment – to ensure the Midlife MOT website (as broadly described in the survey) continued to be provided was **£14.20**.
- Willingness to pay for this service was higher among younger age groups. The average willingness to pay among 44 to 49 year olds was **£15.60** compared with **£13.10** among 65 to 69 year olds.

Retirement packs

These are sent to pension holders by their pension provider in the run up to retirement to ensure they receive timely, relevant and adequate information to make an informed decision about accessing their pension savings.

- **16%** of DC pension holders aged 55 and over said they had received a retirement pack 4 months before their expected retirement date. The same proportion said they regularly received a pack from age 50.
- **77%** of people who recalled receiving a retirement pack said they had taken action as a result. Of those, **41%** had reviewed their overall savings. **24%** had contacted a regulated financial advisor and **13%** had contacted Pension Wise.
- **84%** of 40 to 75 year olds thought that retirement packs should be provided every 5 years from the age of 50. **64%** of people were willing to pay something to ensure retirement packs were provided while **18%** thought they should be provided but were not willing to pay.
- The mean amount that people said they would be willing to pay every five years to receive a retirement pack was **£9.50**.

Automatic consolidation of small pension pots

Government plans will enable any small, non-active Defined Contribution pension pots (initially starting from those under £1,000) that an individual has not yet accessed to be automatically brought together into one place. Individuals will have the option to opt-out of this.

- **25%** of private pension holders aged 40 to 75 said they had previously consolidated their pension, either by moving all their pots into a new scheme (**9%**) or by combining one or more of their pensions into an existing scheme (**16%**).
- **66%** of people who had not yet consolidated, but had at least one pension they had not yet accessed, said they would prefer their pension to be in a single pot rather than spread across multiple pots.
- **73%** of 40 to 75 year olds (**74%** of private pension holders) thought that automatic consolidation of small pension pots should be offered. **53%** were willing to pay a non-zero amount for this option.
- The mean amount that people said they would be willing to pay, each time pots were consolidated, was **£8.80**.
- People who had already consolidated by combining one or more pension into an existing pot had a higher willingness to pay (**£11.30**) compared with people who had not consolidated (**£8.70**) or those who had moved all their pensions into a new scheme (**£9.00**).

Default pathways for accessing Defined Contribution pensions

Under this approach pension providers would provide the pension holder with an option of how to access their pension based on what they know about the pension holder's needs and financial circumstances.

The survey framed the default policy to respondents by talking about default pathways chosen for them by their pension provider. This is different from how the policy would be expected to work in practice, when the pension provider would suggest an option which the pension holder could choose to accept or reject. The findings may underestimate how much people would be willing to pay for a default approach where they, rather than their pension provider, make the final choice.

- When asked how they would prefer to decide how to access their pension, **32%** of DC pension holders under 55 said they wanted to make the decision themselves in a way that best suited their needs. **55%** said their preferred option was to receive information on their options from their pension provider but to make the final decision themselves. Only **3%** said they would prefer not to have to make a decision themselves and have their pension provider decide for them.
- **43%** of DC pension holders aged 40 to 75 thought that pension providers should offer default pathways as defined by the survey while only **28%** said they would be willing to pay a non-zero amount for this option.
- The mean amount that people would be willing to pay – as a one-off amount – for the option of a default pathway – was **£7.00**.

1 Introduction

Purpose of the report

Since the UK pension flexibilities were introduced in 2015, decisions around private pension saving have become simultaneously more important and more complex. From the age of 55, people with Defined Contribution (DC) pensions (now the majority of pension holders) have a much greater choice regarding when, how, and how much to access their pension. DC savers have to choose between a variety of retirement-income products which have costs and benefits attached that may be difficult for people to understand. There are also risks in retirement which need to be protected against: the risk of living longer than expected, the risk of inflation reducing the value of income, and the risk of investments earning lower than expected returns. These choices and risks can be difficult to navigate, especially for those without access to appropriate advice or guidance.

There has been considerable policy development intended to alleviate these risks and to ensure that everyone has access to suitable information and guidance to help in pension decision making and planning for retirement. This includes the introduction of guidance services such as Pension Wise – a free guidance service available to those over age 50 with a DC pension – and the Government is also planning to introduce pensions dashboards, which will enable individuals to see all their pensions in one place online. The 2025 Pension Schemes Bill additionally includes provisions to enable default retirement solutions for DC pension holders and the automatic consolidation of small pension pots.

This research is intended to help the Department for Work and Pensions (DWP) understand more about how much people value the different products and services the government currently does or is considering funding. Evidence on the value people place on these services, and how this value varies by demographic and other characteristics, will help inform policy decisions around these services and the potential benefits they may offer for savers.

One way to ascertain the value placed on goods and services for which there is not currently a market (such as government services provided free at the point of use or possible future services) is to ask people their willingness to pay. That is the maximum amount they would pay to ensure that a product or service was provided. DWP commissioned the National Centre for Social Research, in collaboration with WPI Economics, to field questions asking people's willingness to pay for different pension services as part of the Department's Planning and Preparing for Later Life (PPLL) survey. PPLL is a representative survey of 4,036 adults aged 40-75 in Great Britain interviewed towards the end of 2024.

People were asked about their willingness to pay for six products or services that the government either currently offers or is considering offering:

- Pension Wise: A free and impartial service offering guidance for DC pension holders aged 50 plus regarding Pension Freedoms.
- Midlife MOT website: A website which allows people to take a digital Midlife MOT, a review for workers in mid-life that helps them take stock of their finances, skills and health in preparation for retirement.
- Simple annual benefit statements: A short document (no more than 2 pages) provided by pension providers to people with Defined Contribution pensions giving information about their pension.
- Retirement packs: Sent to pension holders by their pension provider in the run up to retirement to ensure they receive timely, relevant and adequate information to make an informed decision about accessing their pension savings.
- Automatic consolidation of small pension pots: Plans to enable any small, non-active Defined Contribution pension pots not yet accessed to be automatically brought together into one place.
- Default pathways for accessing Defined Contribution pensions: Under this approach pension providers would provide the pension holder with an option of how to access their pension based on what they know about the pension holder's needs and financial circumstances. The pension holder would be consulted on the default option and would have the option to choose an alternative if they wanted.

The rest of this introductory chapter explains what willingness to pay methods are, some of the limitations of this approach to ascertaining value, and some notes on how to interpret the findings presented. The main report is broken down into six substantive chapters, one for each of the products or services asked about. Each chapter starts with a brief overview of the relevant product or service before presenting findings from the wider PPLL survey about people's awareness of, use of, and attitudes towards the particular service. It goes on to look at how many people said they would be willing to pay for the service and the average (mean) amount that people – including those who would not be willing to pay anything – would be willing to pay. Variation in people's willingness to pay, for example on the basis of age, sex, income, type of pension provision and prior service use, is also discussed.

The [Technical Annex](#) gives more details on the specific willingness to pay methodology used and a copy of the survey questions.

The full results are provided in accompanying tables.

Further findings from the Planning and Preparing for Later Life survey are published in a separate report. Full details of the survey data collection are given in the PPLL Technical Report.

What is willingness to pay analysis?

Willingness to pay (WTP) provides a way to gauge how much people value products or services which are not currently provided by the market. In the absence of market prices revealing this information, surveys can be used to ask people how much they would be willing to pay for something. Willingness to pay methods were used as a way to estimate how much people value different products and services. The government has no plans to introduce charges or require people to pay for these services.

There are different options available for how to elicit estimates of WTP from survey respondents. This research used two different approaches.

The first, dichotomous choice approach, involves asking people if they would be willing to pay a specified amount in order for a product or service to continue to be provided. If the respondent said 'yes' to the first amount, they were then asked whether they would be willing to pay the original amount plus an increment. If they said 'no' to the first amount, they were asked whether they would be willing to pay the original amount less an increment. The responses to these two questions provide information on the distribution of people's WTP relative to the starting value, which can then be modelled to produce a central estimate of respondents' overall willingness to pay.

The second, payment card approach, presents the respondent with a set of banded amounts and asks them to select which band the amount they would be willing to pay falls into. After selecting a band, they are then asked exactly how much, within that band, they would be willing to pay. The latter approach was used to ask about consolidation of small pots and default pathways, two services which are not yet offered and for which there was, therefore, no prior expectation around what specified amount to use as a starting value.

Caveats/limitations

There are limitations to the WTP approach - and its reliance on stated preferences - to ascertaining value. There are various factors which may mean that the stated preference people give in response to survey questions does not truly reflect how they would behave in the real world:

- A lack of understanding about what was being asked, or the perception that any response is immaterial due to the hypothetical nature of the scenario being presented, can lead to unrealistic or unconsidered responses. This was a particular concern for this research given that the pension products and services being asked about would not necessarily be familiar to respondents.
- A concern that asking about willingness to pay for an existing service may mean that there is a risk that service is withdrawn may lead people to overstate their willingness to pay as a protest response.

- Respondents without clear preferences may be unduly led by whatever starting amount is used in the dichotomous choice approach (starting point bias).

Steps were taken to address the challenges inherent in stated preference approaches. The WTP questions underwent cognitive testing to check people's understanding of the products and services being described and the choices they were being presented with. A small-scale pilot provided an opportunity to interrogate the estimates people gave and ensure that these looked sensible relative to the starting values. Starting values – and the order of the questions – were randomised to minimise the impact of starting point bias. See Technical Appendix for further details. A statement was added to the questions to make it clear to respondents that there were no plans to start charging for the services in practice or to withdraw the services.

There is reason, therefore, to be confident that the survey estimates are providing a valid measure of how people value these products and services. At the same time, however, it is important to bear in mind that these figures are still provided in response to a hypothetical situation and are at best a guide to how people may behave in the real world.

Interpreting the findings

The WTP estimates presented in this report are the average (mean) willingness to pay across all survey respondents, including those who can be assumed to have zero willingness to pay. Findings are therefore representative of the WTP of adults aged 40 to 75 unless stated otherwise.

The WTP questions were asked of all respondents whether or not they had any prior knowledge of the product or service asked about, or whether they had a current pension. The only exceptions were questions about default pathways for DC pensions which, given the complexity and specificity of what was being asked about, were asked only of DC pension holders. Asking the whole sample about their willingness to pay maximised the number of cases for analysis as well as providing evidence on the market/appetite for the products or services among all potential users. People who had already fully retired were asked to think about how much they would have been willing to pay for the product or service.

It was considered important to acknowledge that people could have £0 WTP. These people were identified in two ways. First, by asking an introductory yes/no question regarding whether the respondent thought the product or service should continue to be offered. Those who said 'no' were considered to have a WTP of £0. Second, those who said they would not be willing to pay either the starting value or the second, lower, amount were asked how much they would be willing to pay and given the opportunity to say £0.

The mean estimates produced from dichotomous choice questions are the result of modelling (see Technical Appendix for details). The mean estimates from the payment card method are produced using simple descriptive analysis.

Note that it is not possible to directly compare people's willingness to pay for one product over another. This is because different reference periods (e.g. per year, every 5 years), and starting values, were used when asking about each product.

All estimates presented are run on weighted survey data. The weights ensure that the results can be considered representative of the target population of adults aged 40 to 75 in Great Britain. They take account of differences in the probability of being selected to take part in the survey and correct for the fact that, once selected, some types of people were more likely to respond to the survey invitation than others.

WTP estimates are presented for different subgroups, for example men versus women. These figures show the overall difference in (estimated) WTP between these groups. Any differences observed between the groups may be the result of other factors associated with WTP rather than necessarily reflecting a causal link. For example, differences in WTP by sex may reflect differences in income or financial literacy between men and women. Subgroup differences reported on were tested for statistical significance and found to be statistically significant at the 5% level. For evidence on the specific effect of individual characteristics on WTP after controlling for other factors see the Technical Appendix.

