



Department
for Work &
Pensions



Automatic enrolment: experiences of workers who have opted out

A qualitative research study

February 2014

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Summary

Automatic enrolment is a response to some of the challenges facing the UK pensions system, and ultimately to the issue of millions of individuals not saving enough for their retirement. It will require employers to automatically enrol eligible workers into a qualifying workplace pension scheme. Individuals will have the right to opt out of the scheme.

Automatic enrolment is being staged in between October 2012 and February 2018 by employer size, starting with the largest employers. Once fully implemented the reforms aim to increase the number of individuals newly saving or saving more in a workplace pension by around eight million, within a range of six to nine million.

This study was designed to evaluate the experiences and motivations of workers who had been automatically enrolled into a workplace pension scheme by employers with staging dates between October 2012 and April 2013, but had subsequently opted out or left the scheme. The research consisted of 50 qualitative in-depth interviews with workers across 16 large employers.

Key findings

Workers fell broadly into six types based on their main motivation for opting out:

Type 1: Affordability. Workers within this type tended to be younger and on lower incomes, with many earning under £20,000 per annum. Many described facing real financial struggles in order to make ends meet on a daily basis. Their opt-out decision tended to be based on material barriers, rather than attitudinal reservations about pension saving.

Type 2: Other financial priorities. This type comprised people with a range of incomes and was dominated by workers aged 30 or older. The main reason for opting out was based on a deliberate choice to prioritise other long-term financial commitments, such as childcare, or other savings vehicles.

Type 3: Other provision. This type included workers who opted out because they already had other savings products in place to fund their retirement. Workers in this type tended to be older and higher earners, with annual incomes typically over £20,000 and often in excess of £30,000.

Type 4: Insufficient time to build up pension savings. This type included workers who were at a later stage in their careers, and therefore did not feel they had enough time to accumulate sufficient pension savings before they retired. Nearly all the workers in this type were over 50 years old and they typically had low to middle incomes, which ranged from £15,000 to £30,000.

Type 5: Imminent changes to employment situation. Workers within this type expected to leave their current employer in the near future, and therefore opted out, feeling it was not worth starting to contribute to a pension at that point. Younger workers dominated this type.

Type 6: Contribution rate perceived to be too low. This type included workers who felt they would not be able to build up a sufficiently big pension, regardless of how long they spent paying into it, because the contribution rate was too low. Such workers tended to be 40 years or older and on middle to higher income levels of between £20,000 and £40,000.

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List of abbreviations

DB	Defined Benefit
DWP	Department for Work and Pensions
HR	Human Resources
PAYE	Pay As You Earn
SPa	State Pension age
TPR	The Pensions Regulator

Glossary of terms

Active Member	A member who is currently accruing benefits in a pension scheme.
Automatic Enrolment	Pension scheme enrolment technique whereby an employer enrolls eligible jobholders in the workplace pension scheme ‘automatically’ – i.e. without the jobholder having to make a separate application for membership. Individuals who are automatically enrolled are free to opt out or cease active membership at any time, but need to take action to do so.
Automatic Enrolment Scheme	A qualifying scheme that meets additional criteria to be an automatic enrolment scheme. Eligible jobholders who are not already a member of a qualifying scheme on the employer’s staging date must be automatically enrolled into an automatic enrolment scheme.
Ceasing Active Membership	In the context of this report, if an eligible jobholder chooses to leave an automatic enrolment scheme after the end of the opt-out period , they are said to cease active membership.
Contract-based Pension	See Personal pension .
Defined Benefit Scheme	Occupational pension scheme specifying the benefits that are paid on retirement (e.g. a fraction of salary for each year of service). Also known as a ‘salary-related’ scheme.
Earnings Trigger for Automatic Enrolment	The amount of qualifying earnings a worker must earn before the duty for their employer to automatically enrol the worker is triggered. For the 2013/14 tax year, this is set at £9,440. This figure will be reviewed annually by the Government.
Eligible Jobholder	A worker (sometimes referred to as an employee) who is ‘eligible’ for automatic enrolment. An eligible jobholder must be aged at least 22, but under State Pension age , earn above the earnings trigger for automatic enrolment and work or usually work in the UK.
Jobholder	A worker who is aged at least 16 and under 75; works, or ordinarily works in the UK; and earns above the lower earnings level for qualifying earnings. The category of jobholder is divided further into two groups: eligible jobholders and non-eligible jobholders .
Member	A person who has joined a pension scheme and who is entitled to benefits under it.

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Non-eligible Jobholder	Non-eligible jobholders are not eligible for automatic enrolment, although they can choose to 'opt in' to an automatic enrolment scheme . If they do, their employer must still make a contribution. They are jobholders who: are aged at least 16 and under 75; and earn above the lower earnings level of qualifying earnings , but below the earnings trigger for automatic enrolment ; or, are aged at least 16, but under 22, or between State Pension age and under 75; and earn above the earnings trigger for automatic enrolment .
Opt Out	Where a jobholder has been automatically enrolled , they can choose to 'opt out' of a pension scheme. This has the effect of undoing active membership , as if the worker had never been a member of a scheme on that occasion. It can only happen within a specific time period, known as the ' opt-out period .'
Opt-out Period	A jobholder who becomes an active member of a pension scheme under the automatic enrolment provisions has a period of time during which they can opt out . If a jobholder wants to opt out, they must do so within one month, from and including the first day of the opt-out period. The opt-out period begins one month after the worker has both become an active member and been provided with written confirmation of this. Sometimes referred to as opt-out window .
Personal Pension	A pension that is provided through a contract between an individual and a pension provider . The term generally comprises personal pensions, which are arranged by individual employees, and group personal pensions, access to which is facilitated by an employer.
Provider	An organisation, usually a bank, life assurance company or building society, which sets up and administers a pension scheme on behalf of an individual or trust.
Qualifying Earnings	In the context of the workplace pension reforms this refers to the part of an individuals' earnings on which contributions into a qualifying pension scheme will be made. A worker's earnings below the lower level and above the upper level are not taken into account when working out pension contributions. For the 2013/14 tax year, the lower level is set at £5,668 and the upper level is set at £41,450. These figures will be reviewed annually by the Government.

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Staging	The staggered introduction of the new automatic enrolment employer duties, from 2012, starting with the largest employers, based on the Pay As You Earn (PAYE) scheme size, in October 2012, to the smallest in 2017. New PAYE schemes will be staged last in 2017 and 2018.
Staging Date	The date on which an employer is required to begin automatic enrolment . It is determined by the total number of persons in an employer's largest PAYE scheme.
Stakeholder Pension	A personal pension scheme that complied with Government regulations which limited charges and allowed individuals flexibility about contributions, introduced in April 2001. These ceased to be mandatory after the workplace pension reforms were introduced.
State Pension age	The State Pension is currently paid to people who reach the State Pension age of 65 for men and 60 for women and who fulfil the conditions of the National Insurance contributions. At the time of fieldwork, legislation was in place to increase the State Pension age for women to 65 by 2020, and to 66 for both men and women by 2026.
Worker	An employee, or a person who has a contract to provide work or services personally and is not undertaking the work as part of their own business.
Workplace Pension	Any pension scheme provided as part of an arrangement made for the employees of a particular employer.
Workplace Pension Reforms	The reforms introduced as part of the Pensions Act 2008 (and updated as part of the Pensions Act 2011): the measures include a duty on employers, starting in 2012 and on a rolling-programme basis, to automatically enrol all eligible jobholders into an automatic enrolment scheme .

Executive summary

This report provides the findings of a study commissioned by the Department for Work and Pensions (DWP), to evaluate workers' experiences of automatic enrolment. In particular, it sought to understand the characteristics and motivations of those who decided to opt out of or leave their workplace pension after being automatically enrolled.

Background

Automatic enrolment is a response to some of the challenges facing the United Kingdom (UK) pensions system, and ultimately to the issue of millions of individuals in the UK not saving enough for their retirement. Automatic enrolment is being staged between October 2012 and February 2018, starting with the largest employers. DWP estimates that around 10 million workers will have been automatically enrolled into a workplace pension scheme by February 2018.¹ Once fully implemented, automatic enrolment aims to increase the number of individuals newly saving or saving more in a workplace pension by around eight million, within a range of six to nine million.

This research was designed to evaluate the experiences of workers who had been automatically enrolled into a workplace pension scheme by employers with staging dates between October 2012 and April 2013, but had subsequently opted out or left the scheme. As the first employers to stage, these were mainly employers with at least 6,000 workers. The research formed part of a wider study, which assessed the impact of automatic enrolment on both employers and workers, the results of which are discussed in a separate report.²

Scope of the research

The research consisted of 50 qualitative in-depth interviews with workers who had been automatically enrolled by their employer, and had later opted out of the scheme within the opt-out period.³ These included a small number of cases where the worker left the scheme after the opt-out period had ended.

¹ DWP (2013), *Review of the automatic enrolment earnings trigger and qualifying earnings band for 2014/15: supporting analysis*. At: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266348/review-of-ae-earnings-trigger.pdf

² DWP (2013), *Automatic enrolment: Qualitative research with large employers*. Available from: <https://www.GOV.UK/government/publications/automatic-enrolment-qualitative-research-with-large-employers-rr851>

³ Every worker who is automatically enrolled into a workplace scheme has the option to opt out of it during a set period of time immediately after enrolment. The length of this period of time, known as the 'opt-out period', is specified by legislation. For the vast majority of workers, the opt-out period is one month.

Key findings

Workers broadly agreed with the Government's aim of using automatic enrolment to encourage people to save more for their retirement. It was widely accepted that they were, to a large degree, personally responsible for funding a self-defined level of comfort in their retirement.

The workers interviewed fell broadly into six types, which are described below. The study included workers – spread evenly across the six types – who voiced some degree of personal dislike of pensions as a savings vehicle. Only rarely was this dislike expressed spontaneously, or strongly enough to be considered as one of the worker's main motivations for opting out.

Workers instead chose to opt out according to a variety of motivations stemming from their personal circumstances. While most workers cited several, often interdependent, motivations for their decision, there were six main types of worker who opted out. We have defined these types according to their main motivation for opting out, as follows:

Type 1: Workers concerned about affordability

Typically, these were workers with a personal income of less than £20,000, and in their 20s and 30s. These workers felt that their income was almost entirely accounted for by essential expenditures such as paying rent, household bills and the cost of raising children. Some cited recent rises in their outgoings, while others had experienced a sudden fall in income, for example, owing to redundancy. Most workers in this type had few or no savings, but wanted to begin saving soon. However, very few had concrete or immediate plans to do so.

Type 2: Workers who had other financial priorities

Workers in Type 2 tended to be aged over 30. Unlike Type 1, these workers were not so much driven by necessity, as by a conscious decision to prioritise other outgoings. These other expenditures were often long-term, for example, childcare or upgrading their home, and gave these workers greater flexibility in planning ahead and choosing how to manage their finances. Many of these workers were already investing in other savings vehicles. Those who were not, planned to begin saving for retirement soon.

Type 3: Workers who had made other provision

This type tended to be older, with most in their 50s or 60s, and to have higher incomes. They had invested in a range of different savings vehicles, with most having more than one savings product in place. Typically, these workers expected to rely principally on another workplace pension or property in retirement, while some had a private pension. Some of these workers felt that they had enough provision, while others said they wanted or needed to save more. For most, the fact that they had an alternative savings vehicle was the overriding factor when considering whether to remain in the workplace scheme following automatic enrolment: if they wanted to save more, they would use these alternative methods to do so.

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Type 4: Workers with insufficient time to build up pension savings

Workers in this type were typically aged over 50, and felt that they did not have enough time left before retirement to build up a worthwhile pension with their current employer. Most had vague plans to retire within the next three to five years, while a few had concrete plans to retire in the next year or two. A small number were receiving a pension while continuing to work. Most workers in this type already had other savings in place that they planned to use for retirement. A few had little or no savings, but perceived the contribution rate to be too low to accumulate a substantial amount within their given time constraints.

Type 5: Workers who anticipated imminent changes to their employment situation

These workers were usually aged under 50, and represented a wide range of personal incomes. They usually opted out because they expected to leave their current employer in the near future: either of their own volition, or because they were on a temporary contract. Most were put off by the perceived inconvenience of leaving a small pension pot in one place before beginning their main pension with a future employer. A few were aware that their employer also offered another pension with a more generous contribution, for which they were already, or hoped soon to become eligible. A small number had already begun putting their plans to leave their employer into motion.

Type 6: Workers who perceived the contribution rate as being too low

This type felt that the contribution rate for the automatic enrolment scheme was too low for them to build up an attractive return, regardless of how long they paid into it. These workers were usually aged over 40 and earning over £20,000 a year. Like Type 4, they were often comparing the pension to alternative savings products that they had bought or could buy.

Individual experiences of opting out

The majority of workers had become aware of automatic enrolment through the Government's media campaign, or through news reports. Most had a positive impression of the media campaign, but very few paid much attention to these early reports. It was common for workers to assume initially that they would not be automatically enrolled, perhaps due to their type of contract, or the fact that they had alternative provision in place.

Most workers reported receiving an official letter or email from their employer, with some also describing articles on their organisation's intranet, noticeboards, or face-to-face presentations. The official communications were typically described as being easy to understand, although many workers also admitted not paying a lot of attention to them, as they had already made up their minds to opt out.

Some workers discussed the decision to opt out with their partner, but many were impatient to opt out as soon as possible. Workers often suggested that it was a waste of their employer's time and money to enrol them, rather than allowing them to decline pre-emptively. Only a few workers sought further information, usually going online to look at Government or providers' websites.

Most workers found the process of opting out straightforward. They were able to successfully complete an on-line form, and report a confirmation and a refund of contributions if one was due. Others filled in a paper form, or telephoned the pension provider. A few had difficulties

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understanding how to opt out, or had technical difficulties with the on-line form. Most workers received confirmation of their opt-out request, or had checked their payslips to confirm that no deductions were taken, or had been refunded. A few had not yet received confirmation, often because they had only opted out recently. A small number had to wait a long time, or make several attempts to have their decision to opt out successfully acknowledged.

Many workers were not aware that they would be re-enrolled in three years' time. Nearly all were certain that they would opt out again, and many were irritated that their initial opt-out would not be taken as their final decision.

Attitudes toward saving for retirement

Most workers were aware that an ageing population was creating a growing financial burden on the State, and felt that it was important to take personal responsibility for providing the lifestyle they wanted in retirement. However, many workers also perceived automatic enrolment as coercing them into doing something they did not want to do. Most were somewhat annoyed that they had to take active steps to opt out, while a few disliked feeling that the Government was 'interfering' in their private affairs.

Most workers felt that they should take responsibility for providing their own retirement income. A few suggested that there was still some role for the State in supporting those unable to support themselves. However, many admitted not knowing what the State Pension was currently worth, and the vast majority speculated that it would only provide a minimal level of support.

In this context, most workers wanted to make provision to secure what they described as a higher level of comfort in retirement, although none indicated having settled on any quantified target. Most expressed willingness to be flexible about their retirement date, and thought they might retire later, in order to generate more financial provision, or simply because they enjoyed working. Some felt that retirement was important for their health and wellbeing, and were more fixed on retiring at or around the State Pension age (SPa), sometimes due to concerns about current or future health conditions.

Workers often described their retirement date as not being fully under their control. Although most said that they would not rely primarily on the State Pension, many saw themselves retiring at the time they started to receive it.

For many workers, uncertainty about the future made it difficult for them to know how much they needed to save, or whether what they had would be enough. This attitude was voiced by a wide variety of workers, regardless of age or the amount of provision they had in place. Some said that they did not know how long they would live, how their future health and career would develop, or how much their assets would be worth at retirement.

Most workers also found it difficult to say how much responsibility their employer should assume for funding their retirement plans. Many worked for an employer who had not previously offered a pension to the majority of their workforce: these workers were usually content with being paid a wage. Others had received a pension from a previous employer, and often perceived this employer to have provided their main career, whilst having relatively low expectations of their current employer. Other workers anticipated their main career to be at a future employer, and so similarly did not have high expectations from their current employer in terms of retirement provision.

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Most workers were happy with the way their employer handled the implementation of automatic enrolment, although most had a limited understanding of the extent of their employers' responsibilities. They typically suggested that automatic enrolment was a good idea for anybody who did not face the specific barriers that they had to remaining in a workplace pension scheme.

1 Introduction

This report presents the findings from a qualitative research study to evaluate the experiences of workers who have opted out of or left a workplace pension scheme after being automatically enrolled. These workers were spread over 16, mainly large employers who began automatic enrolment between October 2012 and April 2013. The research was designed to assess the impact of automatic enrolment on both employers and workers, with the employer research discussed in a separate report.⁴ This chapter provides context for the research, describes the methodology used and the workers who participated.

1.1 Background

The Government hopes that automatic enrolment will be successful in overcoming individuals' inertia in planning for retirement, and that when fully implemented, it will transform the culture of pension saving. Automatic enrolment is being introduced as a response to some of the key challenges facing the UK pensions system, and ultimately to the issue of millions of individuals in the UK not saving enough for their retirement. Once fully implemented, automatic enrolment aims to increase the number of individuals newly saving or saving more in a workplace pension by around eight million, within a range of six to nine million. The Department for Work and Pensions (DWP) estimates that by February 2018, around 10 million workers will have been automatically enrolled into a workplace pension scheme.⁵

The workplace pension reforms will require employers to automatically enrol all eligible workers⁶ aged between 22 and State Pension age (SPa) into a workplace pension scheme, although all enrolled workers also have the option to 'opt out': that is, to leave the scheme within a one-month period of being automatically enrolled. The new employer duties are being introduced between October 2012 and February 2018, with the largest organisations implementing automatic enrolment first.

⁴ DWP (2013), *Automatic enrolment: Qualitative research with large employers*. Available from: <https://www.GOV.UK/government/publications/automatic-enrolment-qualitative-research-with-large-employers-rr851>

⁵ DWP (2013), *Review of the automatic enrolment earnings trigger and qualifying earnings band for 2014/15: supporting analysis*. At: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266348/review-of-ae-earnings-trigger.pdf

⁶ Workers will be eligible if they are at least 22 and under SPa, and earn over £9,440 per year (in 2013/14 terms). This is known as the 'earnings trigger.' In 2012, the earnings trigger was £8,105.

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Employers will eventually – from October 2018 – be required to contribute a minimum of three per cent on a band of earnings for eligible jobholders into a workplace pension.⁷ This will be supplemented by the jobholder's own contribution and one per cent in tax relief. Overall contributions will total at least eight per cent.

1.2 Research objectives

The aim of this study was to evaluate the experiences of some of the first workers to be automatically enrolled into – and to decide to opt out of – a workplace pension. The workers we interviewed were all enrolled by employers who began automatic enrolment between October 2012 and April 2013, although some of the workers interviewed were enrolled in subsequent months (up to July 2013). Nearly everybody had subsequently opted out of this scheme during the typical month-long opt-out period after the point of enrolment.⁸ The research sought to explore workers' understanding of, and attitudes to, automatic enrolment, and to explore the motivations driving them to opt out of the scheme.

The specific objectives included:

- Understanding the types of information that workers received from their employer, and how they used it.
- Identifying any information sources that workers accessed outside of their employer in relation to automatic enrolment.
- Identifying the drivers to opting out, and the characteristics of those who do so.
- Understanding the opt-out process from individuals' perspectives.

Workers described the information that they had used in making their decision. They also explained how it had influenced their decision, and indicated how well they felt they had understood it. They were also asked whether they felt they had sufficient information about automatic enrolment and the workplace scheme they would be enrolled into, and whether they could think of anything they would like to have known that might have helped with their decision.

⁷ In 2013/14 terms the band of earnings is everything between £5,668 and £41,450 per year. While most of the employers who participated in the research had chosen to phase in the higher levels of contribution gradually, according to the timetable prescribed by the Government for defined contribution schemes, it is also possible for employers to offer a higher level of contribution from the point where automatic enrolment is first introduced. A small number of employers had chosen to do this, reasoning that it would save them the time and effort they thought would be involved in changing contribution levels later on.

⁸ Every worker who is automatically enrolled into a workplace scheme has the option to opt out of it during a set period of time immediately after enrolment. The length of this period of time, known as the 'opt-out period' is specified by legislation. For the vast majority of workers, the opt-out period is one month long. For a few public sector schemes, the opt-out period is three months long. A small number of workers who took part in interviews ceased active membership after their opt-out period had ended.

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To understand what drives people to opt out of automatic enrolment schemes, workers were probed on a range of related issues, allowing us to situate their decision to opt out within the broader context of their personal circumstances and attitudes. Workers discussed the way they felt about saving in general and workplace pensions in particular, whether they had any additional provision for their retirement, and whether they had other financial responsibilities or priorities that played a role in the decision. We also asked workers how far they thought the State Pension would support them, and to what extent they perceived the State, their family or themselves as being responsible for providing their income after they stopped work.

The research also sought to explore workers' experiences of the process of being automatically enrolled and then opting out. Workers explained how they first found out about automatic enrolment, how they had reacted to official information from their employer and any media coverage they might have seen, and what arrangements their employer had made for them to opt out. They also described how straightforward or difficult they had found the process, whether they had received confirmation of leaving the scheme, and whether they knew yet how they might respond to being automatically enrolled again in three years' time. Together with examining the personal circumstances and characteristics of individual workers, this helped to form an understanding of the extent to which the barriers or resistance to joining a workplace pension were short- or long-term for each worker.

Two interviews were also carried out with workers who had ceased active membership: that is, workers who left the scheme after the month-long opt-out period had ended. These interviews with workers who had ceased active membership allowed the research team to understand any differences between the two groups. We asked these workers the same questions as workers who had left the pension scheme within the opt-out period. These experiences had caused both workers a little frustration, but in all other ways their attitudes and experiences reflected those of workers who had left schemes within the opt-out period.

1.3 Policy objectives

The findings of this study are designed to feed into discussions around the success of automatic enrolment in increasing the number of individuals saving for retirement, taking into consideration:

- The potential level of worker opt-out once automatic enrolment has become an established part of the workplace pensions landscape.
- Potential opt-out levels that will be observed as smaller employers begin to implement automatic enrolment.

Speaking to employers and workers in the same piece of research allowed the research team to build a comprehensive picture of each workplace, and to gather a variety of perspectives on the experience of automatic enrolment at each employer. Discussing automatic enrolment and the opt-out process from the individual's point of view has allowed us to develop an understanding of the interlocking aspects of an individual's situation that may have informed their decision.

Section 1.4 describes the research methodology used with these objectives in mind.

1.4 Research methodology

The research consisted of 50 qualitative in-depth interviews with workers who had chosen to opt out of their workplace scheme following automatic enrolment. Two of these workers had, technically, ceased membership by leaving the scheme after the opt period had closed.⁹ As mentioned above, this study is complemented by another report describing employers' experiences of implementing automatic enrolment.¹⁰ That report describes findings from 50 qualitative in-depth interviews with employers, and administrative data provided by those employers detailing the numbers and types of worker who had opted out.

This research was qualitative in nature, and its findings should not, therefore, be generalised or extrapolated to the wider population. While workers are discussed individually where their experiences illustrate commonalities, or where they are particularly interesting, the analysis is not based upon a statistically robust number of workers. In particular, our findings are only reflective of the very first workers to go through automatic enrolment, almost all of whom work for very large employers, with workforces of at least 6,000 employees. Since medium and smaller employers may well have very different characteristics from larger employers, for example lower pension scheme participation rates and less in-house pensions expertise, their workforces' experiences of automatic enrolment may end up being very different.

The methodology is described in detail in the following sections.

1.4.1 Sampling approach and initial contact with employers

The Pensions Regulator provided the research team with a list of all organisations with staging dates during the first seven months of automatic enrolment. This included the largest employers, ranging in size from 120,000 employees in October 2012 to 6,000 in April 2013, with employers' staging dates noted individually. Where available, the sample list included a named contact for each employer, together with their contact details. Where contact details could not be provided, the research team sourced these via desk research.

The research team used this list to make contact by telephone with the main pensions decision-maker at around 200 of the employers on the sample list, using a script to capture preliminary details such as the correct contact, where this was necessary, and to establish, for example, whether the employer was beginning automatic enrolment on their assigned staging date, or whether they planned to use a waiting period. The employer screening questionnaire is included as Appendix A.1.

⁹ The two workers who ceased active membership had both approached their respective employers soon after being automatically enrolled, with a view to opting out. One had submitted an opt-out form to the provider, but later received a letter welcoming him to the scheme. He promptly contacted the provider by email and by telephone to say that he had opted out, and did not want to be a member of the scheme. The provider returned the single contribution he had made. The other worker asked her employer to provide a pension forecast, but by the time it arrived, the opt-out period had reached its end. When she received the forecast, this worker ceased membership, because she felt the projected amount was too low. This worker's experience is described in further detail in Section 2.8.

¹⁰ DWP. (2013). *Automatic enrolment: Qualitative research with large employers*. Available from: <https://www.GOV.UK/government/publications/automatic-enrolment-qualitative-research-with-large-employers-rr851>

The researcher explained that participating in the evaluation would entail, if possible, a face-to-face interview, the provision of administrative data, and convening interviews with workers who had opted out following automatic enrolment. We emphasised our willingness to be flexible about employers' participation in the evaluation, for example, being happy to interview any workers who were willing to take part in the research, and drafting emails for employers to use to recruit any workers who might be interested in taking part. An example of a letter that one employer posted to workers who had opted out is included as Appendix A.2.

Thirty-eight workers were eventually recruited directly via employers, at 14 different organisations. The majority of employers also participated in the strand of research dealing with employers' experiences of implementing automatic enrolment, and their experiences are documented in that report.¹¹

Some employers explained, nevertheless, that it was not practical for them to convene worker interviews: in large retail organisations, for example, there was often no direct line of communication between many of the workers who had opted out and the person who was responsible for implementing automatic enrolment. In some organisations, the majority of workers did not have company email addresses, or were not office-based, or were spread across a large number of sites. A few employers were willing to arrange worker interviews, and passed on this request to a number of workers who they knew had opted out, but found that nobody responded to the request. Other employers were concerned that passing on this request to their workers might be interpreted as exerting pressure on them following their decision to opt out.

We aimed to include employers from the full range of sectors and industries in the research. Due to the challenges of recruiting workers that we have outlined, we secured permission from two organisations who had participated in the employer strand of the research, to recruit workers directly. Twelve workers who had given permission to be contacted for research purposes were recruited in this way. The recruitment screener that was used in securing interviews with these workers is included as Appendix A.3. The sector split and profile of the 50 workers who took part in in-depth interviews is summarised in Section 1.5.