2 Pension Wise

[Pension Wise](#) is a free guidance service for the over 50s, backed by the government, which was set up in 2015. People aged over 50 are eligible for a Pension Wise appointment if they have a Defined Contribution (DC) pension. In the appointment people talk to a trained guidance specialist about what to think about when accessing their DC pension pot and options available to them. The guidance specialist explains how each pension option works, what tax may need to be paid, and how to look for scams. Pension Wise guidance specialists cannot make any specific recommendations. The appointments can take place either face-to-face, online, or by telephone. The appointments generally last between 45 and 60 minutes.

Use of Pension Wise

Awareness and use of Pension Wise was limited. Three in ten (30%) people aged 40 to 75 had heard of Pension Wise, rising to 41% among 55 to 64 year olds, the target age group for Pension Wise. Overall, only 13% of people had ever used Pension Wise. Even among people in the target age group for Pension Wise who had a DC pension, use was still low.¹ Around a quarter (26%) of this group had ever used Pension Wise, with 8% having done so in the past 12 months. Use had, however, increased since 2020/21 when only 20% of DC pension holders aged 55 to 65 said they had ever used Pension Wise. (Table 1.01_WTP, 1.02_WTP, 1.04_WTP).

Use of Pension Wise, a service which is free to use, did not vary significantly by income. Among people aged 55 to 65 and with a DC pension, 27% of people with an income of less than £12,500 per year said they had ever used it compared with 29% of people with an income of £53,000 or more. Self-employed people (31%) were more likely than employees (20%) to have used Pension Wise, perhaps because they do not have access to employer-provided information sources and/or, in the absence of a current workplace pension, their choices in retirement are more complex. (Table 1.04_WTP).

The main reasons given in 2024 by 55 to 65 year old DC pension holders for not using Pension Wise were not having heard of it (56%) and not needing advice/guidance (20%). (Table 1.07_WTP).

Satisfaction with Pension Wise

Although use of Pension Wise was not widespread, those who had used it were generally satisfied with their experience. Nearly three-quarters (73%) of DC pension

¹ Whereas the findings on people having heard of Pension Wise relate to all adults 55 to 64, the remaining findings in this section on use of and satisfaction with Pension Wise relate to people aged 55 to 65 with a DC pension (to ensure comparability with previously published analysis from the PPLL Wave 1 survey).

holders aged 55 to 65 who had used Pension Wise said they were very or quite satisfied with the information provided to them, with 28% very satisfied. (Table 1.05_WTP).

When asked why they chose to use Pension Wise, almost two-thirds of people (65%) said because it was free to use. Other commonly selected reasons included because it was convenient (46%) and because it was trustworthy (44%). (Table 1.06_WTP).

Do people think Pension Wise should continue to be provided?

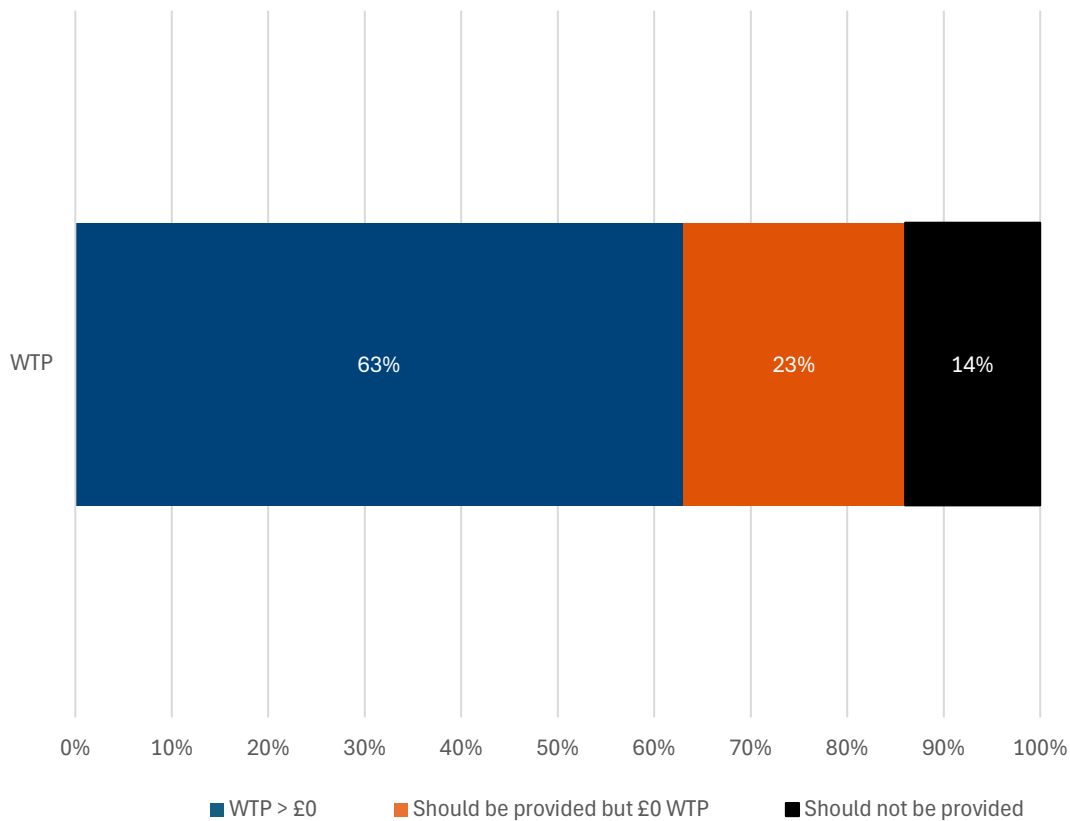
Nearly all 40 to 75 year olds (86%) said that Pension Wise appointments should continue to be provided. Support for this service continuing to be provided did not vary significantly by age. People who had previously used Pension Wise, especially those who had used it but not in the last 12 months (93%) were slightly more likely than people who had not used Pension Wise (85%) to say appointments should continue to be provided but, generally, support for this service was widespread. (Table 1.08_WTP).

Willingness to pay for Pension Wise

While most people thought Pension Wise should continue to be provided, a smaller proportion were willing to pay for the service. This may, in part, be because the service already exists as a free service and – despite assurances being given in the questionnaire that there were no plans to change this – people may have been wary of this possibility.

Overall, 63% of people were willing to pay a positive amount to ensure that Pension Wise appointments continued to be offered. The remaining group includes 14% who said Pension Wise appointment should not continue to be provided (assumed to have zero willingness to pay) and a further 23% who said they should be provided but gave the figure they would be willing to pay for this as £0. (Figure 2.01).

Figure 2.01: Willingness to pay for Pension Wise



Source: Planning and Preparing for Later Life 2024
 Base: All adults 40 to 75 (N=3,847)

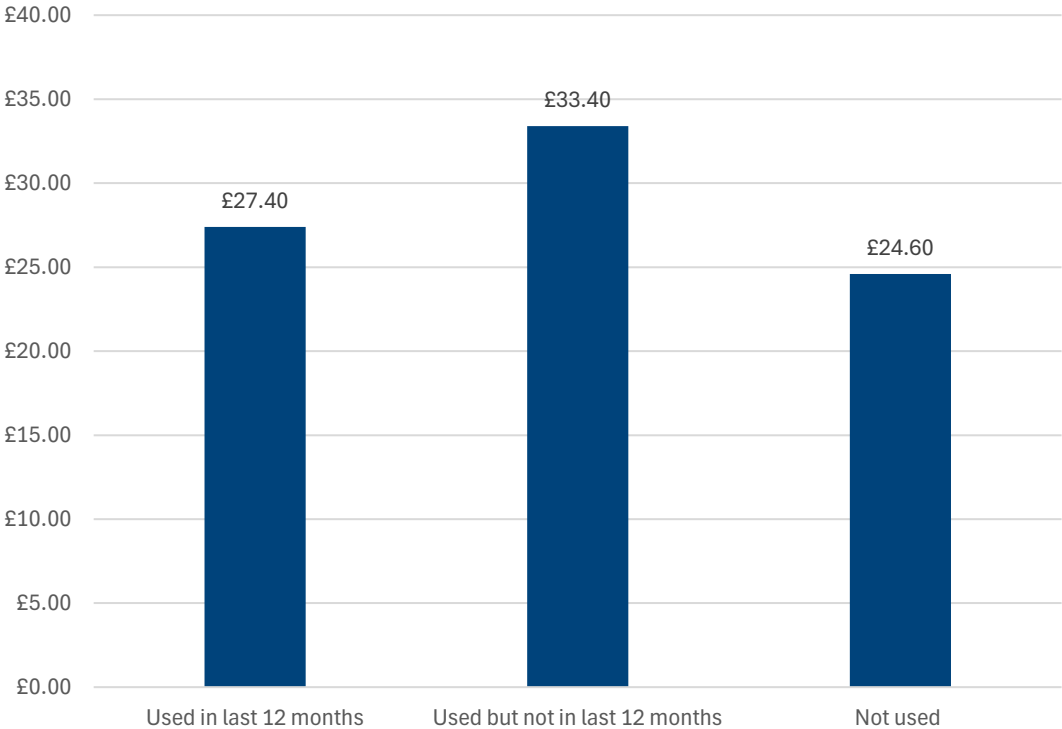
Including those whose willingness to pay (WTP) was £0, the average (mean) amount that people said they would be willing to pay – as a one-off amount – to ensure that Pension Wise appointments continued to be provided was £25.50. (Table 1.09_WTP).

Unsurprisingly, WTP was higher among people with higher incomes.² There was consistent evidence of a positive relationship between income and WTP across all six of the products and services asked about. Among people with an income of £53,000 or more, the WTP for Pension Wise was £36.30. This compares with a WTP of £19.70 for people with an income of less than £12,500. People with high financial literacy – who also tended to have higher incomes - had higher WTP (£29.60) than those with low financial literacy (£19.30).

People with a DC pension – and at whom Pension Wise is particularly targeted – had a higher WTP (£28.70) than those without a DC pension (£22.00). WTP also varied depending on whether people had used Pension Wise before. People who had used Pension Wise but not in the last 12 months had the highest WTP (£33.40). (Figure 2.02).

² This positive association between income and WTP is unsurprising given that the marginal utility of an additional £x will be lower for those on higher incomes.

Figure 2.02: Willingness to pay for Pension Wise, by previous use of Pension Wise



Source: Planning and Preparing for Later Life 2024
Base: All adults 40 to 75 (N=3,262)

One of the aims of Pension Wise is to offer a service for people who may not have access to other forms of guidance or financial advisors. The guidance Pension Wise offers (informing people of their choices) is not a direct substitute for professional financial advice (suggesting what might be the best choice). While fees for financial advisors can vary considerably, [MoneyHelper](#) estimates that the average hourly rate across the UK is £150. The amount people said they would be willing to pay for a Pension Wise appointment was considerably less than this.

3 Simple annual benefit statements

To help pension holders better understand their pensions, some pension providers issue yearly [simple annual benefit statements](#). This statement – mandated in 2022 for Defined Contribution (DC) pensions used for Automatic Enrolment schemes - is a short document (no more than 2 pages) which sets out:

- How much money people have in their pot.
- How much they are likely to have by the time they retire.
- What they could do to give themselves more money in retirement.

Awareness of and attitudes towards simple annual benefit statements

Most DC pension holders aged 40 to 75 (79%) said they remembered having received a simple annual benefit statement from their pension provider. (Table 2.01_WTP).

People who recalled receiving a statement were generally positive about them. Nearly everyone (90%) agreed that the information contained in the statement helped them understand their current pensions situation. A similarly high proportion (82%) agreed that the information helped them understand how much income to expect in retirement. (Table 2.02_WTP).

Opinions on whether simple annual benefit statements had prompted people to take action around their DC pensions were, however, more mixed. Half (50%) of those who recalled receiving the statement agreed that it had prompted them to think about retirement plans and make changes. How extensively they thought about their pension, and the nature of any changes made, is not known.

Overall, most people found the statements helpful, with 32% saying they found them very helpful and 56% saying they found them quite helpful. Older people, that is those approaching retirement age, were the most likely to find them helpful. Around two in five 60 to 64 year olds (39%) and 65 to 69 year olds (40%) said they found the statements very helpful, as did 43% of the semi-retired. People with higher incomes were also more likely to rate the statements as very helpful. This was the case for 37% of people with an income of £53,000 or more compared with 29% of people with an income of less than £12,500. (Table 2.03_WTP).

Do people think simple annual benefit statements should continue to be provided?

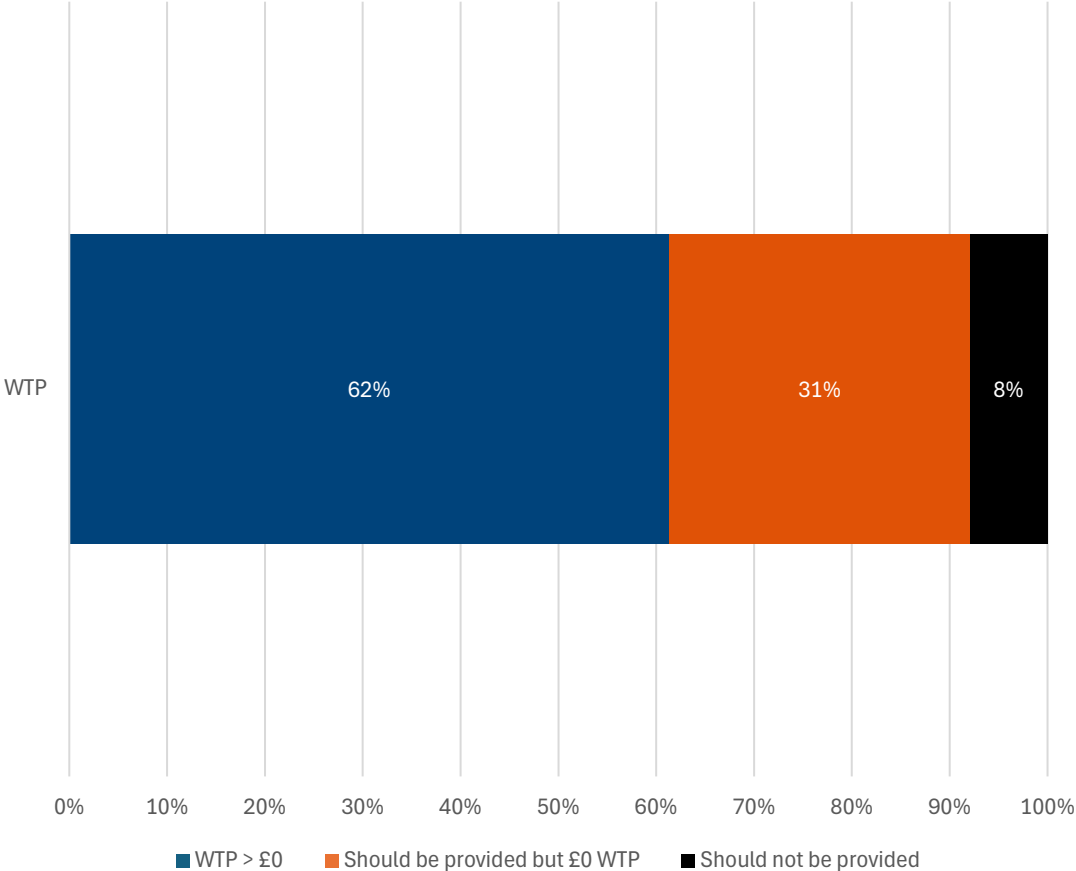
Nearly everyone (92%) aged 40 to 75 said that simple annual benefit statements should continue to be provided. People with a DC pension (95%) were, unsurprisingly, more likely than people without a DC pension (89%) to say this. It is notable that 98% of people who recalled receiving a simple annual benefit statement said they should continue to be provided, compared with 83% of DC pension holders who did not recall receiving a statement. People on higher incomes – who (later in the survey) were more likely to report that they found the statements helpful – were also more likely to say that they should continue to be provided. (Table 2.04_WTP).

Willingness to pay for simple annual benefit statements

As with other services asked about, not everyone who said that the service should continue to be offered was necessarily willing to pay for it. Overall, 62% of people had a non-zero willingness to pay (WTP) for simple annual benefit statements, while 8% said they should not be provided and the remaining 31% said they should be provided but gave their WTP as £0. (Figure 3.01).

Including those whose willingness to pay (WTP) was £0, the average (mean) amount that people said they would be willing to pay annually to ensure simple annual benefit statements continued to be provided was £6.60. (Table 2.05_WTP).

Figure 3.01: Willingness to pay for simple annual benefit statement

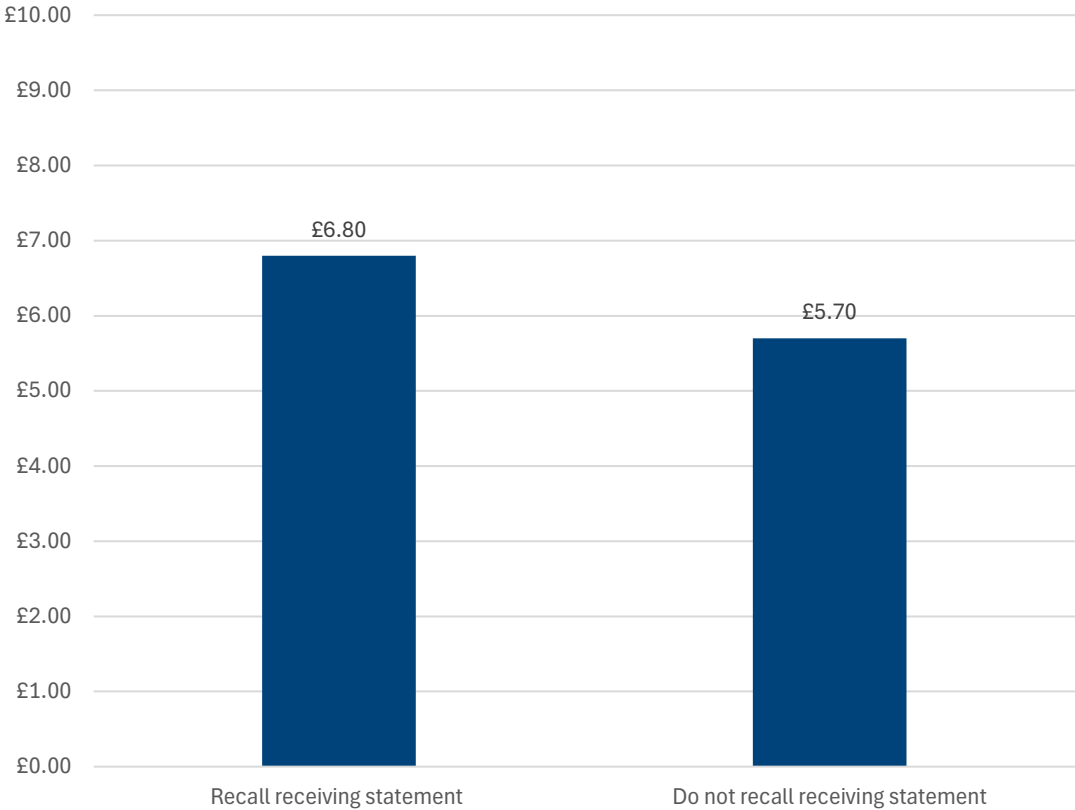


Source: Planning and Preparing for Later Life 2024
Base: All adults 40 to 75 (N=3,900)

People who were already fully retired had a higher WTP (£7.10) than those who had not yet retired (£6.40). Whereas, for most products or services, there was relatively little variation in WTP by retirement status or age, WTP for simple annual benefit statements increased with age.

People who recalled receiving a simple annual benefit statement (£6.80) had a higher willingness to pay than other DC pension holders who did not recall receiving one (£5.70). (Figure 3.02). However, overall, whether or not someone had a DC pension did not affect their WTP.

Figure 3.02: Willingness to pay for simple annual benefit statement, by whether recall receiving a statement



Source: Planning and Preparing for Later Life 2024
Base: Adults 40 to 75 with a DC pension (N=1,845)

4 Midlife MOT website

A Midlife MOT is a service for individuals in mid-life that helps them take stock of their finances, skills and health, and enables them to better prepare for their retirement and build financial resilience. A Midlife MOT can take the form of a discussion (such as the Jobcentre Plus Midlife MOT group sessions) or a web-based tool such as the DWP Midlife MOT website which was launched in by DWP 2023. Other organisations, such as the Money and Pensions Service, also offer digital Midlife MOTs. The survey asked about people's willingness to pay for "the Midlife MOT website" but did not specify that this was the DWP website.

Use of Midlife MOT

Awareness of Midlife MOTs was very low and only 2% of people aged 40 to 75 said they had ever used one. Once people were made aware of the concept of a Midlife MOT– and told during the survey that it is a tool to encourage more active planning in the key areas of work & skills, health & wellbeing and finances - they were more positive about it. Among 40 to 75 year olds who had not yet retired, around half (55%) said they definitely or probably would consider a Midlife MOT in the future. (Table 1.01_WTP, 1.02_WTP, 3.01_WTP).

Younger people were more likely than older people to say they would consider a Midlife MOT in the future, consistent with the fact that Midlife MOTs is targeted at people in midlife. Sixty-nine percent of 40 to 44 year olds and 64% of 50 to 54 year olds said they would consider a Midlife MOT in the future compared with only 35% of 60 to 64 year olds. The proportion was even lower for people aged 60 and over. Given the Midlife MOT's focus on planning around work, it is perhaps not surprising that employees (61%) were more likely than the self-employed (49%) or those not working (41%) to say they would consider a Midlife MOT. (Table 3.01_WTP).

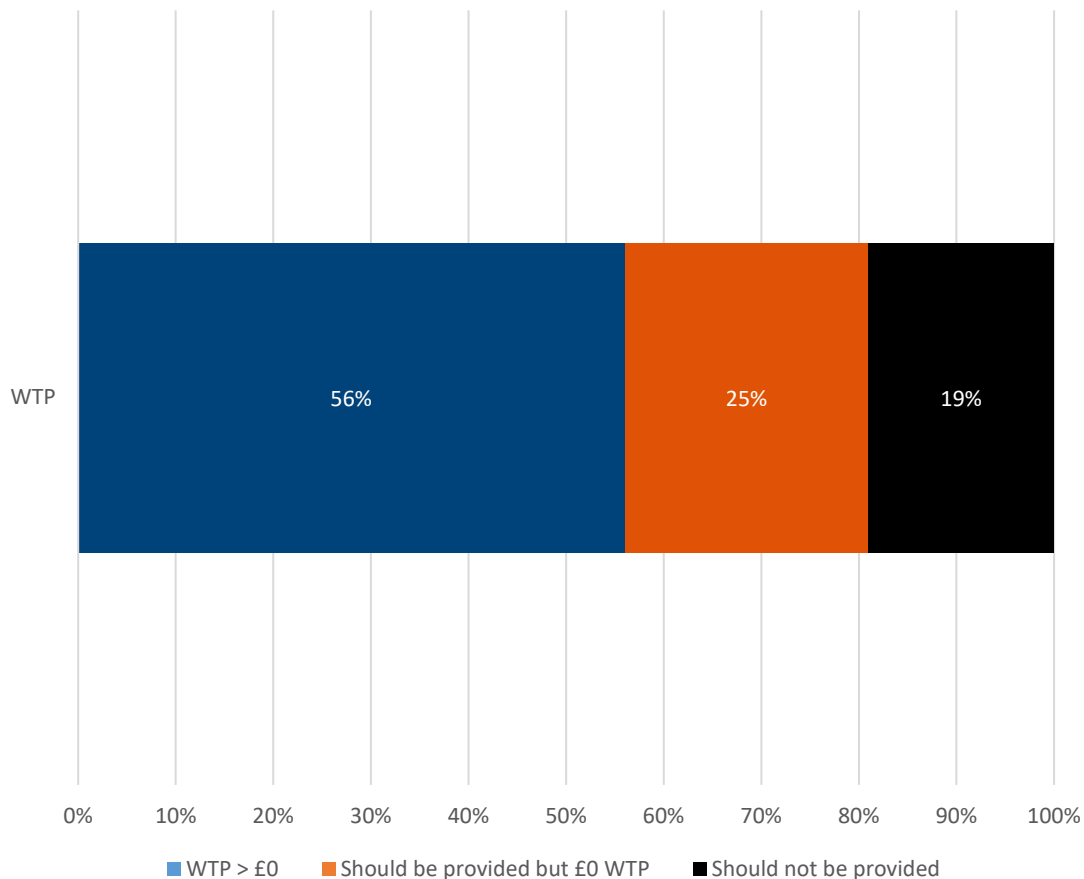
Do people think the Midlife MOT website should continue to be provided?