1.4.2 Qualitative in-depth interviews with workers who have opted out

Worker interviews lasted approximately 30 minutes, and could be convened by the employer in several different ways:

- On site, at the same point as the employer interview, in a private place where the conversation could not be overheard.
- Where the employer interview had been arranged relatively quickly, worker interviews were conducted on a date after the employer interview, when employers had invited workers to take part in the research and received some interest.
- In some cases, where there was a delay between the employer interview and the earliest availability of their workers for an interview, or where the employer was geographically remote, interviews were carried out by telephone instead.

¹¹ DWP. (2013). *Automatic enrolment: Qualitative research with large employers*. Available from: <https://www.GOV.UK/government/publications/automatic-enrolment-qualitative-research-with-large-employers-rr851>

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It was made clear to workers that nothing they said would be shared with their employer, and that they would remain completely anonymous in our report. Workers were provided with an information sheet before taking part in the interview, which explained why the interview was being conducted, and how the information we collected would be used. The worker information sheet is included as Appendix A.4. The research team used a discussion guide in carrying out interviews, and this is included as Appendix A.5.

Worker interviews were audio-recorded and later transcribed in full.

1.5 Profile of participating workers

The 50 workers were located around the UK, and from 16 employers representing a range of industry sectors. The sector split is shown in Table 1.1 below:

Table 1.1 Employer sector split

Sector (number of employers in brackets)	Number of workers	Typical examples
Services sector (5)	16	Utilities, telecoms, logistics providers
Retail (3)	14	Supermarkets, national retail chains
Manufacturing (3)	9	Defence, automotive manufacturing
Public sector (2)	6	Local authorities, central government
Third sector (1)	3	National not-for-profit organisations
Leisure (1)	1	Hospitality, bookmakers
Financial services (1)	1	Banks, insurance providers

The employers that participating workers were employed by had staging months that ranged from October 2012 to April 2013, although some workers interviewed were enrolled in subsequent months (up to July 2013). Several employers who took part – in both the public and private sectors, and including some small companies – had brought their staging date forward. Out of the 16 employers represented in this research, the dates in which they staged were as follows:

- 2 in October 2012
- 2 in November 2012
- 2 in February 2013
- 5 in March 2013
- 5 in April 2013

Of the workers interviewed, 28 were female and 22 were male. Forty-one worked full time for their employer (defined as 30 hours or more per week), while nine worked part time. A range of ages and annual individual incomes were represented, as shown in the bullets below.

Age:

- 7 were in their 20s
- 11 were in their 30s
- 11 were in their 40s

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- 15 were in their 50s
- 6 were in their 60s

Annual individual income:

- 4 earned under £10,000
- 5 earned between £10,000 and £14,999
- 11 earned between £15,000 and £19,999
- 15 earned between £20,000 and £29,999
- 5 earned between £30,000 and 40,000
- 9 earned over £40,000
- 1 declined to state their income

2 Types and reasons for opting out

This chapter examines the motivations and reasons of workers who decided to opt out of the pension scheme they had been automatically enrolled into. Our analysis includes a broad typology based on primary reasons for opting out, together with contextual factors such as individual demographic and life-stage characteristics. The chapter first provides an overview of the six different types of individual who opted out, before presenting a number of common themes running across all of the workers who opted out. It then moves on to a detailed description of each individual type.

2.1 Overview of the typology

Workers' primary motivations for opting out were assessed in the context of their individual circumstances and characteristics, so as to create a typology of workers choosing to opt out. Our analysis identified six types, as summarised below. We have ordered these in terms of how resistant they were to making employee contributions: workers in Type 1 were the least able to afford the contributions, whereas workers in Type 6 opted out because they perceived contribution rates to be too low to build up sufficient pension savings.

There were few patterns within the typology in terms of demographics. The gender or location of workers, as well as their employment status as a full or part-time worker, had little or no bearing on their decision to opt out. However, age had a strong influence on workers' belonging to particular types, and patterns of this nature have been indicated as relevant.

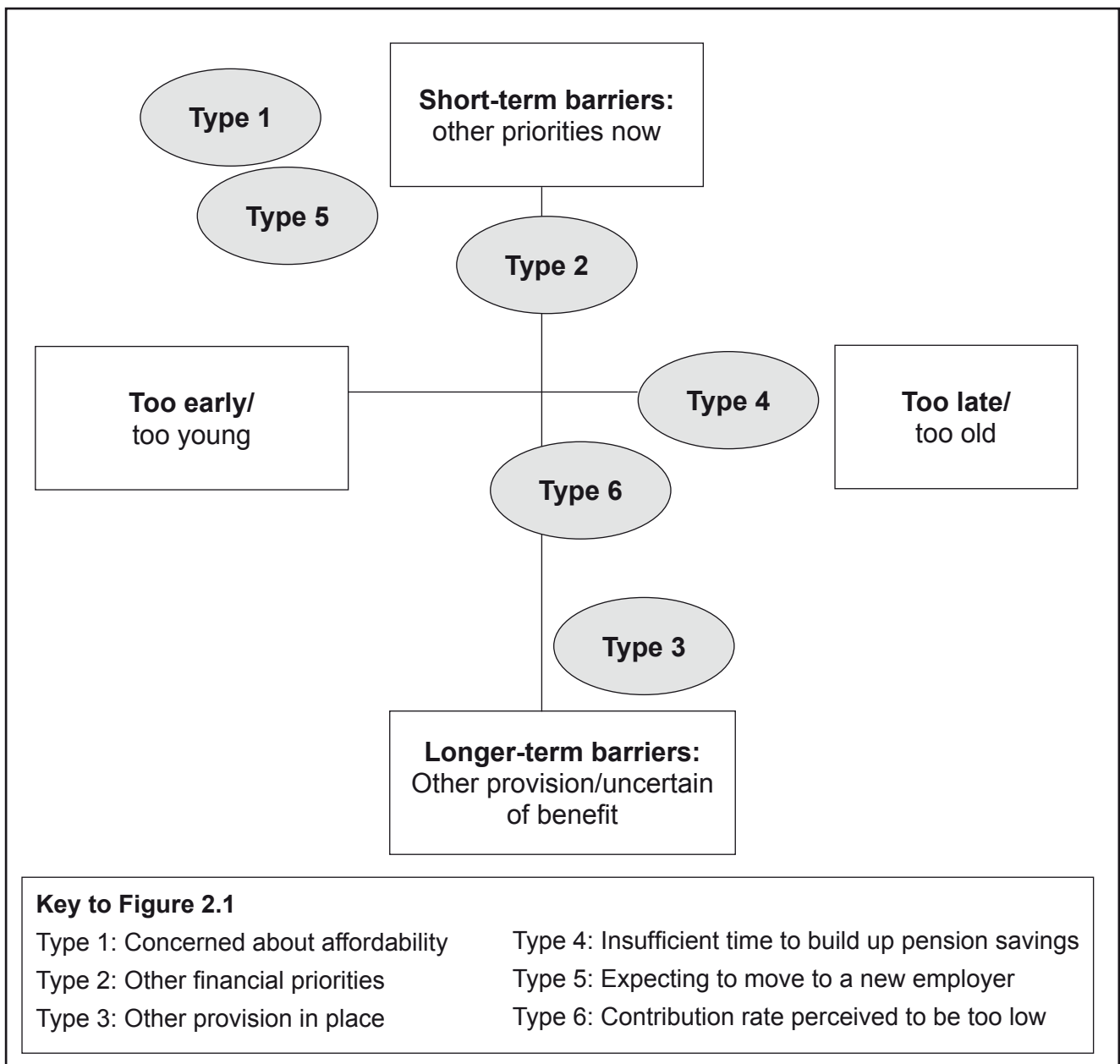
- **Type 1: Affordability.** Workers within this type tended to be younger and on lower incomes, with many earning under £20,000 per annum. Many described facing real financial struggles in order to make ends meet on a daily basis. Their opt-out decision tended to be based on material barriers, rather than attitudinal reservations about pension saving.
- **Type 2: Other financial priorities.** This type comprised people with a range of incomes and was dominated by workers aged 30 or older. The main reason for opting out was based on a deliberate choice to prioritise other long-term financial commitments, such as childcare, or other savings vehicles.
- **Type 3: Other provision.** This type included workers who opted out because they already had other savings products in place to fund their retirement. Workers in this type tended to be older and higher earners, with annual incomes typically over £20,000 and often in excess of £30,000.
- **Type 4: Insufficient time to build up pension savings.** This type included workers who were at a later stage in their careers, and therefore, did not feel they had enough time to accumulate sufficient pension savings before they retired. Nearly all the workers in this type were over 50-years-old and they typically had low to middle incomes, which ranged from £15,000 to £30,000.

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- **Type 5: Imminent changes to employment situation.** Workers within this type expected to leave their current employer in the near future, and therefore, opted out, feeling it was not worth starting to contribute to a pension at that point. Younger workers dominated this type.
- **Type 6: Contribution rate perceived to be too low.** This type included workers who felt they would not be able to build up a sufficiently big pension, regardless of how long they spent paying into it, because the contribution rate was too low. Such workers tended to be 40 years or older and on middle to higher income levels of between £20,000 and £40,000.

The key motivations of workers in the six types for opting out can be compared along two axes. Figure 2.1 summarises the six types' relative positions with regard to short-term versus long-term barriers to remaining in the automatic enrolment scheme, and whether they perceive themselves as being too far away from – or too close to – retirement.

Figure 2.1 Typology of workers who opted out following automatic enrolment



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Typically respondents reported more than one motivation or reason for opting out, for example being too old to start saving into a pension and having other retirement provision in place. In addition, workers sometimes voiced one reason for opting out, but later indicated that other factors had also made a significant contribution to their decision. For example, a worker may initially have said that the contribution rates were too low to build up enough pension savings, but later revealed a concern about affordability of contributions as the key driver for their decision. The analysis examined all the responses in detail, including spontaneous top-of-mind reasoning, more articulate arguments, and any underlying causes that helped to explain attitudes and behaviours. Accordingly, our process of developing the typology focused on the main reason why workers decided to opt out, while also considering their demographic profile, employment circumstances, income and life-stage characteristics.

It is worth recognising, therefore, that individuals allocated to a particular type may share some of their attitudes and circumstances with other types, and indeed, there are a number of common themes running across all six types. These underlying themes are discussed in more detail in the next section.

2.2 Shared sentiments and characteristics between types

The research established a number of attitudes that all six types shared to some extent. These included general scepticism towards pension saving, a feeling that contributions made by the employer and by employees themselves would not be enough to make membership worthwhile, and reliance on other provision for retirement. While these were sentiments that workers articulated themselves, we also observed a number of underlying drivers both on a rational and an emotional level – such as inertia, procrastination, and denial – which help to explain opt-out decision-making and behaviour.

The study included workers – spread evenly across the six types – who expressed some degree of personal dislike of pensions as a savings vehicle. Only rarely was this dislike expressed spontaneously, or strongly enough to be considered as one of the worker's main motivations for opting out. Most workers who expressed dislike of pensions were mildly sceptical, rather than strongly opposed to pensions in principle. A few mentioned uncertainty about the return they might receive when they eventually retire, while others worried about the financial stability of pension providers, reflecting upon pension funds that had collapsed in the past. Again, these concerns were more often articulated as feelings of uneasiness, as opposed to outright objection.

'You can't plan your future if you don't know what you are going to get. If you work for 30 years and are paying into an annuity or an insurance company and the rates go up and down, you don't know when you hit that 30th year what you are going to get as a pension.'

(Third sector, 60s, part time, £30,000–39,999)

'My granddad had paid into a pension all his life and the company he paid into went bust, so he lost all of the money. So I am always a bit sceptical about paying into a provider, because if they go bust what is going to happen to your money?'

(Manufacturing, 30s, full time, £20,000–£29,999)

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Nearly all the workers we spoke to had taken into account that their employer would be contributing to the pension scheme and most were able to say spontaneously what the contribution levels were. However, invariably workers' personal reasons for opting out outweighed the long-term value of the employer contribution in the end. Some stated explicitly that the employer contribution was not high enough to persuade them to stay in the scheme, while others pointed out that they would still have to pay their employee contribution – and struggle with affordability if they were to do so – in order to benefit from the employer contribution.

'Thinking about it [the employer contribution], it is probably only going to be about £18 for myself. We are probably only talking about £40 as a whole [a combined employer and employee contribution]. If we were talking about hundreds, it would be a bit different, but we are not.'

(Leisure, 40s, full time, £15,000–£19,999)

'I did consider that [the employer contribution], but obviously it still involves me having to pay some into it, and I can't afford to be paying into it when I am also paying into a private pension, as well.'

(Retail, 50s, full time, £10,000–£14,999)

Many of the workers we spoke to also believed they might already have sufficient alternative retirement provision in place, or at least a hope that some form of provision would materialise eventually. This meant that some workers deemed participation in a new workplace pension scheme to be unnecessary at the time when the individual was automatically enrolled.

Many of these did plan to rely on existing workplace or private pensions, other savings or investment plans, or property they could use to fund their retirement. These workers also tended to feel confident about the adequacy of their income in retirement.

However, some workers' responses also suggested a degree of 'wishful thinking' that some form of retirement provision would materialise eventually. For example, a small number of workers felt that having just one savings vehicle in place, such as a small Individual Savings Account (ISA), would provide adequate income in retirement. Others justified their decision to opt out now by expressing intentions to start saving 'eventually,' at some undefined point in the future. A very small number denied any individual responsibility and said they would rely on the State to provide for them in retirement, or expressed a complete refusal to engage in any kind of forward planning for retirement.