Despite low current use, and mixed attitudes on whether people would use the service in the future, most people aged 40 to 75 (81%) said that the Midlife MOT website (as described in the survey) should continue to be provided. Younger people were more likely to say this than older people (89% of 40 to 44 year olds compared with 74% of 70 to 75 year olds). As with other services, people on higher incomes were also more likely to say the service should be provided. (Table 3.02_WTP).

Willingness to pay for the Midlife MOT website

Just over half (56%) of 40 to 75 year olds said they would be willing to pay something for the Midlife MOT website (as broadly described in the survey). Around one in five (19%) did not think the website should continue to be provided, while the remainder (25%) said it should be provided but gave their willingness to pay (WTP) as £0. (Figure 4.01).

Figure 4.01: Willingness to pay for Midlife MOT website



Source: Planning and Preparing for Later Life 2024

Base: All adults 40 to 75 (N=3,772)

Including those whose willingness to pay (WTP) was £0, the average (mean) amount that people said they would be willing to pay – as a one-off payment – to ensure the Midlife MOT website continued to be provided was £14.20. (Table 3.03_WTP).

As with other products and services asked about, WTP was higher among those with higher incomes and those with higher financial literacy. There is also some evidence that WTP for the Midlife MOT website was slightly higher among younger age groups (the target age group) despite them generally having lower incomes than older age groups. The average WTP among 45 to 49 year olds was £15.60 compared with £13.10 among 65 to 69 year olds. (Figure 4.02).

Figure 4.02: Willingness to pay for Midlife MOT website, by age



Source: Planning and Preparing for Later Life 2024
Base: All adults 40 to 75 (N=3,246)

People with a Defined Contribution (DC) pension also had higher WTP (£15.40) compared with those without a DC pension (£12.90).

5 Retirement packs

Providers of occupational and workplace pension schemes currently issue a one-off pension retirement pack, giving information about retirement options, 4 to 6 months before the pension holder's expected retirement date.

Some pension schemes, those regulated by the Financial Conduct Authority, now also provide a single page summary retirement pack from age 50, and every five years after that, until the pension pot is accessed. This summary includes:

- Information on pension value, pension charges and pension guarantees in clear and accessible language.
- Signposting to pensions guidance and advice to understand options at retirement.
- Information on warnings and potential risks as the pension holder approaches decisions about their pension.

People were asked about whether they thought summary retirement packs should be provided at 5-year intervals, and their willingness to pay for them.

Awareness of and attitudes towards retirement packs

A minority of Defined Contribution (DC) pension holders aged 55 and over recalled receiving a retirement pack to date. Sixteen percent said they had received a pack 4 months before their expected retirement date while the same proportion (16%) said they regularly received a pack from age 50. It should be noted that not all DC pension holders aged 55 and over will have reached their expected retirement date and so, if their pension provider does not yet offer summary retirement packs, will not yet have been eligible for a retirement pack. However, only 30% of 65 to 69 year olds recalled receiving a retirement pack 4 months before their retirement date, with a further 13% saying they had received one regularly from age 50 (Table 4.01_WTP).

Most people who recalled receiving a retirement pack said they found it helpful. Thirty-two percent said they found it very helpful, while 58% said they found it quite helpful. (Table 4.02_WTP).

Most people who recalled receiving a retirement pack (77%) also said they had taken some action after receiving the pack. The most common response among those who had taken action was for people to review their overall pension savings (41%), while 35% researched their options independently. Nearly a quarter (24%) had contacted a regulated financial advisor and 13% had contacted Pension Wise. This is consistent

with previous research which suggests that receiving retirement information prompted people to review their pensions ([DWP 2024](#)). (Table 4.03_WTP).

Do people think retirement packs should continue to be provided?

Most people aged 40 to 75 (84%) said that summary retirement packs should continue to be provided every 5 years from age 50. DC pension holders aged 55 and over who said they had received a summary retirement pack (97%) were more likely than those who had only received a retirement pack 4 months before they retired (77%) to say that summary packs should continue to be provided. Generally speaking, younger people were more likely than older people to say that summary retirement packs should be provided from age 50. This was the case for between 86% and 89% of 40 to 54 year olds compared with 79% of 60 to 64 year olds. (Table 4.04_WTP).

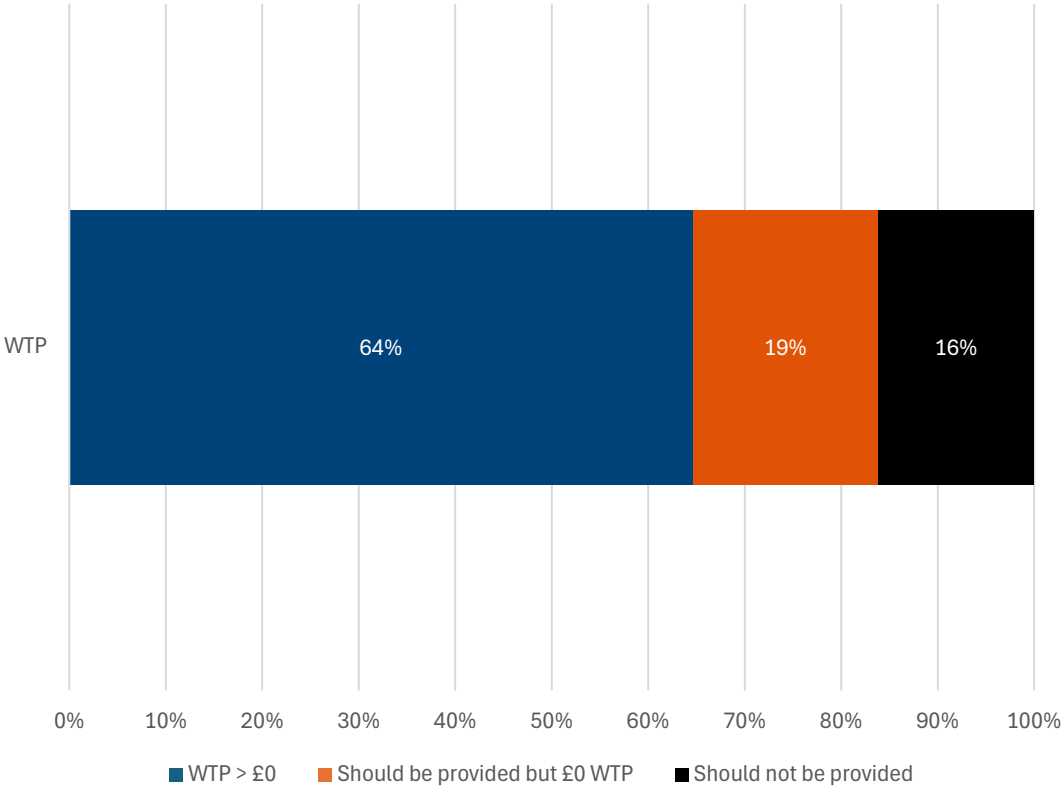
Willingness to pay for retirement packs

Nearly two-thirds (64%) of people said they would be willing to pay a non-zero amount for a summary retirement pack. The remainder were split between those who did not think the summary packs should be provided (16%) and those who thought they should be provided but gave their willingness to pay (WTP) as £0 (19%). (Figure 5.01).

Including those whose willingness to pay (WTP) was £0, the average (mean) amount that people said they would be willing to pay, every five years, to receive a summary retirement pack was £9.50 (Table 4.05_WTP).

As with other products and services asked about, WTP was higher among those with higher incomes and those with higher financial literacy.

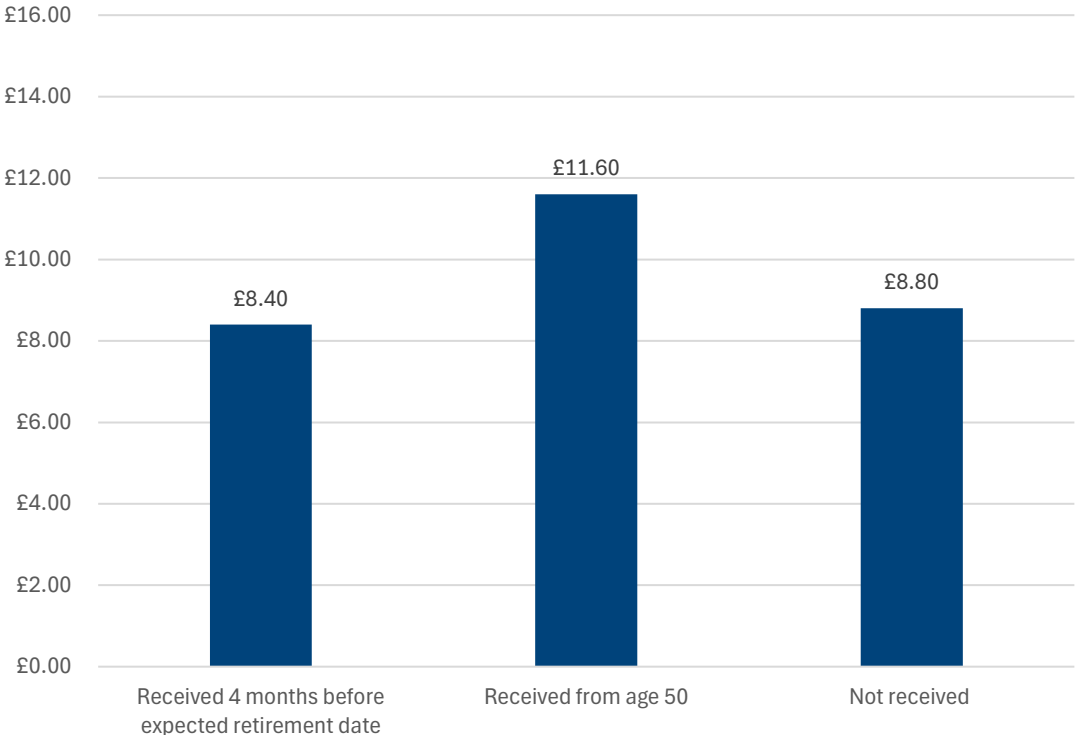
Figure 5.01: Willingness to pay for retirement pack



Source: Planning and Preparing for Later Life 2024
Base: All adults 40 to 75 (N=3,871)

DC pension holders aged 55 and over who recalled receiving a summary retirement pack (£11.60) had a higher WTP for summary retirement packs than either people who had received a standard, one-off retirement pack (£8.40) or people who had not received a retirement pack at all (£8.80). It may be that people who received a one-off retirement pack think this is sufficient. Alternatively, despite them being asked what they would have been willing to pay it may be that they are unwilling to pay for something that they would no longer be eligible for. (Figure 5.02).