There were few indications of differences in opt-out motivations or behaviour by gender or by employer industry sector. However, there were a number of important differences between types in terms of other demographic characteristics, which the following sections will examine in more detail.

2.3 Type 1: Concerned about affordability

For this type, the main reason for opting out was the affordability of the employee contribution. Workers on personal incomes under £20,000 dominate this type, although there is a range of different income bands, with some higher earners also being represented. Similarly, there is a variety of different age groups, but a relative over-representation of younger workers (aged in their 20s and 30s).

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Workers in this group tended to struggle financially, having little or no disposable money left after paying for day-to-day essentials, such as housing, bills and groceries. Many also looked after dependants or had debts to repay. In essence, workers within this type felt they had little choice but to opt out, and their decision was more a reflection of material, matter-of-fact barriers, than it was of attitudes or preferences.

Other outgoings mentioned frequently by this type included the general cost of living, which they perceived to increase constantly, putting individual or household budgets under pressure over the long term. Some also highlighted recent upsurges in expenses, such as childcare costs or rent increases. Workers in this type tended to be focused on immediate money worries, with little consideration for any longer-term financial planning.

'It is a money issue, really, the way the bills are going up, and the child needs clothes and everything. The way times are, people just don't have that much spare income to just throw at pensions. I think a lot of people just don't worry about it and they just worry about now and paying the bills now.'

(Retail, 30s, full time, £15,000–19,999)

'Rather than me paying so much out into something I am not going to see for the next 30-odd years, I have got bills to pay now. Every little bit helps at the minute, whether it is £10 or £5 or what have you.'

(Retail, 30s, full time, £15,000–£19,000)

Other people reported recent changes in their circumstances, which meant that paying into a pension was not something they could afford at the moment. Examples included workers who had recently been made redundant from a previous job, or who had had to accept a lower-paid job, or who had taken on major financial commitments such as a mortgage.

'I have wanted to start a pension since I was mid-20s or even earlier, but my financial position means that I just need absolutely every penny now. I took a lower grade role so I could do more sociable hours to fit around my children. There are quite a few others who are in my position where working mums find it blooming hard to put food on the table. It is a case of we can't afford to even take a tenner out of our wage.'

(Retail, 30s, part time, less than £10,000)

'I got made redundant in January. With the new job I have taken a £4,000 pay cut, and I had just taken out a new mortgage. So I opted out purely for financial reasons.'

(Financial Services, 30s, full time, £20,000–29,999)

Most workers within this type had little or no provision in place for retirement. While some reported having given retirement planning some consideration, a few had not thought much about retirement or pensions at all, even though they realised that they should start thinking about this.

'By that point [when we retire] we will own our own home, but other than that there is nothing in the pot. It sounds really worrying, doesn't it?'

(Retail, 30s, part time, less than £10,000)

Automatic enrolment: experiences of workers who have opted out

'My husband does have a private pension and just that really. We have not really done anything else at the moment.'

(Retail, 30s, full time, more than £40,000)

Most of these workers recognised that they might well have to start saving for retirement eventually. However, they tended to be relatively vague about saying precisely when and how they would begin to do so. Typically, the point when workers might start saving was linked to other key life events, such as when their children had left home, when their mortgage was paid off, when a promotion materialised, or when they got a better-paid job with another employer.

'It probably won't be at the moment, but once the mortgage is paid off and the kids are a bit older, then hopefully that will give me a chance to put aside a bit more money for my retirement.'

(Services, 40s, full time, £30,000–£39,999)

'It wasn't a decision I took lightly, to opt out of the scheme, and I won't permanently be out of the scheme. If my financial situation improves, then I will be able to opt back in and hopefully be in a position to up my monthly payments, to try and build up towards that.'

(Services, 20s, full time, £30,000–£39,999)

Only a few workers in this type had a concrete plan regarding when to start saving for a pension. Typical examples included workers who already knew that they would be leaving their current employer soon and definitely planned to join a workplace pension scheme at their next employer. Others had clear plans to open a savings account, or to invest in property as a means to prepare for retirement.

'I am definitely going to be joining a pension scheme whether it is at [my current employer] or whatever employer I am with. I will be joining that in the next two or three years. If I can't get promoted, I intend to go back to advising because I need to earn the extra money.'

(Services, 30s, full time, £20,000–£29,999)

Workers in this type tended to take into consideration the offer of employer contributions to their pension scheme, and many reported having given this offer serious thought before making a decision. However, eventually they felt they had no choice but to opt out, because they simply could not afford the monthly employee contributions.

'I think the employer's contribution here is quite generous. That was the impression I got, so that made me think twice. Then after that, I thought: I want the extra £50 per month to have in my back pocket, really.'

(Public Sector, 20s, full time, £10,000–£14,999)

A small number of workers in this type voiced a pessimistic outlook in terms of whether it would be worthwhile to continue working and contributing to a pension over many years. This attitude was typically underpinned by a perception that their pension would be worth very little at the point of retirement, either because their salary was relatively low, because the contribution rate was low, or sometimes for both of these reasons.

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'Yes, if you have got money that you can salt away towards your retirement, that is brilliant. But I am not in a position where I could really do that, I don't have disposable income. As well as being broke all the time anyway, you have got to put in factors like age. Realistically, to put something aside for my old age, I should have been doing that 20 years ago. At 48 now, how realistic is it that there is going to be anything that is going to make any real difference to me?'

(Public Sector, 40s, full time, £20,000–£29,999)

Case study: Ben

Ben is in his 30s, and has been working full time for a major retailer, earning in the region of £15,000–19,999 a year. He is married and has two children.

He has not given retirement a lot of thought, and has no significant provision in place, other than a modest amount of savings. When receiving the automatic enrolment letter from his employer, his initial reaction was positive:

'Of course there are potential benefits. It sets you up in later life for when you retire. Obviously I am at an age where I could do with putting something into place. It was explained that the company would be matching your payments. It did kind of appeal.'

He sat down with his wife, explaining: 'It's not really my expertise, so I spoke to my wife who is a bit more clued up.' Together they had a long discussion about pensions and retirement options. They agreed that the workplace pension scheme on offer was good, but that they needed to weigh up the benefits against their daily outgoings. In the end they decided against Ben participating in the scheme.

'It was a bit of a tough decision to opt out. I know they weren't taking out a massive payment, but it was just not viable at the time, unfortunately. I have still got a few debts from when I was younger, so we opted out in favour of paying off all the other stuff.'

Ben remembers that his parents, who had not prepared any pension savings, struggled a lot during their retirement. He would like to avoid being in that situation himself. He is hoping to be able to start saving for a pension soon, when his financial circumstances improve, and he thinks it is likely that he will stay in the pension scheme when being automatically enrolled again in three years' time.

'I am hoping that maybe we can set something up in the near future, definitely.'

2.4 Type 2: Other financial priorities

This type had based their decision to opt out following automatic enrolment primarily on the priority they gave to other existing financial commitments. As with Type 1, affordability is a recurring theme here. However, workers within Type 2 tended not to struggle financially to the same degree, and there was also a sense of having more choice and freedom to make judgements about which expenses are essential, and how to prioritise personal or family budgets. Type 2 workers essentially decided to spend their disposable money on other things, rather than contributing to the pension scheme into which they had been automatically enrolled.

Automatic enrolment: experiences of workers who have opted out

In terms of demographic profile and circumstances of workers, this type has a more evenly mixed range of incomes including lower and higher earners, and its age profile tends towards workers aged 30 or above. Many had a variety of existing commitments they chose to prioritise over pension savings, including mortgages and providing for children.

Compared to Type 1, where most were driven by events in a struggle to pay for immediate, day-to-day essential expenditure, the existing financial commitments of workers within Type 2 tended to be more of a long-term nature (e.g. childcare, mortgages, other savings or investments) giving them more scope to plan ahead and to exercise greater control. Crucially, these commitments also allowed a stronger sense of flexibility and choice over how to prioritise individual or family budgets, for example, deciding when to put more money away into a savings account, when to buy a new car, or how much to spend on house repairs or upgrades.

'We put quite a big chunk of our wages away as savings anyway for all the different things you encounter through a year, from different insurances and car things and window or roof repairs. If one month we can't put enough away because we have got to pay out for windows or something, then the next month we can make up for it, whereas with a pension scheme you don't have that flexibility. It is really only that reason. If you need a new car, you need a few grand straight away for a deposit. If I start putting the money in a pension scheme, I am not going to have that to use if I need to.'

(Manufacturing, 30s, full time, £20,000–£29,999)

Many workers within this type also reported having other provision in place to prepare for retirement. This indicates that they are able to consciously make a judgement about which vehicle they consider best-suited to providing for their retirement income, for example, property, savings, or investments.

'We are in the free position to have that money available if indeed we wanted to put it in that direction [into pension savings]. But we have the annual ISAs and also other savings and the potential of saving up for a deposit on another property. So, our priority was that we could spend that money quite clearly elsewhere.'

(Manufacturing, 50s, full time, over £40,000)

'I am paying my student loan off. I haven't got the money to pay for a pension as well. I have got a second property so I am using property as a way to fund retirement rather than a pension. I'm a bit sceptical. I did have a company pension before, but I was quite surprised how much admin fees the company I was with took out each month.'

(Manufacturing, 30s, full time, £20,000–£29,999)

It is worth noting that the opt-out decisions of workers within this group tended to be informed more by the perceived attractiveness of other savings vehicles (i.e. pull factors), than they were by negative associations with pension savings (push factors). Only a small number of workers actually expressed concern over investing their money into a long-term pension scheme, while some worried about the eventual return and the stability of pension funds.

Automatic enrolment: experiences of workers who have opted out

'You can't guarantee them [pension schemes and returns] these days, can you? I have seen the entitlements, and what I would have to pay into it, and just how much it would go up over the years, and it just didn't work out very good. I would pay more into it than I am going to get out of it. Why should I, when I can put my money into a savings account and I get everything back out of it? If you have got your own savings, then it is something that you will control and nobody else does.'

(Services, 50s, full time, £15,000–£19,999)

Of those workers in this type not already saving, a substantial number had concrete plans, or at least firm intentions, of starting to save in the near future.

'I would genuinely like to start up a pension. When I'm 40 I will probably opt in then, because I will have 25 years hopefully of paying into it. And the children will be that bit older by then, so there will be no more childcare costs involved, which is a lot of money.'

(Retail, 30s, full time, more than £40,000)

Case study: Mark

Mark is in his 30s. He works full time for a public sector agency and earns a salary between £20,000 and £29,000. He is married and has children.

He has not given retirement planning a lot of consideration, and is quite pessimistic about whether or not he will be able to retire at all, given his view that workers might be expected to work longer and longer. Following advice he remembers from his mother to 'always put a bit aside,' Mark has accumulated substantial savings, as well as invested in a house which now only has a very small mortgage left to pay off.

Having other financial commitments was a major factor in Mark's decision to opt out of automatic enrolment.

'At the moment I am concentrating on my kids and my wife and being able to pay the mortgage. With petrol going up, the cost of living going up, and everything going up, I just couldn't afford that extra expense.'

However, he also expressed some scepticism over pensions as a savings vehicle, and clearly prefers other means of preparing for retirement.

'In the future I may have a bit more money. I may be able to invest it into stocks and so on. I can see money that I can access and possibly develop by way of buying other houses. I am sceptical at the moment about pension schemes. By the time I have paid all that money into it, I probably won't get a great deal out of it. You start your pension and it keeps going up and keeps going up, not just the amount you pay in but the age as well, when you can take it.'

2.5 Type 3: Other provision in place

Some workers decided to opt out following automatic enrolment because they already had other savings products in place, which they planned to use to fund their retirement. This type was one of the most common ones, and having other products also contributed to the decision to opt out for many other workers who fell into other types.

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This type tended to be older, with the majority in their 50s or 60s. They also typically had relatively high incomes, with most having a personal annual income of £20,000 or more a year. These were normally individuals who had had at least one long-term job before arriving at the employer where they had been automatically enrolled. Some thought of their 'main career' as having taken place at a previous employer, where they had a workplace pension scheme. They now had somewhat lower expectations of their current employer in terms of retirement provision.

This type had invested in a range of different savings vehicles, with most individuals having more than one savings product in place, and expectations of using one or more of these in their retirement. Typically, these workers expected to rely principally on another workplace pension, or alternatively had invested in property. Only a small number described specific plans regarding how they would use this property to fund their retirement.

A few workers within this type had a personal pension; those who did had usually been saving into theirs for at least five or ten years. In addition, nearly all workers in this type had some kind of savings, with some specifically naming stocks and shares or ISAs. Most struggled to think of a specific trigger that had prompted them to set up this financial provision, and instead spoke of a general desire to provide for the future. Some individuals indicated that they had been following the advice of someone that they perceived to be in position of 'expertise,' for example, a parent or older sibling, or in a smaller number of cases, someone working in financial services.

'It was just through my bank actually, years ago. I was in the bank, and one of them said to me over the counter, "Have you thought about this?" and I thought, "Really I should do," so that was that, really.'

(Leisure, 40s, full time, £15,000–£19,999)

'My dad told me I had to, so I started paying it when I was still working at home. It was at the time when people came and knocked on your door to collect the money. My dad arranged it for me at the time.'

(Retail, 50s, full time, £15,000–£19,999)

Others said that they had been prompted to begin saving by an event that made them feel like they were progressing to another life-stage, for example, getting a better-paid job or having children. A few had received a windfall, such as an inheritance or a redundancy payment, and decided to set some of this money aside for their retirement.

'It was about the sort of time that the children started arriving, so I had to start getting a little more serious with my life. [Getting a personal pension] seemed a wise thing to do.'

(Manufacturing, 40s, full time, over £40,000)

Although workers in this type often pointed out that they already had another savings product, this is not to say that they had enough provision for retirement. This type contains a combination of workers who perceived themselves as having enough provision, and those who thought they wanted or needed to save more. There was also a number of people, across all types, who found it difficult to assess whether they had enough provision, due to a lack of clarity around what their future might hold: how their career might progress, how their health and personal circumstances would develop, and so on. This issue of uncertainty will be explored further in Chapter 4.

Automatic enrolment: experiences of workers who have opted out

One worker from the wealthier end of the spectrum explained that he had already been setting himself an annual savings goal, and felt reasonably confident that he had already set aside enough savings for a comfortable retirement.

'We have had excess funds on an annual basis and ensure that we put them into the government cash ISA allowance. So we put £11,500 away each year. We are building up our cash in there, and not investing it in a pension.'

(Manufacturing, 50s, full time, over £40,000)

In contrast, another worker admitted that she had only just begun planning for a retirement, and had not yet accumulated the assets she would need. This worker had decided that she preferred investing in property to saving in a pension, but was prioritising paying off her mortgage as a means of realising this investment.

'We are working on something at the minute, but I certainly don't have a pension fund as such. We are looking at using properties and having rental income as a pension when we do retire. Hopefully our mortgage will be paid in eight years, and then we intend on saving.'

(Manufacturing, 30s, full time, £20,000–£29,999)

For this type of worker, having another savings vehicle in place typically meant that they did not feel the need to put a lot of thought into whether the new pension being offered was something that could benefit them. They usually described the decision to opt out as being quick and straightforward: if they wanted to save more, they would use their existing savings products to do so.

Some workers rationalised their decision to opt out as not wanting the inconvenience of having to monitor multiple products, while others mentioned preferring their existing product as a savings vehicle over the pension being offered under automatic enrolment. This reason was sometimes relatively subjective: for example, a perception that investing in property was 'safer' or more predictable, or a preference for personal pensions over workplace pensions.

However, other workers mentioned making mathematical calculations that revealed that the return from this pension was relatively unattractive, when compared with the return on their existing product or products. This was a concern shared by Types 4 and 5, who are discussed below.

'If I was paying the same amount of money into [the employer pension] as I am into the private pension, I wouldn't be getting as much payback.'

(Services, 60s, full time, £20,000–£29,999)

Case study: Catherine

Catherine is in her 50s, and works full time for a public sector employer, earning an annual salary in the £20,000–29,999 range. She is already receiving a workplace pension from a previous employer, and has been paying into a personal pension for much of her working life.

When she first heard about automatic enrolment through a TV advertisement, she was unemployed and paid little attention to it. She was approximately six months into a two-year contract at her employer when she was notified that she would be automatically enrolled, not being eligible for the employer's more generous scheme for permanent staff. She was not happy at being automatically enrolled, since she felt that she was capable of handling her own finances.

Catherine was frustrated at having to be enrolled first before opting out, considering this to be a waste of her employer's time and money. She followed through the links provided on her employer's email to www.GOV.UK and to the provider's website. She also asked her own pension provider for a new projection of its value at retirement, and decided on that basis that she had enough provision.

'Don't teach your granny to suck eggs. I am old enough and ugly enough to know what I need to do with my pension. I can see it is a good idea ... I have opted out because it is not relevant for me, based on age and the fact that I am already saving various bits and receiving other bits.'

The following three sections will describe three types of worker who felt that they would not be able to build up a large enough pension pot under the terms they had been offered under automatic enrolment.

2.6 Type 4: Insufficient time to build up pension savings

In this section, we will look at workers who opted out because they were at a relatively late stage in their career, and who as a consequence felt that they did not have much time to build up the workplace pension into which they had been automatically enrolled, before retiring.

However, age and life-stage were generally taken into account by workers of all types when making their decision to opt out: for example, many of those workers who were relatively advanced in their career had, instead, invested in other savings products, and felt that it was too late to start up another one. Other older workers felt that they had not saved enough, but that it was still preferable to use their money more for expenses in the here and now than to start a pension so late in their career.

Workers in this type were typically aged over 50 and earned salaries ranging from around £15,000 to £29,999. A small number of workers were already claiming a pension while continuing to work. Much like the type who felt that they had sufficient provision in place, workers who were already receiving a pension tended to discount automatically the idea of accumulating further provision in a new pension on the basis that one product was all they needed.

Automatic enrolment: experiences of workers who have opted out

'No matter what financial situation I was in, I think the fact that I was already getting my pension would have meant I would have opted out ... I didn't see the point in starting another one before retiring.'

(Manufacturing, 50s, full time, £30,000–40,000)

Most of the workers in this type said that they did find out how much the pension into which they were enrolled would be worth at retirement, and were not swayed by the predicted amount. Hardly any expressed surprise at this projected amount being relatively low in their opinion: most, even those who did not do any kind of calculation, stated that they could already assume from the contribution rates that the pension would not be worth much.

'Because of my late age, and lack of pension funds behind me, and our funds having gone in other directions over the last 13 or 15 years, we know where we are with regard to what is available to us. We didn't get as far as finding out what the outcome would be in ten years' time, if I was still working.'

(Manufacturing, 50s, full time, over £40,000)

The majority within this type had loosely-formed plans to retire in the next three to five years. Most already expressed a willingness to adapt these plans and work longer if necessary as one way of increasing their provision. However, some did feel confident that they would probably still retire according to their planned schedule, normally around State Pension age (SPa). In most cases, this was because they were happy with the level of retirement provision they had already built up.

Some were also sceptical that the pension could provide a quick and worthwhile return within a relatively short time-frame, partly because they perceived the contribution rates to be too low to achieve this, and also in part because they tended to consider the return from a pension to be too uncertain and intangible compared to other savings products.

'At the age of 59, I haven't got a great deal of time to build up a pension pot that is of any use, so we decided to carry on investing in cash and property ... If we had seen the investment returning to us quite clearly and safely ... It came back to our personal feelings about investing anything in pensions.'

(Manufacturing, 50s, full time, over £40,000)

A small number of workers had concrete plans to retire within the next year or two, had assessed their accumulated assets and had decided that they had sufficient provision to go ahead with these plans. These individuals, therefore, felt that it was 'more trouble than it was worth' to pay into an additional pension at this stage.

'As I was already drawing a company pension and other pensions, and being over the age of 60 and I only had two years of natural working time left, I thought it was a waste of time opting in to that system.'

(Services, 60s, full time, £20,000–£29,999)

Case study: Mary

Mary is 53, and works 30 hours each week for a services provider, earning over £40,000 a year. She and her husband have no dependents, and believe they have planned well for their retirement, owning several properties. They are expecting to retire in the next year or two.

Mary paid into a pension at a previous employer for about seven years, but is sceptical that they are the right product for her at this life-stage. She is aware that she would have been receiving a contribution from her employer, but argues that this would not amount to much in the time available to her before retirement, and would be mostly swallowed up in charges. She spoke to her accountant, who gave her some projected figures, but left the decision up to her.

Having only recently joined her current employer, Mary does not expect the amount she could accumulate there before retiring to be a worthwhile addition to her existing provision. Being childless, she would prefer to have more money now than add to an estate that she would not pass on to somebody close to her.

'I would rather get to the money myself now than have a pension scheme ... If I was working for another ten years, then I would have opted in, yes. But for the two or three years that they would administer the scheme it is not worth the effort.'

2.7 Type 5: Expecting to move to a new employer

This section describes another type who did not think they would be able to build up a large enough pension pot with the scheme into which they had been automatically enrolled. This type consisted of people who did not expect to stay long enough at their current employer to consider it worthwhile investing in their pension, and predicted instead that they would work longer at another, future employer. In some cases, this was because the worker was on a temporary contract, while in others the worker simply felt that they were likely to switch employers at some point in the near future for another reason.

A few workers reported that their principal reason for opting out of the automatic enrolment scheme was that they expected to leave their current employer in the near future. They, therefore, opted out because the amount that they expected to build up in this pension was not sufficiently attractive to overcome the perceived inconvenience involved. They usually wanted to minimise the number of different pensions they held over the course of their working life, and were reluctant to accumulate a small amount in a pension that they would have to keep track of throughout the remainder of their career.

In contrast to Type 4, these workers tended to be younger, usually aged under 50. Their personal annual income varied. These workers were generally persuaded that it was worthwhile contributing to a workplace pension, and typically expressed a willingness to join a workplace pension scheme once they were settled in a more long-term position. In a small number of cases, the worker was on an internship or a graduate programme with their current employer as, for example, in the quotation below. These individuals did not yet know whether they would be offered a permanent position at that employer, or if they would accept such a position.

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'By the end of this year, I would know whether I am going to be here for a few years or not, at least two or three years. My main concern was that I didn't want to opt in, and then there being this administration of it being a pension that probably is worth very little. It is a little pot of money in one place, and then going to another business where I would actually maybe stay for a few years and build that up.'

(Manufacturing, 20s, full time, £20,000–£29,999)

Some of the workers in this type were on a temporary or fixed-term contract, and gave this as their main reason for opting out, believing that they would not be working at that employer long enough to build up a worthwhile amount of pension savings. These workers tended to be earning lower salaries, of £19,999 or less, and typically found that affordability also played a role in their decision.

'If I was permanent here, then it would probably be attractive to me. But as far as they can guarantee, my time here is a limited period and the salary is not very high, so it is purely a case of just saving as much as possible.'

(Public sector, 20s, full time, £10,000–£14,999)

In contrast, other workers who gave this explanation for opting out were on a permanent contract, but had relatively undefined plans to leave their current role at some point in the next few years. Some individuals in this position expected to work for a number of different employers over their full working life, and therefore, expressed a preference for retirement saving independently of any employer. The latter wanted to ensure that their chosen savings products would move with them easily as they changed employers.

'I am moving job on average every four years, so the fact that I will end up with a second pension that I have contributed to at a low rate just wasn't appealing to me at all.'

(Manufacturing, 40s, full time, over £40,000)

Only a small number of workers in this type had specific and immediate plans for leaving this employer that they had already put in motion.

'I just didn't see the point of staying with the [employer] pension, because I am starting a new job. So obviously as soon as the opportunity comes at my new job to enrol in their pension, I will enrol, and I plan to be in that job until I retire.'

(Retail, 20s, full time, £15,000–£19,999)

Case study: David

David is in his 40s, and works full time for an employer in the leisure sector, earning an annual salary in the £15,000–19,999 range. He is on a temporary contract, and has been made redundant several times in the past. He has a small private pension that he set up a few years ago, but is conscious that this is not yet enough provision. He is expecting to work at least until SPA.

He remembers gradually becoming aware of the arrival of automatic enrolment, first seeing an advertisement on TV, but only being prompted to look it up on the internet when he got a letter from his employer: *'It was something they were looking into as a company, and would let us know more as and when it will happen.'*

He was then made redundant, and forgot about automatic enrolment until he received an email notification at his current employer. He is hoping to be offered a permanent position there: if that happens, he is already aware that he would be offered a different pension on more generous terms.

'Being only a temporary contract, if I am only here until July, then we are only looking at two or three payments going into the pension pot. I didn't want two or three payments in a pension plan. We are probably only talking about £40. I didn't want that sort of amount just floating about for no reason.'

2.8 Type 6: Contribution rate perceived to be too low

The third type who thought they would not be able to build up a sufficient pension under automatic enrolment consisted of workers who opted out because they felt that they would not be able to build up enough value in the new pension irrespective of how long they spent paying into it. These were workers who had no plans to leave their current employer, but felt that the contribution rate for this pension was too low for them to build up an attractive return.

Overall, these workers tended to be aged 40 or above and earn more than £20,000 a year. While they did not have imminent plans to leave their employer, some workers in this type felt that they were nevertheless at a later stage in their career, or their stay at their current employer, and therefore, calculated that they would not build up a substantial pot at the given contribution rate. Like Type 3, many of the workers in this type were making a conscious comparison with alternative savings products that they had bought or could buy, even if they had not settled definitively on using other savings vehicles to provide for their retirement.

The majority in this type had used a pension calculator to work out how much the new workplace pension would be worth to them at retirement. This had usually been done online, using either the provider's website or a consumer advice site. The remainder did not work out the calculation in full, but assessed the final value of the pension more approximately by looking at the contribution rate together with their salary figure. In both cases, workers in this type felt that the return would make only a minimal contribution to funding their retirement plans.

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'My instant thought was a lot of those people, including myself, who don't currently have an existing pension, are going to be paying so little into that pension that it is going to make not a jot of difference when they retire to their quality of life. That was my initial thought.'

(Services, 40s, part time, £15,000–£19,999)

Some of these workers referred to the specific contribution rates that they had been offered, which was usually the minimum statutory contribution: a one per cent worker contribution matched by a one per cent employer contribution. These workers tended to discuss the offer in quite general terms, referring to the total contribution as being too low. Only a small number made it clear that they had considered the possibility of increasing their own contribution as a way of building up a more substantial pot.

'Working on one per cent input for what I would get out would be absolutely pointless. It would probably cost them more in administration than what I would get a month ... I would need to put in somewhere around ten to 12 per cent now of my salary to get something like £500 a year at 65.'

(Third sector, 50s, part time, £20,000–£29,999)

This last type of worker was at the opposite end of the spectrum to Type 1. This first type felt that the monthly contribution they were being asked to make was too high; Type 6 tended to argue that the monthly contributions were too low.