Figure 5.02: Willingness to pay for retirement pack, by whether recall receiving retirement pack



Source: Planning and Preparing for Later Life 2024
Base: Adults 55+ with a DC pension (N=1,172)

6 Automatic consolidation of small pension pots

By the time people retire they can find themselves with several different pensions, the result, for example, of changing jobs multiple times and being enrolled in different workplace pensions ([DWP, 2024](#)). PPLL found that around half (53%) of private pension holders aged 40 to 75 had more than one pension, though only 6% had more than three pensions. Often individual pots can be quite small in value. It is estimated that there are around 13 million pension pots not being contributed to, which are worth less than £1,000 ([DWP, 2025](#)).

Merging different small pots has potential benefits. These include reduced long-term fees, savings that are easier to manage and keep track of, and access to different investment opportunities. However, merging pots can take time and effort to arrange and people may be uncertain about the best approach to take. Government plans, announced in April 2025, mean that non-active Defined Contribution pension pots (initially starting from those under £1,000) that an individual has not yet accessed would be automatically brought together into one place unless the individual opts out.

Attitudes towards consolidation

Currently, only a small proportion of pension holders consolidate their pension. A quarter (25%) of private pension holders aged 40 to 75 said they had previously consolidated their pension, either by moving all their pots into a new scheme (9%) or by combining one or more of their pensions into an existing scheme (16%). By far the main reason people gave for consolidating their pension, mentioned by 76% of people who had consolidated, was that it is easier to manage and keep track of a single pot of savings. (Table 5.01_WTP and 5.02_WTP).

There was, however, a reasonable appetite for consolidation among people who had at least one pension they had not yet accessed and who had not yet consolidated. When asked how they would prefer to keep their savings, all in one pot or spread across multiple pots, around two-thirds of this group (66%) said they would prefer to keep their savings in a single pot. When asked what, if anything, would encourage them to combine two or more pension pots, only 30% said they did not want to consolidate. (Table 5.03_WTP and 5.04_WTP).

As with people who had already consolidated, the main advantage of combining pots, mentioned by 53% of pension holders who said they would consider merging, was considered to be the fact that a single savings pot was easier to manage. Other factors which people mentioned would encourage them to combine pots included better investment performance (32%), lower scheme charges (26%) and if they were offered a payment or incentive to combine (25%). (Table 5.03_WTP).

Do people think automatic consolidation of small pots should be provided as a service?

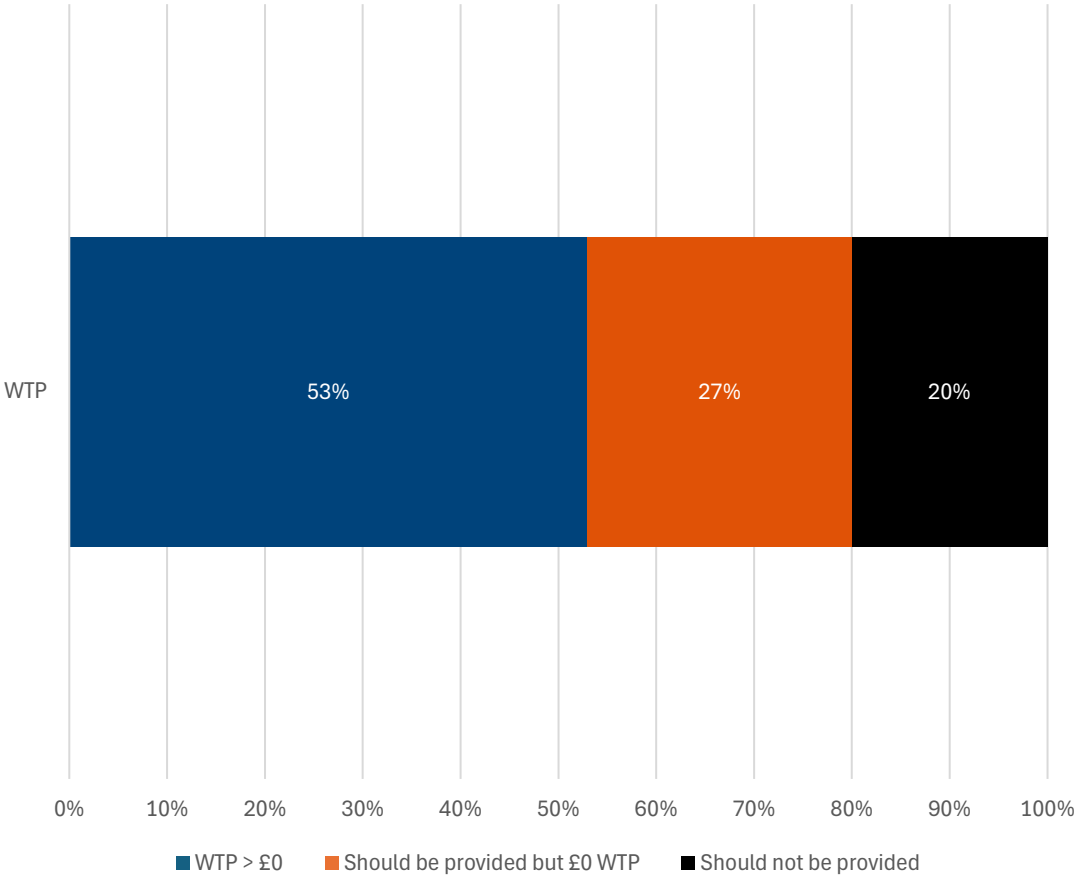
Most people 40 to 75 (73%) said they would want the option of having small pension pots (less than £1,000) merged automatically into a government approved scheme to save them the effort of doing it themselves. Support for this option being available was only slightly higher among private pension holders (74%) compared with people without a private pension (69%) and did not vary significantly depending on the number of private pensions held or whether people had previously consolidated pension pots. However, pension holders who said they currently found it very difficult to keep track of their pension were more likely than those who said they found it very easy to keep track to be in favour of the option of automatic consolidation (83% compared with 68%). This is consistent with the fact that one of the most commonly perceived benefits of combining pension pots is that it makes savings easier to keep track of. (Table 5.05_WTP).

Willingness to pay for automatic consolidation

Just over half of people aged 40 to 75 (53%) were willing to pay a non-zero amount for the option of automatic consolidation. The remaining group includes the 27% who said this service should not be offered (assumed to have zero willingness to pay) and a further 20% who thought the service should be offered but said they would be willing to pay £0 for this. (Figure 6.01).

Including those whose willingness to pay was £0, the average (mean) amount that people said they would be willing to pay for this service each time they merged pots was £8.80. As with other services asked about, the amount people were willing to pay was highest among higher earners and those with high financial literacy. (Table 5.07_WTP).

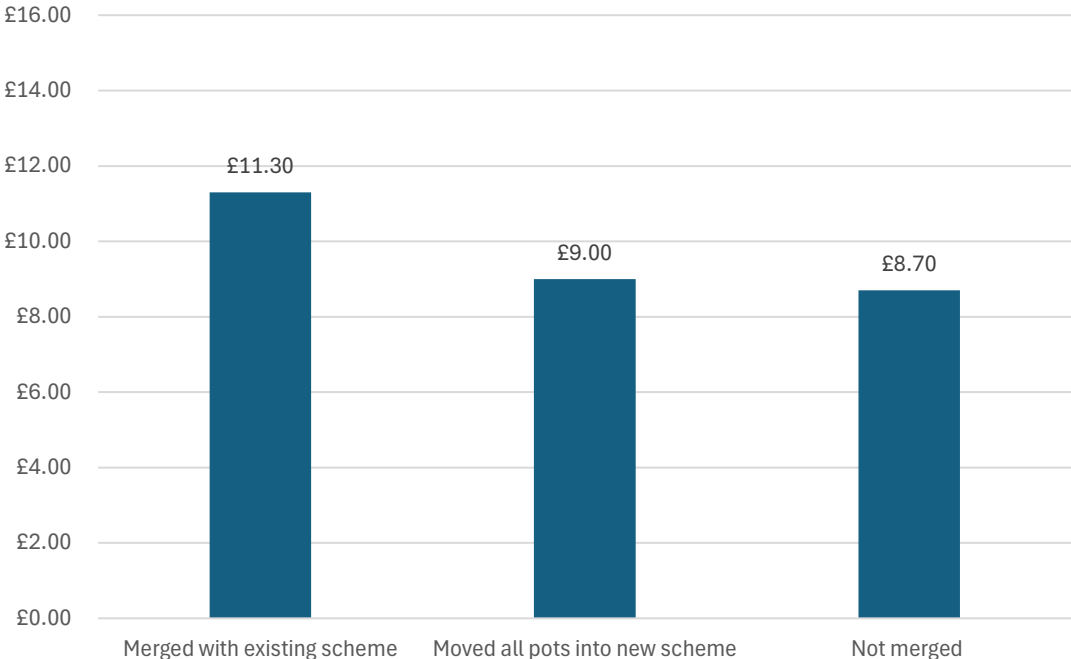
Figure 6.01: Willingness to pay for automatic consolidation of small pension pots



Source: Planning and Preparing for Later Life 2024
Base: All adults 40 to 75 (N=3,823)

People who had already consolidated by combining one or more pension into an existing pot had a higher willingness to pay (£11.30) compared with people who had not consolidated (£8.70) or those who had moved all their pensions into a new scheme (£9.00). People who have already been through the process – and are aware of the time and effort involved – may place greater value on avoiding that effort in the future. There was no clear relationship between number of pensions held and WTP. (Figure 6.02).

Figure 6.02: Willingness to pay for automatic consolidation of small pension pots, by whether previously merged pension pots



Source: Planning and Preparing for Later Life 2024
Base: Adults 40 to 75 with a private pension (N=3,063)

7 Default pathways for accessing pensions

The government is legislating in the Pensions Schemes Bill introduced in 2025 to require pension providers to offer pension holders a default option for how to access their Defined Contribution (DC) pension. This is intended to assist pension holders navigate the different choices they have for deciding how to access their pension, all of which come with different advantages, disadvantages and tax implications. It would save pension holders the time and effort of having to decide themselves. Under the default retirement solution approach, pension providers would suggest an option for the pension holder – for example, whether they should purchase an annuity, move the pension into flexi-income drawdown etc. – based on what they know about the pension holder’s needs and financial circumstances. The default option would be suggested based on the person’s broad characteristics rather than individually tailored to or discussed with them. Pension holders would have the choice of whether to accept the proposed pathway or to make an alternative choice.

Unlike the other products covered in this report, only people with a DC pension – and for whom the option was therefore relevant – were asked about their willingness to pay (WTP) for default options to be offered. As discussed below, the survey framed the retirement solution policy to respondents by talking about default pathways chosen for them by their pension provider. This is slightly different from how the policy would be expected to work in practice, when the pension provider would suggest a default retirement solution which the pension holder could choose to accept or reject. The findings may underestimate how much people would be willing to pay for a default approach where they, rather than their pension provider, make the final choice.

People’s attitudes towards deciding how to access their pension

The main [Planning and Preparing for Later Life \(PPLL\)](#) report found that people differed in their knowledge of private pensions and their confidence in making decisions about private pensions. When asked to rate how confident they felt making decisions about pensions on a 0 to 10 scale, for example, the mean score among 40 to 75 year olds was 5.1. Only 22% of DC pension holders who had not yet accessed their DC pension said they had a clear plan for how they would access their DC pension while 56% said they did not know they needed to make a choice. These findings might suggest that people would welcome their pension provider taking over the decision on how to access their pension from them. At the same time, however, people who had accessed their pension were generally confident they had made the

right decision to meet their retirement goals (mean confidence score on 0 to 10 scale = 7.3 among people who had accessed a DC pension since 2015).

When asked how they would prefer to decide how to access their pension, around a third (32%) of people under 55 with a DC pension said they wanted to make the decision themselves in a way that best suited their needs. Over half (55%) said their preferred option was to receive information on their options from their pension provider but to make the final decision themselves. Only 3% of people said they would prefer not to have to make a decision themselves and have their pension provider decide for them. (Table 6.01_WTP).