Most had previously been offered a different pension with a more generous contribution rate by either a previous employer, or in a small number of cases, by the same employer who had automatically enrolled them. In coming to the conclusion that this pension would not be worth enough to them, these workers were typically making a judgement not only about the absolute value of this pension, but also its relative value compared to other workplace pensions, or sometimes, other savings products. A small number mentioned that they still had the option to join a more generous pension at the same employer, and were opting out of automatic enrolment so that they could take up this offer instead.

'The main factor was knowing that the pension pot wouldn't be significant enough to make a difference, and we could use the money to fund our retirement in different and we feel better ways. Even missing out on the [employer] contribution, we felt didn't outweigh the advantages of doing our own thing and doing it our own way.'

(Services, 40s, part time, £10,000–£14,999)

'I have researched what my possible pension would be worth, and the difference between [a contribution rate of] one and one, and three and six, is obviously quite a lot.'

(Leisure, 40s, full time, £15,000–£19,999)

Case study: Claire

Claire is 55, and works 30 hours each week for a services provider, earning an annual salary in the £15,000–19,999 range. She is a widow with adult children who have left home. She paid into a workplace pension for a few years at the start of her career, before stopping work to bring up children.

She later became her husband's full-time carer, before returning to work about ten years ago following his death. Claire looked into joining her employer's pension at this time, but felt that the income she would receive in retirement would be disappointingly low, due to the late stage at which she would be beginning to save. She also felt that she would struggle to afford the payments into that pension as she was now living alone.

The contributions at her current employer under automatic enrolment looked more affordable, so she was not originally planning to opt out. Despite requesting a forecast of what this pension would be worth to her at retirement before being automatically enrolled, it took her current employer nearly three months to provide this. When she received this forecast, she ceased membership after the opt-out period had ended, because she felt this amount was too low.

Claire is expecting to have to work beyond SPa, due to not having enough provision in place to provide adequate retirement. However, a health condition means that she is already investigating the possibility of reducing her working hours.

'I was waiting to hear how much I was going to get. It was after the three months that they told me that I was going to get £192 a year, and I thought it wasn't worth it, because £192 a year isn't going to be worth much actually in ten or 20 years' time. So I thought it was a waste of time, and I might as well go and put the money in the bank. It was an insult really.'

3 Individual experiences of opting out

This chapter examines the experience of opting out following automatic enrolment from workers' perspectives. It first discusses workers' awareness and perceptions of automatic enrolment prior to receiving notification from employers that they would be automatically enrolled into a workplace pension scheme. It then presents a description of workers' initial responses to that official notification. This is followed by a detailed analysis of the decision-making process and the use of other sources of information, in addition to the information they received from their employer. The chapter concludes by examining how workers experienced the formal process of opting out within the opt-out period or ceasing active membership by leaving the scheme after that period had ended.

3.1 Prior to official notification

This section provides contextual information regarding workers' particular circumstances before they received official notification about automatic enrolment from their employer. All employers are required to send an official communication to every member of their workforce, either by email or post, informing them about automatic enrolment. Eligible workers must be informed that they have been automatically enrolled and that they have a right to opt out of the pension scheme, while non-eligible jobholders and entitled workers must be informed that they have a specified time window in which to opt into the scheme if they so choose. Non-eligible workers receive an employer contribution if they choose to opt in, while entitled workers are not entitled to one: both groups must also be informed of this.¹²

The majority of workers who participated in this research had a fairly extensive work history, including at least one long-term job prior to their current employment. Most of these workers had been offered a workplace pension at some point earlier in their career, and many had participated by paying contributions for a number of years. A small proportion also reported planning to rely on personal pensions: either their own, or that of a partner. The exception were younger workers, who tended to have had shorter working lives, were less likely to have been offered or to have participated in a workplace pension previously, and also to be generally less aware of, knowledgeable about, or interested in pensions.

As a result, most workers had at least some basic understanding of pensions, including an appreciation of the need to take individual responsibility and to start saving for retirement, and an elementary awareness of the general principles of how pension schemes work. Not many workers exhibited more sophisticated knowledge about pensions and about the options and implications it might be important to consider.

¹² <http://www.thepensionsregulator.GOV.UK/employers/writing-to-staff-about-automatic-enrolment.aspx>

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When asked how they had initially heard about automatic enrolment, most workers reported having seen some elements of the accompanying media campaign that the Government launched in advance of implementation. Many also learnt about automatic enrolment via news reports on TV, radio or in the press during the build-up to implementation. Workers' perceptions of the official advertising campaign tended to be positive, with many remembering the advertisements as being informative and useful.

'They [the TV advertisements] were very good actually. They informed everybody of exactly what was going to happen.'

(Services, 60s, full time, £20,000–£29,999)

'I think they [the TV advertisements] are very good. It gets the point across, because a lot of people and especially youngsters, they don't really think about it. They think, "It is a long while before I am retired." So it is getting it out there and it is advising them.'

(Manufacturing, 50s, full time, £20,000–£29,999)

Similarly, most workers understood the basic principles of automatic enrolment and what it would mean for them personally. They typically understood that people would be automatically put into a pension at work, but that they had the option of leaving it if they wished to. While most workers considered automatic enrolment a good idea in principle, many had already started to make up their minds about wanting to opt out from the point where they heard they would be enrolled.

'I saw the adverts on the TV. [I understood] that I would be automatically enrolled, and I would be entered into a workplace pension scheme automatically, unless of course I decided to opt out.'

(Services, 40s, full time, £30,000–£39,999)

'It broke in the national press. I saw it on BBC news. I knew that they were going to just automatically put you into it, and then you had to opt out in order to get out, you had to actually physically tell them that you didn't want to be in it ... Even when I first heard it on the news, I thought that I probably would not want to stay in it.'

(Public sector, 30s, full time, £20,000–£29,999)

Based on these first impressions from the publicity campaign and news items, a small number of workers did not initially appreciate that opting out of the pension was an option. Some arrived at the conclusion that they were being coerced into something they had not agreed to. As a consequence, there was some concern about what was about to happen to them and to their salaries, as well as some irritation over a presumed lack of choice. Eventually, all workers came to realise that in fact everybody who was enrolled would have the choice of either staying in or opting out of the pension scheme.

'It was via television. I didn't take an awful lot of notice. Bits of it stuck, and bits of it didn't. [I remember] more or less being forced into taking something that I maybe didn't want.'

(Services, 50s, full time, £15,000–£19,999)

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'They didn't ask my permission. That is how I looked at it. You don't do things like that automatically and take money out of my wages without asking me first. I don't like this.'

(Retail, 20s, full time, annual income refused)

The additional information about automatic enrolment made available by employers – ahead of the officially required notification – clearly played a role in raising awareness among workers. Many reported receiving letters, or emails, or seeing featured articles on the company intranet, which gave advance information ahead of the official staging date. Many also remembered being signposted to further sources of information, including the relevant government website, now GOV.UK.¹³ Workers again tended to comment on this employer information in positive terms, with many saying it was a good idea to raise awareness of automatic enrolment in principle, although membership was not suitable for their particular circumstances.

'We were sent an email and then we were sent an information pack. It was all quite clear. It was quite well laid out actually. It just told us what would happen if we opted out, and what would happen if we stayed in and things like that. It was easy to understand. There was no gobbledegook or anything.'

(Services, 50s, full time, £20,000–£29,999)

For some workers, information provided by their employer gradually made them realise that they, too, would be affected by the new policy. A few workers thought initially that automatic enrolment would not apply to them, for example because they already had a previous workplace pension, or because they had previously declined participating in a pension scheme at that employer, or because they believed they did not earn enough, or work enough hours, to make it worthwhile.

'Yes, I saw it on TV, and the car radio as well, but it didn't really explain much. To be honest, I didn't really listen to it or watch it anyway because I didn't think it would affect me. Initially I just thought it would just be anyone that wasn't in a pension, or wasn't currently taking a pension, who would be automatically enrolled. I am already getting a pension so I thought I would be exempt. Well, that wasn't the case obviously.'

(Manufacturing, 50s, full time, £30,000–£39,999)

'Because I am on a zero hours contract, and because I only do 22 hours a week, I didn't initially think that I would be opted in. I thought it wouldn't include me because I am not on a permanent contract as such.'

(Services, 40s, part time, £10,000–£14,999)

In the end, all the workers were informed about automatic enrolment by their employer. Most workers felt that the information made available by their employer was useful and comprehensive, with several also reporting personal conversations with Human Resources (HR) or pensions managers in order to clarify their circumstances. As a consequence, this research did not uncover any significant complaints regarding the information available to workers.

¹³ The relevant information is now available at the GOV.UK website, but was formerly provided at DirectGov and the Department for Work and Pensions (DWP).

3.2 Response to official notification

After the initial build-up phase, which included the official advertising campaign and further information provided by employers, workers received an official notification letter or email telling them that their employer would automatically enrol them into a workplace pension scheme. For many workers the immediate reaction to this notification was a perception that 'this is not for me' and a decision to leave the scheme after being enrolled.

'I didn't have any great strong feelings. I guess I knew it was coming. I didn't initially think that I would be included. I know I am not interested in doing this. It kept saying about opting out and you need to wait and you can't opt out until you are effectively in the scheme so I just kept thinking, "I must look out for the point when I can get the opportunity to do whatever I needed to do, to opt out of it."'

(Services, 40s, part time, £10,000–£14,999)

Nearly everybody thought that the letter or email they received from their employer was clearly laid out and easy to understand. Employers are legally bound to devise these official notifications in such a way that they contain all the required information elements, and there are letter template resources developed by DWP and available on The Pensions Regulator's website for employers to use. At this point, workers clearly understood the basic principle behind automatic enrolment, including that they would have the opportunity to opt out. However, a few mentioned finding it hard to understand the numerical elements of the pension scheme, such as contribution levels and specific projections of how much their pension pot would be worth when they retired.

'I read it through because there were some things that I didn't really understand, like the first few years would be a low percentage, and then you would pay more and more each year out of your salary. It went up to five per cent and then seven per cent, or something like that.'

(Services, 50s, full time, £15,000–£19,999)

'It was easy to understand. You do have the option to opt out. That side was understandable, but it was when they start throwing numbers and percentages at people, because if you are not that great at maths, it is not the easiest thing to understand.'

(Retail, 30s, full time, £15,000–£19,999)

Several workers admitted not reading the official employer notification carefully, but rather skim-reading it quickly, and could not recall its contents in great detail. In part this is because most felt they had already received enough advance information about automatic enrolment at the point where the letter or email arrived. However, many said they had already made their minds up before this point about wanting to opt out, and therefore, did not pay much attention to the official notification.

'I already knew that I wasn't going to go with the workplace pension scheme because I have got my own private pension scheme. When all the information came through, I didn't read it in huge detail and in depth. I just made a note of who to contact to get the opt-out form sent through to us.'

(Services, 40s, full time, £30,000–£39,999)

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'I had a quick read through the letter, it was nice and simple. I tend to read correspondence. I just don't want to miss anything, so I will always have a quick skim read through anything. I was just looking for the salient points and there was nothing in there that would have convinced me to do anything other than opt out. The actual information itself, because I had already made up my mind, didn't sway me.'

(Retail, 50s, full time, £15,000–£19,999)

Most workers described the decision to opt out as a fairly quick one, and most already knew that they wanted to opt out before they received the official notification letter or email. However, a small number of workers reported deliberating for a longer period of time when they received the notification, and they tended to keep an open mind about the possibility of staying in the pension scheme. Some of these workers had conversations with their partners, while others considered the benefits and drawbacks individually.

'It was definitely something that I considered, because there aren't many companies that do stuff like that. That was one of the things that actually made it a harder decision to actually say no. It was a difficult one for me. I came home and spoke to my wife about it ... It was a tough choice, and we did have to think about it, and talk about it for quite a bit.'

(Retail, 30s, full time, £15,000–£19,999)

'My wife and I discussed it. We considered it over a few days. If we haven't got the full information in place we never rush into anything. We don't make half-hearted decisions or we don't make decisions where we are unclear. So we give ourselves a few days. Over a few days we mulled it over and then made the decision not to do it.'

(Manufacturing, 50s, full time, over £40,000)

After receiving notification from their employer that they would be automatically enrolled, many workers voiced frustration about having to wait until they were automatically enrolled before they could opt out, when they had already made up their minds. This was particularly the cases where workers were aware that their employer was using a three-month waiting period. Workers in this group tended to feel impatient about the inconvenience of having to wait, as well as expressing annoyance about the perceived administrative inefficiency – 'a waste of time, a waste of money' – of the system.

'I read through the letter, and understood it. I had enough information. I definitely didn't need to be opted in. There was nothing I could do. I had to be enrolled before I could opt out. So I couldn't do anything apart from wait.'

(Third sector, 50s, part time, £20,000–£29,999)

'I think we got a letter sent to us saying you are going to be automatically enrolled. Of course straight away I thought, "I don't need it." The one thing I didn't like about it was being automatically enrolled in it and then having to opt out rather than being able to say, "No, I don't want to be enrolled." But they said to me, "That is how it works. You will get enrolled and then you have to actually opt out once you are in.'"

(Manufacturing, 50s, full time, £30,000–£39,999)

Automatic enrolment: experiences of workers who have opted out

When asked whether a potential delay of six or 12 months to their automatic enrolment date would have made any difference, almost no workers felt that this option would have changed their decision to opt out. The majority explained that their decision related to long-term considerations and circumstances that would not change in the near future. One or two workers said cautiously that they might have decided differently had they been enrolled a few months later, but these were more hopeful rather than confident that they would be able to afford making employee contributions further down the line.

'I don't think it would have made any difference. I would have thought, "What is the point in waiting?" unless that period of waiting was to enable people to decide whether they wanted to opt in or out. If it was still going to be an auto enrolment then I don't think any further month of notice would have made any difference at all.'

(Third sector, 40s, full time, over £40,000)

3.3 Using other sources of information

It was typical for workers employed by these large companies to have access to a broad range of information sources from their employer. Examples included email updates, notices on the company intranet or on posters or noticeboards, letters and information packs sent by post, or special briefings arranged by HR or department heads.

Most workers reported having seen, or been provided with, a variety of information sources, including information included in the official advertising campaign, communications and other materials sent by their employer, and in some cases other information workers went on to source by themselves. Only very few workers said they only received the official notification from their employer.

'We got a newsletter around, and our manager sat and talked to us about it briefly, obviously telling us that there was a choice to opt out or pay it. You got a leaflet initially, and then obviously when it was official you got a letter explaining how it is worked out.'

(Retail, 50s, full time, £10,000–£14,999)

'The salary calculator that HR have put in place is excellent, it will give you an example as to how much it will cost you on a monthly basis. I was clearly able to see the financial impact on a monthly basis what going into the pension would do to me. I went through that in detail, and it was quite clear. So it was understanding that position, and then my wife and I discussed it.'

(Manufacturing, 50s, full time, over £40,000)

While opting out of automatic enrolment was an individual decision, many workers reported having discussed the benefits and drawbacks of joining a pension scheme with their partners. It was less common for workers to discuss these issues with their colleagues, although some also reported having these conversations.

'I think we generally talked about it. People asked why I was opting out and I told them why. I didn't want my decision or what I was doing to influence other people who might actually benefit from the pension. I said that it was a good thing and if I was just starting out in work again and I wasn't going to get a pension from anyone else, that I would have stuck with it.'

(Retail, 50s, full time, £15,000–£19,999)

Automatic enrolment: experiences of workers who have opted out

Only a few workers actively went on to seek further details from outside sources. These included a variety of on-line sources, such as official government websites,¹⁴ the websites of any pension providers they knew their employer had chosen for automatic enrolment, and general money advice websites, such as the Money Advice Service. Several mentioned using on-line pensions calculators, and one or two reported speaking to an independent financial adviser.

‘What I wanted to know mostly was the different type of schemes out there, what they don’t tell you about pension schemes, what could potentially happen to your fund if your company goes bust or if you die, all those kind of things. So I was interested to get a round picture and know exactly what I should and shouldn’t do and even look at something like the financial reports that have been written about stakeholder pensions.’

(Retail, 50s, full time, £15,000–£19,999)

‘One website has got a contribution calculator and one has got a pension pot calculator. I think it was the Money Advice Service. You put in a percentage of your pay and your range and it did everything else for you automatically. Very useful. I use it all the time.’

(Leisure, 40s, full time, £15,000–£19,999)

Workers who did not do any additional research often felt that this was not necessary. Most of them thought that the employer information was sufficient, and considering their individual circumstances most had already made their mind up.

‘It is completely financial so it is a bit of a no-brainer. You either can afford or you can’t afford it. It wouldn’t matter how much research I did. There is just not physically a way around me being able to pay bills and pay into a pension. I already knew enough about it not to need to do any more research.’

(Financial services, 30s, full time, £20,000–£29,999)

3.4 The process of opting out

This section examines the actual process of opting out from a worker’s perspective. In summary, most workers tended to find this process fairly straightforward, with a majority able to successfully complete an online opt-out form, and most reporting a confirmation and a refund of their contributions where necessary. Workers typically did not recognise the difference between opting out and ceasing active membership, with most being focused on stopping contributions and a smooth refund process where they knew this was due.

Most workers felt that the opt-out process was straightforward and easy to accomplish. They usually made use of their employer’s on-line opt-out facility and reported this process to take only a couple of minutes. Others had to fill in and sign a paper form and hand it in to their HR or pensions department. A small number went direct to their pension provider in order to opt out.

¹⁴ Workers were previously directed to the DirectGov or DWP websites; they are now directed to GOV.UK.

Automatic enrolment: experiences of workers who have opted out

'They gave us the option of either phoning through for a form that we could fill out, or they gave us a website which we could go online and fill out there. Once I got that, once I did find the right page and put in my key number, then it was reasonably straightforward.'

(Retail, 50s, full time, £15,000–£19,999)

'It was just on-line. It was really easy. You could write if you wanted but it was just a few clicks online, really simple.'

(Third sector, 40s, full time, over £40,000)

A small number of workers reported a number of minor problems with the opt-out process. Initially some found it hard to find out how and where to opt out, while others reported technical issues with on-line forms.

'I didn't find it easy at all actually get to the opt-out site [within the pensions provider website]. I think I am pretty savvy with computers but it was very difficult trying to actually find the bit where you opt out.'

(Retail, 50s, full time, £15,000–£19,999)

Most workers received a confirmation of their opt-out request, and most reported having checked their payslips to confirm that deductions were no longer being made. However, a handful of workers mentioned that they had to wait a long time to get a confirmation of their opt-out request, or that opting out took several attempts before being successful. One worker explained that she had struggled to get the contribution that was taken before she filed her opt-out request refunded.

'It was an on-line form that we had to pull off the computer, physically fill it in, and send it back to the pension provider. I did that and sent it away and that was totally ignored. Then we got some more information through the [employer] website. We had to fill it in on line this time because it came from the pension provider. I certainly did it there and then, and a month later I get a letter through my door saying "Welcome to [provider] pension scheme." Then it took a phone call to [provider] to say "I don't want to be a member." They had taken out my contribution. So I did everything I should have done ... But they were very efficient at getting that money back to us.'

(Third sector, 60s, part time, £30,000–£39,999)

Many workers were not aware that they would be re-enrolled in three years' time. When asked about how they are likely to respond, nearly everybody felt they would opt out again.

'Personally it doesn't make any difference. Some people do need to be reminded don't they? I mean, I do. If I was 20 and working for a company that wasn't as good as my employer, then I more than likely would have done that, but given my age and what I know ... I wouldn't encourage my children or my nephews or other people not to go in it.'

(Manufacturing, 50s, full time, £30,000–£39,999)

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'At my age I know my own mind. I have made an informed decision to opt out and I have also been given the provision to opt back in. Why should I have to keep going through the same process every three years? It is a little bit annoying in some respects, but that is just my opinion, but it just seems a waste of time. Now I have opted out, if I want to opt back in then I will do, but if not, leave me alone.'

(Retail, 50s, full time, £15,000–£19,999)

4 Attitudes toward saving for retirement

This chapter examines the general attitudes toward saving for retirement that were held by the workers we interviewed. The research did not seek to measure the amount of provision these workers were actually putting in place, and therefore, this chapter is based on the subjective views expressed by workers over the course of the interviews.

This chapter explores the role that workers envisaged different parties playing in generating provision for their retirement. Section 4.1 will first look at the role that workers imagined the State undertaking in terms of supporting them and future generations of retirees. Section 4.2 discusses the level of responsibility that they were willing to assume for providing their own income after stopping work. Finally, Section 4.3 will examine the extent to which workers felt that their employer was responsible for supporting them, after they stopped working for that employer.

A large majority of workers expressed a general understanding of the problem that automatic enrolment was designed to address: they knew that an ageing population was creating a growing financial burden on the State, and that this would need to be paid for in some way. Most agreed with the aim of automatic enrolment of encouraging more people to save, in order to fund their retirement.

'I think it is a good idea. I see it every day. People don't have enough in place for retirement. It worries me.'

(Financial services, 30s, full time, £20,000–£29,999)

However, while nearly everybody agreed that there was a problem, opinion was divided as to whether automatic enrolment was the best mechanism to address it. The majority of workers voiced some degree of frustration about the perception that they were being coerced into doing something against their will. In most cases, this was articulated as slight annoyance that the onus had been placed on them to take active steps to opt out:

'I guess people would rather have the choice to choose to do something, rather than being told, "You are doing it, and you haven't got the choice." It was quite easy to opt out of it, so I didn't have a problem there.'

(Services, 40s, full time, £30,000–£39,999)

It was very rare for the worker to convey feelings of resentment about the situation, or more systematic ideological objections about government interference in their private affairs, or 'the nanny state' as one participant put it.

4.1 The role of the State

Nearly everybody acknowledged that it was becoming increasingly difficult for the State to provide financial support for those who had retired from working life. Most also felt that there would, therefore, need to be a shift toward personal responsibility for making one's own provision for retirement.

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'You can't really expect the State to provide for everyone. They can't afford to, can they? You hear about the huge great pensions black hole, so people should start putting aside money of their own.'

(Services, 40s, full time, £30,000–39,999)

The majority of workers stressed that they were taking full personal responsibility for providing their own income after retiring. Most saw it as a source of pride to be self-sufficient. Others, however, were more ambivalent about assuming this responsibility, suggesting that they would have as much difficulty as the State in funding their retirement.

'I know it should be my responsibility to provide for my own old age, but I am living in a world where everything is at such a level of cost, how can a government expect you to provide for your old age when everything is going up at such an extent?'

(Public sector, 40s, full time, £20,000–£29,999)

Others felt that the State should assume some responsibility for supporting those who were unable to support themselves. Some of these had the attitude that as taxpayers, they had themselves paid to support others and were thereby entitled to claim something back once they had retired. However, even the latter usually emphasised that they were not expecting to rely primarily on the State Pension during retirement.

'Sometimes you can have the attitude of, "Well I have paid into the system and all the thousands you have paid in over the years," and maybe you could think to yourself, "Surely I am entitled to it back?"'

(Retail, 30s, full time, £15,000–£19,999)

Many workers admitted that they did not know how much the current State Pension was worth, or consequently, to what extent it would support them. They were typically pessimistic about how far the State Pension would stretch, indicating that most of their support would come from elsewhere, while the State Pension would amount to little more than 'pocket money' (Retail, 40s, part time, £15,000–19,999), or 'might cover your weekly food shop' (Manufacturing, 30s, full time, £20–29,999).

'It is not going to scratch the surface of anything. I don't even know what the State Pension is at the minute for single people or a married couple.'

(Retail, 50s, full time, £10,000–£14,999)

Many also believed that the value of the State Pension would fall steadily over their lifetime, while the age at which they would be entitled to claim it would keep going up. A few workers speculated that the State Pension could even have disappeared entirely by the time that they retired.

'You can't rely on a State Pension either being of a sufficient amount, or even being there at all, which is a distinct possibility at some point.'

(Third sector, 40s, full time, over £40,000)

4.2 The role of the individual

In this section, we will look at workers' attitudes in regard to the need to save for their retirement; how they went about planning to meet that need; and finally, how they went about deciding when they would retire.

4.2.1 The need to save

Most workers described the need to save for retirement in terms of their wish to maintain a comfortable lifestyle. The majority stressed that they were keen not to have to rely primarily on the State Pension, expecting that if they did, they would experience a relatively straitened lifestyle compared to the one that they currently enjoyed.

'You need to have enough provision to ensure that you can carry on enjoying the sort of lifestyle that you want ... [The State Pension] will be a pittance, and irrelevant to keeping me in the lifestyle that I am accustomed to.'

(Manufacturing, 50s, full time, over £40,000)

This sense of contrast between their current lifestyle while in work, and the potential hardship they would face if relying upon the State Pension alone was usually stronger among those earning higher salaries. Those earning lower salaries tended to describe the State Pension less critically: as a minimum standard that could be supplemented by the individual, according to the varying needs related to their personal circumstances.

'I think the State has a responsibility to provide a safety net, but I think the individual has a responsibility to provide for whatever lifestyle they want.'

(Public sector, 20s, full time, £10,000–£14,999)

Some workers talked about retirement as being important for their general wellbeing. Older workers in particular were sometimes conscious that they already found their job more tiring than they used to, or felt that current or future health conditions might hinder their ability to continue working. In some cases, their desire to live out their old age in relative relaxation was a driver to save more; other workers, however, seemed less willing to be flexible on their retirement date, regardless of how much provision they had in place.

'There is going to be a point when you have to back off on the pedal and take it a bit easy, which obviously means dropping income. So therefore actually putting some money aside through pensions or other mechanisms is a great way of enabling you to do that.'

(Manufacturing, 40s, full time, over £40,000)

'[I want to retire] around 65-ish. As long as I am fit and healthy, then I will continue to go out to work, but I wouldn't like to carry on much longer than that.'

(Retail, 40s, part time, £15,000–£19,999)

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A few workers stated that they were not expecting to live long enough to have a lengthy retirement, and on this basis expressed varying degrees of reluctance about making sacrifices in the present for a hypothetical future. Among these, a small number had health conditions that were already impacting their ability to work and to save, making it difficult to set aside money now, even if they recognised that this would become even harder in the future.

'My disability will at some point very probably render me unfit for work, so long-term planning pretty much takes a back-burner to dealing with life that is immediately in hand ... If I reach retirement age, I would like to have some money, but at this point, every resource that I have, I need for the moment unfortunately.'

(Services, 40s, full time, £15,000–£19,999)

4.2.2 Estimating how much provision to put in place

The majority of workers felt that they had put a reasonable amount of thought into planning for their retirement, proportionate to their life-stage: only a small number admitted openly that they were inadequately prepared for retirement. It was rare for even the youngest workers interviewed to think that they were too young to start saving for their retirement: most commonly, workers in their 20s cited the need for a higher wage or a more permanent position as the barrier to joining a pension scheme.