The default option, that is having their pension provider decide, was slightly more popular among people with low financial literacy. Seven percent of people with low financial literacy favoured this option compared with 1% of people with high financial literacy. However, support remained low across all groups.

Do people think default pathways should be offered?

PPLL asked people how much they would be willing to pay for a default pathway to take when accessing their pension. This was framed in terms of the pension holder having the option to not make a decision themselves instead letting their pension provider select a default pathway for them based on what they know about the pension holders' needs and financial circumstances.

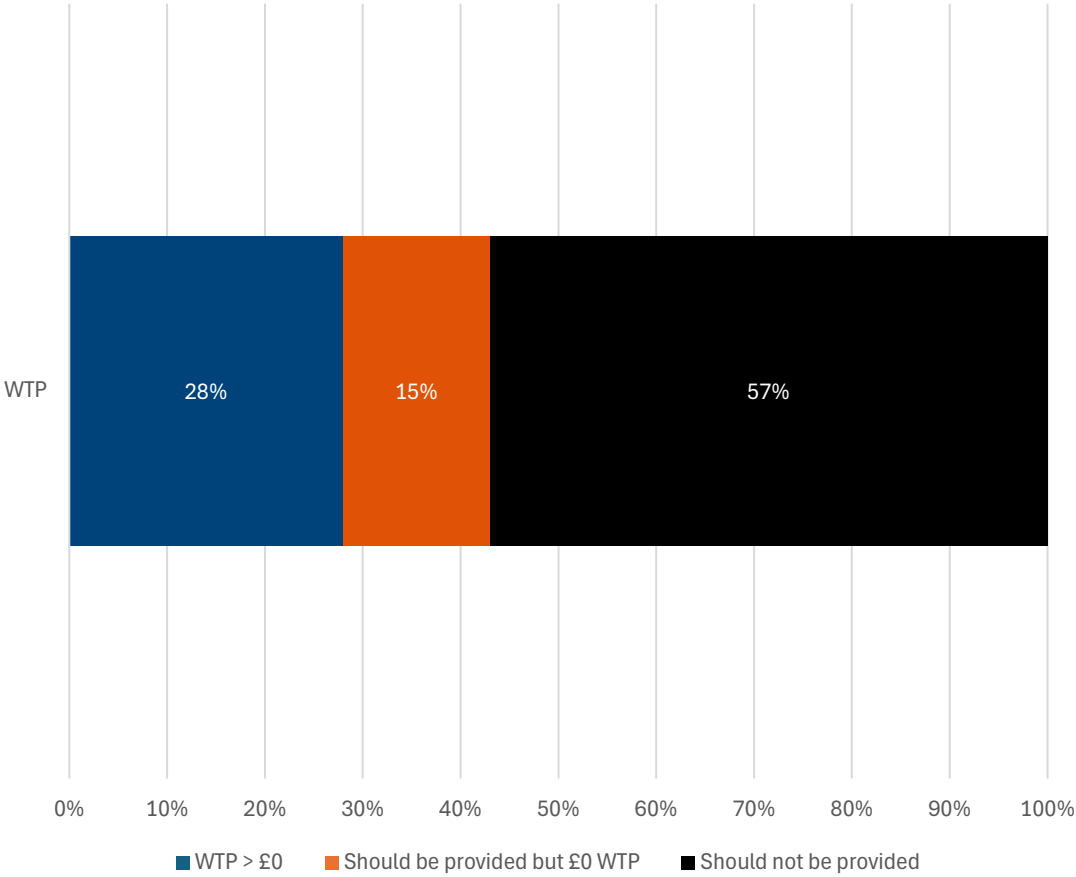
Support for default pathways as framed in this way was moderate. Fewer than half (43%) of DC pension holders aged 40 to 75 said they thought that pension providers should offer default pathways. There was some evidence that younger age groups were more in favour of default pathways continuing to be offered than older age groups. However, even among 40 to 44 year olds only 49% thought they should be offered. Forty percent of people who had accessed their DC pension already – and so had experience of making decisions in that respect – thought default pathways should be offered. (Table 6.02_WTP).

Had the approach been framed differently in the questionnaire – making it clear that the pension holder retained the right to accept or reject the default option proposed by the pension holder – the level of support for default options may have been higher.

Willingness to pay for default pathways

Only 28% of DC pension holders 40 to 75 said they would be willing to pay a non-zero amount for default pathways for accessing DC pensions to be offered. The remaining 72% comprised the 57% who thought they should not be offered plus a further 15% who thought they should be offered but gave their WTP as £0. (Figure 7.01).

Figure 7.01: Willingness to pay for default pathway for accessing DC pension



Source: Planning and Preparing for Later Life 2024
Base: Adults 40 to 75 with a DC pension (N=1,994)

Including the people who gave their WTP as £0, the average (mean) amount people would be willing to pay – as a one-off payment - for default pathways was £7.00. There was little variation across demographic subgroups in people’s WTP although, as with other services, people with higher incomes had a higher WTP. People with an income of £53,000 or more had a WTP of £9.20 compared with a WTP of £5.00 for people with an income of less than £12,500. (Table 6.04_WTP).

Again, had the approach been framed differently in the questionnaire – making it clear that the pension holder retained the right to accept or reject the default option proposed by the pension holder – people’s willingness to pay for this option may have been higher.

Technical Annex

This appendix provides further technical details about the willingness to pay (WTP) analysis presented in the main body of the report. The first section provides an overview of the approaches to WTP taken in the report. The second section describes the development of the survey questions which were used to inform the WTP analysis. The remaining sections describe the statistical modelling that was conducted to produce WTP estimates using the dichotomous choice approach. It covers:

- An overview of the statistical analysis conducted
- The final variables used in the analysis including some brief descriptive information to provide further context for interested readers.
- Details of the specific models and additional follow up analysis which was run to inform this report.
- The full model outputs from the WTP analysis.

An overview of willingness to pay analysis

WTP methods are a form of stated-preference method, used to estimate the average willingness to pay for a good or service in the absence of market prices, or other revealed-preference data. WTP methods rely on surveys, asking respondents how much they would be willing to pay to gain access to, or continue accessing, a good or service.

Two different approaches to generating WTP estimates were used in this report: dichotomous choice questions and a payment card approach. These were applied to different products or services covered in the study.

Dichotomous choice presents a numerical value (the “bid”) and asks whether the respondent would be willing to pay the bid for continued access to the good or service (Carson, 1985; Hanemann, 1985). Double-bounded dichotomous choice methods extend this by asking a follow-up question, incremented based on the response to the initial bid:

- if the respondent answers that they would be willing to pay the bid amount, a second, higher amount is presented, and the question asked again.
- if the respondent would not be willing to pay the bid amount, the amount of the first question is lowered and the question asked again.

This double-bounded approach was used to ask about four products or services:

- Pension Wise,
- Midlife MOT website,

- Simple annual benefit statements,
- Retirement packs.

Generating a WTP estimate from dichotomous choice questions requires statistical modelling as described below.

The **payment card approach** asks respondents an open question as to how much they might be willing to pay. Often, a respondent is asked to select one of a number of bands or buckets, with a follow-up question asking for an exact answer, within the band. These methods are often used when it is hard to establish a reasonable range of “starting values”, as would be needed for a dichotomous choice method. This approach was used to ask about two pension services currently in development for which it was not possible to gauge a starting value:

- Default pathways for accessing defined contribution pensions
- Automatic consolidation of small pension pots

The payment card method provides exact WTP estimates for each respondent. Reporting is therefore more straightforward: weighted averages of survey responses are presented.

Developing survey questions on willingness to pay

The success of stated preference methods relies on the survey questions asked. Specifically, it is important to ensure that the survey questions establish a well-understood definition of the product that is to be valued and provide a realistic context in which a decision around paying for access to a good or service can be made.

Clear descriptions of each product were presented to respondents before they were asked about their willingness to pay. Particular care was taken to ensure that the scenarios presented to people, for example, regarding how payment would be made and how often, were as realistic and specific as possible. Respondents were also asked an introductory question regarding whether they thought the product or service should be provided. Only those who said yes were asked follow-up questions about their WTP. Those who said no were assumed to have £0 WTP (see modelling discussion below). The full set of WTP questions is provided in Appendix 2.

The order of the products/services in the questionnaire – and the starting values offered to respondents – were randomised to try and minimise any order effects (for example people being less willing to pay for later products) or people’s responses being unduly influenced by the choice of starting value.

Questions were developed in consultation with NatCen’s expert Questionnaire Design and Testing Hub with input on the product descriptions from the Pensions Policy Institute (PPI). The questions also underwent cognitive testing to check

people's understanding of the products and services being described and the choices they were being presented with. NatCen researchers conducted 16 online interviews with 40- to 75-year-olds. Participants were recruited via a specialist recruitment agency and included a mix of ages, education levels, people who were and were not retired and people with and without private pensions.

A small scale pilot of the whole survey questionnaire was conducted with 120 40- to 75-year-olds sampled from the [NatCen Opinion Panel](#). This provided an opportunity to interrogate the estimates people gave and ensure that these looked sensible relative to the starting values and to ensure that the data structure would enable WTP modelling.

Modelling willingness to pay using dichotomous choice questions

Overview

Dichotomous choice questions yield data in the form of an inequality. For example, if a person replies “yes” to both the initial bid and the follow-up bid, we know that their WTP is greater than the amount of the follow-up bid. If a person replies “no”, and then “yes”, we know that their WTP lies below the initial bid but is greater than the follow-up bid. In either case, we do not have an exact estimate for a person's WTP. In fact, this is only known for those who are modelled as having zero WTP, either because they did not think the product should continue to be provided, or because they said that their WTP was zero in the follow-up question.

Incorporating such data to produce estimates of population WTP requires the use of parametric statistical models. For this analysis, the statistical package DCchoice was used, in the statistical programming language R (Aizaki et al., 2014; 2022). For each product valued by double-bounded dichotomous choice, the function `dbspike` was used to fit a spike-model, which specifically considers those who have a zero WTP. For each product, different models were created, with a range of explanatory variables used. Krinsky and Robb's (1986, 1990) parametric bootstrap method was used to create estimates of mean WTP, with associated confidence intervals. It should be noted that, in line with the limitations of the method, models were fit on unweighted data. The unweighted model may lead to overestimates of WTP especially where oversampled populations (for example, those with high incomes) also have higher WTP. In order to reduce this effect, and provide estimates that better match population demographics, we have presented estimates that result from the following procedure:

- Using the model fit on unweighted data, calculate modelled WTP for each survey respondent. Note that this estimate will be based on their demographics and will not necessarily align with their individual survey responses.
- Calculate population (and group) average WTP by calculating weighted averages of modelled WTP, using survey weights.

Data management and descriptive analysis

For each product or service asked about using the dichotomous choice approach, the WTP modelling required five variables, these were:

- A binary yes / no variable for whether someone would pay the first bid amount,
- A binary yes / no variable for whether someone would pay the second bid amount,
- A numeric value for bid 1 (the amount they would or would not be willing to pay),
- A numeric value for bid 2,
- A binary yes / no variable for whether someone is willing to pay anything (more than £0) for this service.

The final yes / no variable was produced from two pieces of information. Before being asked their WTP respondents were asked if they thought the product or service should continue to be provided. Additionally, respondents were asked to give a value estimate after their response to the two bid questions. If a respondent said that they didn't think the service should continue to be provided, or if they gave a zero WTP in the follow-up, they are considered to have zero WTP. Note that, in the former case, the possibility that a respondent might have a negative WTP (i.e., that they might be willing to pay to *stop* a product being provided) was excluded, as this was considered unrealistic in this context.

Starting values

Selecting the right starting value is critical to the success of dichotomous choice models. Setting starting values that are too high or too low may unduly influence response as well as giving insufficient data with which to model the results.

The proposed bid values which respondents were shown for each of the different policies are presented in Table A1 below. The starting values were varied at random with different respondents seeing different starting values to avoid the choice of starting value having too big an influence on the final estimates.

These are the bid values that people were shown for each policy, for example, 662 people were first shown a bid amount of £15. If they said this was an acceptable amount they were then asked if they would pay £25, while those who said no were asked if they would pay £5.

Table A1. Proposed starting value for each policy

Value	Value of bid 1 (£)	Value of bid 2 – if <u>yes</u> at bid 1 (£)	Value of bid 2 – if <u>no</u> at bid 1 (£)	Unweighted sample size
Pension Wise	15	25	5	662
	25	35	15	641
	35	45	25	679
	45	55	35	706
	55	65	45	709
Midlife MOT website	10	15	5	633
	15	20	10	607
	20	25	15	626
	25	30	20	590
	30	35	25	639
Simple annual benefit statements	3	5	1	702
	5	7	3	742
	7	9	5	754
	9	11	7	723
	11	13	9	748
Retirement pack	3	5	1	666
	5	7	3	678
	7	9	5	621
	9	11	7	651
	11	13	9	677

Descriptive overview of WTP for each policy

Table A2 below shows the proportion of people selecting different combinations of responses to the different amounts they were presented with.

The first part of the table shows the different patterns of response people could give to both bids. For example, the ‘NN’ column indicates the percentage who responded

‘no’ to both the first bid amount they were shown, and the second lower amount, while ‘NY’ is the percentage who first answerer ‘no’, but then changed their response to ‘yes’ when a lower amount was shown. The second part is simply the percentage of people who answered either ‘no’ or ‘yes’ to the first bid amount. Finally, the percentage who switched is the proportion of people who changed their answer in response to bid amount being changed.

The results indicate a good balance between ‘yes’ and ‘no’ first responses, and a reasonable proportion switching between their first and second response. This gives confidence in the data produced as it suggests that the starting value and the increments used are in the correct range to elicit precise responses. If the initial starting bid was too high (so that everyone said ‘no’ to the first question) or too low (so everyone said ‘yes’), or if no one switched their answer between the first and second questions, we would be missing out on opportunities to capture the full variation in people’s willingness to pay.

Table A2 Unweighted percentages of respondents selecting different combinations of responses

Policy	NN	NY	YN	YY	% first responses		% switched
					No	Yes	
Pension wise	53	9	18	20	62	38	27
Midlife MOT website	39	9	13	39	48	52	22
Simple annual benefit statements	58	7	14	20	65	35	22
Retirement packs	47	10	14	29	57	43	24

Model covariates

As is described in the following section, the WTP modelling included a range of covariates. The (unweighted) distribution of these covariates is shown in the table below.

Table A3. Dichotomous choice model covariates: Descriptive statistics

Covariate	Category	Unweighted number of cases	%
Sex	Male	1842	45.6
	Female	2194	54.4
Age	40-44	458	11.3
	45-49	363	9
	50-54	433	10.7
	55-59	509	12.6
	60-64	680	16.8
	65-69	704	17.4
	70-75	889	22
	Income	Under £12,500	798
£12,500 to under £32,500		1589	42.7
£32,500 to under £53,000		879	23.6
£53,000+		454	12.2
Missing		316	-
Retirement status	Not retired	2008	49.8
	Semi-retired	474	11.7
	Fully retired	1554	38.5
Overall Financial Literacy Score (0-3)	0	231	6
	1	490	12.8
	2	976	25.5
	3	2133	55.7
	Missing	206	-
Defined Contribution pension	No DC pension	1644	44
	DC pension	2094	56
	Missing	298	-

Information source used for planning for retirement: Pension Wise	Yes, within the last 12 months	144	3.6
	Yes, but not within the last 12 months	441	11
	No	3414	85.4
	Missing	37	-
Defined Contribution pension - accessed	No	3025	77.6
	Yes	871	22.4
	Missing	140	-
Whether ever received a simple annual benefit statement from a pension provider	Yes	1639	40.8
	No	2378	59.2
	Missing	19	-
Whether ever received a retirement pack	Yes, received a pack 4 months before my expected retirement date	262	6.5
	Yes, received a summary pack from age 50	180	4.5
	No	3567	89
	Missing	27	-

WTP models

For each separate policy a dichotomous choice model was run that predicted people's willingness to pay while controlling for each of the covariates presented in the table above. The models for the different scenarios are very similar, although with different starting values used and different changes to the bid amount (see Table 2). They also differ in that for the Pension Wise, Retirement pack and simple annual benefit statements services an additional covariate was included – showing whether the person had received that service. However, for the Midlife MOT website too few people had used a Midlife MOT I to include it as a covariate.

Interpreting the WTP analysis results

The models described above are presented at the end of this appendix. When interpreting these tables please refer to the following notes:

- In this appendix the unweighted model coefficients are reported. Model coefficients are those outputted by the dbspike method of the package DCchoice. Please see the documentation for this package for more detail on how coefficients are estimated.
- Coefficients for specific demographic predictors can be interpreted as showing the effect on WTP of specific demographic traits, with positive coefficients suggesting that those with the specified trait have a higher WTP than might otherwise be the case. As this is in a nonlinear model, there is no clear monetary interpretation for the model coefficients: we cannot, for example, say that a coefficient corresponds to a fixed pound-amount difference in WTP between groups.
- These coefficients show the effect on WTP of the given demographic, controlling for all the other demographics that are modelled. For example, for some products it might be the case that women have a positive model coefficient, indicating a higher WTP when controlling for their other demographic traits, but that the women in the sample have a lower average WTP than men. This might be the case if women in the survey have lower incomes, on average, or lower financial literacy.

Weighted descriptive analysis of people's estimated willingness to pay

The primary WTP analysis was conducted unweighted, which means that under-represented groups in the sample will be underrepresented in the calculation of the average WTP value from these models. If, for example, people with lower financial literacy were less likely to respond to the survey and were also less likely to be WTP for these services, then the average WTP calculated from these unweighted models might be too high.

To account for this, the predicted WTP amount from the final model for each policy (the model that included all potential covariates) was calculated for each unique combination of characteristics. For example, in a simple model with only gender and age, a separate amount would be calculated for each of the following combinations:

- men, age 16-34,
- men, age 35-54,
- men, 55+,
- women, age 16-34,
- women, age 35-54,
- women, 55+.

In the list above, a unique WTP value would be calculated for men aged 16-34, and so on for each combination. In practice, there were many more predictors in this model and so there were too many unique combinations to show here. These values were then mapped back on to the original data, so that each person had their own expected amount, that they would be willing to pay, based on their characteristics. Finally, a weighted descriptive analysis was conducted of that final variable, which

would account for the under or over representation of groups in the sample through the survey weights.

The results of this analysis are the ones presented in the main body of the report.

Willingness to pay models results

The results of the dichotomous choice models are presented in the two tables below. The first presents the estimated mean and median willingness to pay for each policy from these models, along with the upper and lower confidence intervals for these estimates. The second presents the unweighted model coefficients of each model. See the section 'Interpreting the WTP analysis results' above for the interpretation of these results.

Table A4. Estimated willingness to pay with upper and lower confidence intervals (Unweighted)

Model	Statistic	Estimate (£)	Lower confidence Interval (£)	Upper Confidence Interval (£)
Pension wise	Mean	26.1	25.0	27.3
	Median	15.3	13.8	16.9
Midlife MOT website	Mean	14.3	13.5	15.0
	Median	3.8	2.6	5.0
Simple annual benefit statements	Mean	6.8	6.5	7.2
	Median	3.6	3.2	4.0
Retirement pack	Mean	9.5	9.1	10.0
	Median	6.0	5.4	6.5

Table A5. Unweighted model coefficients from the dichotomous choice models

Predictors	Unweighted model coefficients			
	Pension Wise	Midlife MOT website	Simple annual benefit statements	Retirement pack
(Intercept)	-0.406	-0.513	-0.029	-0.192
Bid	-0.040***	-0.057***	-0.143***	-0.115***
Sex – Male (Reference category)				
Sex - Female	0.146*	0.090	0.063	0.186**
Age 40-44 (Reference category)				
Age – 45-49	-0.034	0.036	0.140	0.120
Age – 50-54	-0.069	-0.081	-0.010	-0.162
Age – 55-59	-0.141	-0.182	0.176	-0.240
Age – 60-64	-0.208	-0.100	0.247	-0.161
Age – 65-69	-0.118	-0.075	0.318*	-0.112
Age – 70-75	-0.231	0.047	0.341*	-0.127
Income – Under £12,500 (Reference category)				
Income £12,500 to under £32,500	0.201*	0.167	0.134	0.315***
Income £32,500 to under £53,000	0.486***	0.331**	0.463***	0.456***
Income £53,000+	0.812***	0.399**	0.384**	0.636***
Retirement status – not retired (Reference category)				
Retirement status – Semi retired	-0.075	-0.134	0.021	-0.006
Retirement status – Fully retired	0.318***	-0.109	-0.015	0.026
Financial literacy score – 0 (Reference category)				
Financial literacy score 1	0.314	0.428*	0.352	0.471*

Financial literacy score 2	0.427*	0.428*	0.404*	0.502**
Financial literacy score 3	0.691***	0.623***	0.371*	0.575***
Whether has a DC pension – No (Reference category)				
Whether has a DC pension - Yes	0.227**	0.126	-0.328**	-0.115
Whether accessed a DC pension – No (Reference category)				
Whether accessed a DC pension - Yes	-0.097	-0.026	0.131	-0.015
Whether used Pension Wise scheme to plan for retirement: Yes, within the last 12 months (Reference Category)				
Whether used Pension Wise scheme to plan for retirement: Yes - but not within the last 12 months.	0.386*			
Whether used Pension Wise scheme to plan for retirement – No.	-0.050			
Whether ever received a simple annual benefit statement from a pension provider – Yes (Reference Category)				
Whether ever received a simple annual benefit statement from a pension provider - No			-0.217	
Whether ever received a Retirement Pack - Yes, received a pack 4 months before my expected retirement date (Reference category)				

Whether ever received a Retirement Pack - Yes, received a summary pack from age 50				0.562**
Whether ever received a Retirement Pack - No				0.090
Sample size	3,262	3,246	3,321	3,323

*** p<0.001 **p<0.01 * p<0.05

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PPLL willingness to pay survey questions

For the full survey questionnaire see the [PPLL Technical Report](#).

{ASK ALL}

WTPIntro

“We are now going to give you details of four resources people can currently use to help plan for their retirement.

Please {IF CAWI “read”, IF CATI “listen to”} the description of each resource carefully. After the description we will ask you about your views on each programme.”

If you are already retired please think back to when you were planning for retirement.

We would like to reassure you that there are no plans to charge for any of the products or services asked about which are currently available for free. The questions are simply a way to try and understand how much people value these services.”

{ASK ALL}

NOTE TO PROGRAMMER: PLEASE CAN WE RANDOMISE THE ORDER IN WHICH THE FOLLOWING QUESTIN BLOCKS ARE ASKED

WTPQ1DES TO WTPQ1P

WTPQ2DES TO WtPQ2P

WTPQ3DES TO WTPQ3P

WTPQ4DES TO WTPQ4P

WTPQ1Des

“One resource currently available is Pension Wise.”

- All people aged over 50 are eligible for a free Pension Wise appointment if they have a defined contribution pension.
- In this appointment people talk to a trained guidance specialist about what to think about when accessing their pension pot and options available to them.
- Pension Wise guidance specialists cannot make any specific recommendations.
- In the appointment, the guidance specialists explain how each pension option works, what tax you could pay and how to look for scams.
- The appointments can take place either face-to-face or by telephone. The appointment lasts 45-60 minutes.”

{ASK ALL}

WTPQ1Binary

“Do you think Pension Wise appointments should continue to be offered?”

1. Yes
 2. No
-

{ASK IF WTPQ1Binary=Yes or DK/REF}

WTPQ1Val

“Although **Pension Wise appointments** are free at the point of use, they are ultimately funded from charges you pay to your pension providers.

Suppose that to ensure Pension Wise appointments continue to be offered, your pension charges needed to increase by a one-off amount of £x or Pension Wise appointments would cease to be offered. Would you {IF RETIREDV=1-4 “be” IF RETIREDV=5 “have been”} willing to pay this amount as a one-off contribution? “

1. Yes
2. No

Programmer: Randomly assign one of the following starting values of £X: £15 £25 £35 £45 £55

{ASK IF WTPQ1Val = Yes}

WTPQ1ValY

“{IF RETIREDV=1-4 “Would you be” IF RETIREDV=5 “Would you have been”} willing to pay a one-off contribution of £{SET AMOUNT TO {£X}+10}?”

1. Yes
 - 2.No
-

{ASK IF WTPQ1Val = No}

WTPQ1ValN

“{IF RETIREDV=1-4 “Would you be” IF RETIREDV=5 “Would you have been”} willing to pay a one-off contribution of £{SET AMOUNT TO {£X}-10}?”

1. Yes
 - 2.No
-

{ASK IF WTPQ1VALN=NO or WTPQ1VALY=YES}

WTPQ1P

“What {if WTPQ1Val = No “, if anything,”} would you {If RETIREDV=1-4 “be” If RETIREDV=5 “have been”} willing to pay as a one-off contribution?

Please give your answer to the nearest £. “

£0....500

{ASK ALL}

WTPQ2Des

“One resource currently provided is the Midlife MOT website.

- The website is primarily aimed at people aged 45 to 65 but can be used at any age.
 - The website provides tools to help guide you to information on work, health and money with future planning in mind.”
-

{ASK ALL}

WTPQ2Binary

“Do you think the Midlife MOT website should continue to be provided?”

1. Yes
 2. No
-

{ASK IF WTPQ2Binary=Yes or DK/REF}

WTPQ2Val

“Although the Midlife MOT website is free at the point of use, it is ultimately funded from charges you pay to your pension providers.

Suppose that to ensure the Midlife MOT website continue to be offered, your pension charges needed to increase by a one-off amount of £x or the Midlife MOT website would cease to be offered. Would you {IF RETIREDV=1-4 “be” IF RETIREDV=5 “have been”} willing to pay this amount as a one-off contribution?

1. Yes
2. No

Programmer: Randomly assign one of the following starting values of £X: £10 £15 £20 £25 £30

{ASK IF WTPQ2Val = Yes}

WTPQ2ValY

“{IF RETIREDV=1-4 “Would you be” IF RETIREDV=5 “Would you have been”} willing to pay a one-off contribution of £{SET AMOUNT TO {£X}+5}?”

1. Yes

2.No

{ASK IF WTPQ2Val = No}

WTPQ2ValIN

"{IF RETIREDV=1-4 "Would you be" IF RETIREDV=5 "Would you have been"} willing to pay a one-off contribution of £{SET AMOUNT TO {£X}-5}?"

1. Yes

2.No

{ASK IF WTPQ2VALN=NO or WTPQ2VALY=YES}

WTPQ2P

"What {if WTPQ2Val = No " , if anything,."} would you {If RETIREDV=1-4 "be" If RETIREDV=5 "have been"} willing to pay as a one-off contribution?

Please give your answer to the nearest £. "

£0....500

{ASK ALL}

WTPQ3Des

Some pension providers issue yearly **simple annual benefit statements**. This statement is a short document (no more than 2 pages) which sets out:

- How much money you have in your pot.
 - How much you are likely to have by the time you retire.
 - What you could do to give yourself more money in retirement.
-

{IF ANY PENSION IN LOOP A OR B IS A DC PENSION (PENLOOPA=2 OR PENLOOPT=1)}

WTPQ3Rec

"Have you ever received a **simple annual benefit statement** from any of your pension providers?"

1. Yes

2. No

{ASK ALL}

WTPQ3Binary

"Do you think that **simple annual benefit statements** should continue to be provided?"

1. Yes

2. No

{ASK IF WTPQ3Binary=Yes or DK/REF}

WTPQ3Val

“Although the **simple annual benefit statement** is free at the point of use, it is ultimately funded from charges you pay to your pension providers.

Suppose that to ensure simple annual benefit statements continue to be offered, your pension charges needed to increase by £x or simple annual benefit statements would cease to be offered. Would you {IF RETIREDV=1-4 “be” IF RETIREDV=5 “have been”} willing to pay this amount as an annual contribution?”

1. Yes
2. No

Programmer: Randomly assign one of the following starting values of £X: £3 £5 £7 £9 £11

{ASK IF WTPQ3Val = Yes}

WTPQ3ValY

“{IF RETIREDV=1-4 “Would you be” IF RETIREDV=5 “Would you have been”} willing to pay s an annual contribution of £{SET AMOUNT TO {£X}+2}?”

1. Yes
 - 2.No
-

{ASK IF WTPQ3Val = No}

WTPQ3ValN

“{IF RETIREDV=1-4 “Would you be” IF RETIREDV=5 “Would you have been”} willing to pay an annual contribution of £{SET AMOUNT TO {£X}-2}?”

1. Yes
 - 2.No
-

{ASK IF WTPQ3VALN=NO or WTPQ3VALY=YES}

WTPQ3P

“What {if WTPQ3Val = No “, if anything,”} would you {If RETIREDV=1-4 “be” If RETIREDV=5 “have been”} willing to pay as an annualcontribution?

Please give your answer to the nearest £. “

£0....500

{ASK ALL}

WTPQ4Des

Providers of occupational and workplace pension schemes currently issue a one-off pension **Retirement Pack**, giving information about retirement options, 4 months before your expected retirement date.

Some pension schemes now also provide a single page **summary Retirement Pack from age 50**, and every five years after that, until your pension pot is accessed. This summary includes:

- Information on your pension value, pension charges and pension guarantees in clear and accessible language.
- Signposting to pensions guidance and advice to understand your options at retirement.
- Information on warnings and potential risks as you approach decisions about your pension.

{ASK IF AGE >=55 and ANY PENSION IN LOOP A OR B IS A DC PENSION (PENLOOPA=2 OR PENLOOPT=1)}

WTPQ4Rec [SINGLE CODE]

G_Single_II1

“Have you ever received a **Retirement Pack**?”

1. Yes, received a pack 4 months before my expected retirement date
2. Yes, received a summary pack from age 50
3. No

{ASK ALL}

WTPQ4Binary

“Do you think schemes should provide a **summary Retirement Pack** to pension holders from age 50 and at 5-year intervals after that?”

1. Yes
2. No

{ASK IF WTPQ4Binary=Yes or DK/REF}

WTPQ4Val

“Although the **summary Retirement Pack** is free at the point of use, it is ultimately funded from charges you pay to your pension provider.

Suppose that to ensure retirement packs continue to be offered, your pension charges needed to increase by **£x** or retirement packs would cease to be offered. Would you {IF RETIREDV=1-4 “be” IF RETIREDV=5 “have been”} willing to pay this amount as a contribution every five years? “

1. Yes
2. No

Programmer: Randomly assign one of the following starting values of £X: £3 £5 £7 £9 £11

{ASK IF WTPQ4Val = Yes}

WTPQ4ValY

"{IF RETIREDV=1-4 "Would you be" IF RETIREDV=5 "Would you have been"} willing to pay a contribution of £{SET AMOUNT TO {£X}+2} every 5 years?"

1. Yes
 - 2.No
-

{ASK IF WTPQ4Val = No}

WTPQ4ValN

"{IF RETIREDV=1-4 "Would you be" IF RETIREDV=5 "Would you have been"} willing to pay a contribution of £{SET AMOUNT TO {£X}-2} every 5 years?"

1. Yes
 - 2.No
-

{ASK IF WTPQ4VALN=NO or WTPQ4VALY=YES}

WTPQ4P

"What {if WTPQ4Val = No " , if anything,"} would you {If RETIREDV=1-4 "be" If RETIREDV=5 "have been"} willing to pay?"

Please give your answer to the nearest £. "

£0....500

{ASK ALL}

WTPIntro2

We are now going to give you details of a new policy that may be introduced in the future, to help people manage their pension pots.

Please {IF CAWI "read", IF CATI "listen to"} the description of each new policy carefully. After the description we will ask you about your views on each policy.

If you are already retired please think back to when you were planning for retirement.

{ASK IF ANY PENSION IN LOOP A OR B IS A DC PENSION (PENLOOPA=2 OR PENLOOPT=1)}

WTPQ5Des

"One policy that may be introduced in the future is a default pathway for how you would access your Defined Contribution pension.

- When you reach retirement age there are a wide range of choices about how you take your pension. For example, you can purchase an annuity that gives a guaranteed income, draw down your pension income flexibly, take the money out in lump-sums, or leave the full amount invested.
- Each option comes with different benefits, drawbacks and tax implications.
- With the **default pathway** you would have the option to not make a decision yourself and instead let your pension provider select a pathway for you, based on what they know about your needs and financial circumstances, to save you the time and effort of making an active decision.
- The amount you would receive from your pension may be higher or lower under this default option than you would receive from a different option.”

{ASK IF ANY PENSION IN LOOP A OR B IS A DC PENSION (PENLOOPA=2 OR PENLOOPT=1)}

WTPQ5Binary

“Would you {IF RETIREDV=1-4 “want” IF RETIREDV=5 “have wanted”} your pension provider to provide the option of a **default pathway** when you reach retirement age, to save you the time and effort of making an active decision on how take your pension?”

1. Yes
2. No

{ASK IF WTPQ5Binary=Yes or DK/REF}

WTPQ5Val

“We are interested in how much people would **value** such a pathway.

Suppose that to enable providers to offer the default pathway, your pension charges needed to increase by a one-off amount, or the default pathway would not be offered.

How much would you {IF RETIREDV=1-4 “be willing”; IF RETIREDV=5 “have been willing”} to pay as a one-off increase in charges to your pension providers to have the option of a **default pathway** for how to access your pension? “

1. £0
2. £1-25
3. £26-50
4. £51-75
5. £76-100

{ASK IF WTPQ5VAL>=2 ie would pay £1 or more}

WTPQ5Valb

“What amount between {#WTPQ5VAL} would you {IF RETIREDV=1-4 “be willing”; IF RETIREDV=5 “have been willing”} to pay for the **default pathway**?”

Please give your answer to the nearest £. “

£_

{ASK ALL}

WTPQ6Des

“One policy that may be introduced in the future is the **automatic merging of small pension pots**. When you move between multiple jobs, you may end up with many small pension pots. Merging them can make them easier to manage but takes time and effort to arrange.

The benefits of merging your small pension pots include reducing charges in the longer-term, increasing your choices for investment and reducing the potential loss of key details.

The Government is consulting on an approach where you would have the option for **small pension pots (up to £1,000) to be automatically merged for you**.”

{ASK ALL}

WTPQ6Binary

“Would you {IF RETIREDV=1-4 “want” IF RETIREDV=5 “have wanted”} the option of having your **small pension pots to be automatically merged** into a government-approved scheme/pension provider, to save you the effort of doing it yourself?”

1. Yes
 2. No
-

{ASK IF WTPQ6Binary=Yes or DK/REF}

WTPQ6Val

We are interested in how much people would **value** such an option.

Suppose that to enable this **automatic merging of small pots**, your pension charges included an additional charge (each time two small pots got merged) or this service would not be offered.

How much would you {IF RETIREDV=1-4 “be willing”; IF RETIREDV=5 “have been willing”} to pay each time two small pension pots get merged to have the option that your small pots get automatically merged for you?

1. £0
 2. £1-£15
 3. £16-£30
 4. £31-£45
 5. £46-£60
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{ASK IF WTPQ6VAL>=2 i.e. would pay £1 or more}

WTPQ6Valb

What amount between {#WTPQ6VAL} would you {IF RETIREDV=1-4 “be willing”; IF RETIREDV=5 “have been willing”} to pay for your small pots to be automatically merged?

Please give your answer to the nearest £. “

£ _____