At the same time, many workers – of all ages – said that uncertainty about what the future held made it difficult for them to know how much they needed to save, or whether what they had would be enough. This attitude was voiced by a wide variety of workers, regardless of how much provision they had in place, or how carefully they had planned for the future.

'I don't necessarily think you need to save. I think it just depends what sort of quality of life you want when you are older ... It is hard to plan what you are going to do next week, never mind in 30 or 40 years' time.'

(Retail, 30s, full time, £15,000–£19,999)

Many workers felt that there were lots of different factors beyond their knowledge or control that would influence how much provision they would end up needing: for example, how long they lived, how their career developed, the cost of supporting dependents, and rises in the general cost of living. Some workers also mentioned finding it difficult to assess how much their current or future assets would be worth, and to what extent those assets would cover their needs.

'[A pension forecast] is not guaranteed, so even with a pension fund, you can put away for ten years, and at the end of that, you are going to get this amount per year – but how will you know if that is going to be enough? Will the cost of living have gone up, will things be so expensive that it seems enough today but when you get there it won't be enough? So you never know.'

(Manufacturing, 50s, full time, over £40,000)

A small number of workers mentioned that they were making certain assumptions about the future value of their assets. Those who were relying on property – whether they were planning to downsize, or to draw on rental income from other properties – tended to assume that anything they currently owned would maintain or increase its value. Workers who were paying off a mortgage tended to assume that nothing would prevent them paying this debt off

on time, and then treating that property as an asset that could be sold if necessary to release some equity.

'At the back of my mind, I do take into account the fact that I know my mum has got a property that I would inherit, so there are things like that that do come into my consideration of what funds might be available to me at some point in the future. But I see it as completely my responsibility to make sure that I can look after myself.'

(Third sector, 40s, full time, over £40,000)

A few workers were relying on their partner or family to support them in retirement. Most of these indicated that they were partially reliant on a spouse, insofar as their finances were shared, and their spouse had more generous provision than they did. It was rare for a worker not to see any value in making their own provision for retirement, due to assuming that their spouse had enough for both of them.

'My fiancée is a doctor so I will be relying on her ... While I wouldn't rely on that as a basis for my future decisions, it does offer some bit of comfort to know that we will have at least one decent pension coming into the household when we are older.'

(Services, 20s, full time, £30,000–£39,999)

Workers were usually assessing their finances on the assumption that their personal circumstances would remain relatively stable: even if they were not relying on assets that were in their spouse's name, it was typical for workers to assume that they would continue to share living expenses with their current partner. Only a small number mentioned that they were not taking this for granted.

'I have got a partner and I have got a child now, but there are no guarantees that it will be like that when I retire. My child will have grown up, and my partner may not be around anymore. We don't know, do we? I do think people should prepare for themselves, for when they get older.'

(Retail, 20s, full time, annual income refused)

4.2.3 Deciding when to retire

Most of the workers interviewed emphasised their wish to be financially independent in retirement, and therefore, took the view that they would only retire when they could afford to do so. Some felt that their retirement date was strongly influenced by their own personal financial milestones: usually, the date when they could begin claiming their workplace or personal pension, or in a few cases, once they had paid off a mortgage.

Many workers stated that they were willing to work longer to increase their provision, or in some cases, were already expecting to have to work longer than they would like. Some mentioned that working longer was preferable to relying upon either the State or their family to help them out. A few workers anticipated that they would not have enough provision to retire at State Pension age (SPa), and therefore, felt that they would have to continue working, whether or not they wanted to do so.

'If I can stay reasonably fit, I should be able to stay in full-time employment long past the age of 65, or even 70 depending on my health. My plan is I am going to have to work until I drop.'

(Public sector, 40s, full time, £20,000–£29,999)

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Some workers felt that even with a reasonable level of provision to fall back on, they would still like to keep working. This was typically as much to satisfy intellectual and psychological needs as financial ones.

'I intend to continue doing some sort of part-time work, whether it is charity work or even remaining at what I am doing, but just for a couple of days a week. I don't intend on retiring completely and never working again. Certainly I would get a bit bored doing that.'

(Manufacturing, 30s, full time, £20,000–£29,999)

It was also common, however, for workers to describe their retirement date as something that was not fully under their control. In spite of nearly all the workers' insistence that they did not intend to rely primarily on the State Pension, most did imagine themselves as retiring soon after they became eligible to receive it. Some, therefore, predicted that they would probably retire later than the current norm insofar as they expected SPa to rise over the coming years.

'I have no doubt [the date I retire] will be whatever age the government sets.'

(Retail, 30s, full time, £15,000–£19,999)

'[I will retire] probably when I get to retirement age. I imagine by the time I get there, it would be 70 something ... Because it is the legal retirement age, and I can start claiming a State Pension.'

(Manufacturing, 20s, full time, £20,000–£29,999)

Very few workers explicitly admitted that the existence of the State Pension had played a role in their decision to opt out: more frequently, these workers described retiring at this age more in terms of falling in line with a cultural norm. While some of these workers were confident that they had built up enough provision to retire at what they saw as being the conventional age, this was by no means the case for everybody who intended to retire at this age.

'It is the norm. It has been drilled in me that you retire at 65, and it has become one of those things. Sixty-five is a good age, and I have known people who retire at that sort of age. My mum did it at the same time.'

(Leisure, 40s, full time, £15,000–£19,999)

Although most workers had an approximate idea of the age at which they would like to retire, only a small number made reference to anything that would happen after retiring, or any plans they had made for how their life would develop through retirement. Some reflected openly on the fact that they did not know how long they would live, or consequently how long they would need their savings to last. In some cases, this uncertainty had led them to err on the side of caution and put away more than they thought they needed, but others might have been underestimating how much they would need.

'We certainly think whatever we have going forward won't be enough, but we just put as much away as we can. We will build that when it comes. My wife is a lot younger than me and the expectations are that I will pass away well before she does, so in a way we are building a retirement portfolio for her.'

(Manufacturing, 50s, full time, over £40,000)

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While nearly everybody felt that they should, and wanted to, take personal responsibility for funding their retirement, it was less clear to what extent they were in fact taking on this responsibility. Only a small number admitted that they were not saving enough, and all those that did felt that they simply could not afford to prioritise paying into a pension. Others were trying to provide for themselves, but displayed different degrees of complacency in estimating how much they needed.

The majority understood the issues posed by an ageing population in broad, abstract terms, but comparatively few demonstrated that they were translating this into thinking optimistically about their own longevity, and therefore, budgeting conservatively. One worker, for example, mentioned that she wanted to retire at 60, and had opted out because this was only a few years away, despite not being entirely confident that her private pension would provide a comfortable lifestyle for a relatively long retirement.

'Nothing is ever enough, is it, but I am hoping I will be able to manage on what I get ... I am hoping to retire in the next six or seven years, so it seemed a bit pointless paying in for such a small period of time.'

(Retail, 50s, full time, £10,000–£14,999)

As discussed in Section 2.5, while some people opted out of automatic enrolment because they had relatively concrete plans to retire in the next year or two, others did not plan to retire for several years. However, these workers were still not attracted by the return that could be accumulated over that period of time. There was a tendency among some workers to feel that, as long as they were doing something, there was no need to do anything additional.

A small number of workers did not perceive a strong causal relationship between what they put into a pension and what they would get out of it. As we saw in the case study at the end of Section 2.7, one worker had opted out of a pension that she was offered many years earlier, on the grounds that she could not afford the monthly contributions. When she was automatically enrolled, she found that the contributions were more affordable, but eventually opted out because the return was too low. She preferred to put her money in the bank, even though this would not give her a higher return (Services, 50s, full time, £15,000–19,999).

Other workers were similarly focused almost exclusively on the value of the return, without necessarily giving much consideration to how that return was generated, or over what time period they would receive the return – what was perceived as a relatively high contribution might have to yield a modest return over a long retirement.

4.3 The role of the employer

This section discusses the nature of the responsibility that workers attributed to the employer in supporting them after they finished working; and their impressions of the way their employer had gone about executing their responsibilities under automatic enrolment.

4.3.1 The responsibility of the employer for funding workers' retirement

When asked where the line fell between their personal responsibility for funding retirement and the State's responsibility for supporting them, the vast majority of workers were quick and unequivocal in outlining their views. When subsequently asked what degree of responsibility they ascribed to their employer, however, workers tended to be much more hesitant.

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Many of these workers had worked previously for employers who did not offer a pension to the majority of their workforce, and typically had relatively low expectations of their employer. Some were content that the employer was already paying them a wage, and did not perceive any obligation upon the employer to provide additional benefits.

'I think it is a good thing, but I don't think it is actually their responsibility. They are already supplying me with a job.'

(Retail, 20s, full time, £15,000–£19,999)

In a few cases, the worker had a defined benefit pension from a previous employer, whereby the worker is offered a proportion of their salary as a fixed annual income throughout retirement, a guarantee for which the employer is wholly liable. However, even those who had defined benefit pensions did not necessarily feel entitled to support from their employers, with some recognising that offering generous pensions was no longer affordable for many employers.

'If they have got to put so much into the pension, that will come off what you take home at the end of the month. I know that big employers generally have always offered pensions, and they probably would rather not now. We both have been fortunate enough to have good employer pensions.'

(Services, 40s, part time, £10,000–£14,999)

A few also felt that employers had some degree of responsibility for the wellbeing of their workers, and saw pensions as one mechanism that employers could use to encourage people to work for them. These workers tended to describe pension provision not so much as an obligation, but as an investment in morale that could benefit the employer indirectly.

'If they want a happy workforce, I think they should also be proactive. That is all part of the customer feedback. So job satisfaction, a happy workplace and not having to always worry about what is going to happen after 65.'

(Services, 60s, full time, over £40,000)

Most of the workers interviewed were aged 40 or above, and the majority of workers of all ages had had at least one previous employer before their current position. Many workers felt that they had spent their 'main' career working for one particular employer, and in this context, were relatively less demanding in terms of what they expected from their current employer. Some workers described their employer's responsibilities towards them as being limited strictly to the period over which they were working for that employer, and therefore, did not perceive any employer as being responsible for providing an income to them in retirement.

'I guess that once you are no longer employed by them, then it is not really their responsibility.'

(Services, 30s, full time, £30,000–£39,999)

4.3.2 Workers' perceptions of how employers had handled automatic enrolment

The majority of workers felt that their employer considered pensions to be very important. Some referred to the general promotion of benefit packages as a tool for recruiting and retaining staff, while others pointed to the way their employer had communicated with them

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about automatic enrolment as evidence that their employer was keen to promote their pension scheme. Most, however, knew little about the extent of their employer's obligations in regard to communicating about automatic enrolment and contributing to a pension scheme on their behalf.

'You are encouraged to join from the start and it is believed to be one of the better schemes. It is something that people do take seriously.'

(Services, 50s, full time, over £40,000)

'Mainly because of all the information that we had when the scheme was coming out: it was encouraging people not to opt out, so you felt quite comfortable that [employer] were taking an interest in people after they had retired.'

(Retail, 40s, part time, £15,000–£19,999)

Even workers who had opted out because they considered the contribution rate to be too low were not particularly critical of their employer's general attitude toward providing pensions. In some cases, this was because they were aware that the employer also had a more generous pension scheme, which was already available to them, or might be in the future.

Many workers spoke approvingly of the fact that their employer had fulfilled their duties under automatic enrolment, and some of these drew an explicit connection to their view that the Government was, in their terms, 'interfering' by obliging both them and their employer to go through the exercise of automatic enrolment. Most workers based their assessment of their employer on how easy it was for them to opt out: having already decided that they were not interested in remaining a member, based on their personal circumstances, their expectations of their employer in terms of providing information tended to be rather low.

'It was quite clear that the automatic opt-in was government-induced. [Employer] fulfilled their responsibilities, and then they gave a more than significant amount of time to opt out, and the system to opt out was clear, concise and worked a treat.'

(Manufacturing, 50s, full time, over £40,000)

Most workers felt that once their employer had made a pension available to them, the employer did not have to do anything more; in some cases, their attitude was rather that the employer ought not to do anything more, as they were already encroaching upon private matters. In some cases, the worker seemed relatively satisfied with what they perceived as a liberal environment where they would not be pushed into remaining in a workplace pension. In a few cases, the worker suggested that they did not perceive that their employer cared very much about providing benefits.

'It depends on the individual wanting to find out. It is all there if you want to find out. It wasn't pushed down our throats. It was made available.'

(Third sector, 50s, part time, £20,000–£29,999)

'We get these emails pumped out with information in it, and you don't get much feedback on a one-to-one basis from everyone about anything really. I think it is just something they have got to do.'

(Services, 50s, full time, £15,000–£19,999)

Automatic enrolment: experiences of workers who have opted out

The vast majority of workers had no concerns about their employer being involved in their pension arrangements: as mentioned earlier, many already held workplace pensions with a previous employer. The small number who did indicate that their feelings about their employer played a role were also keen to stress that this was a relatively minor factor in their decision, which was driven predominantly by their personal circumstances.

To sum up, the majority of workers perceived saving for retirement to be predominantly their own responsibility. Some indicated that the State might provide a basic minimum standard of provision, or their partner might help to supplement their retirement income, but nearly everybody was reluctant to rely heavily on either of these options.

Because the vast majority broadly approved of the principle of the State encouraging people to save more, workers tended to describe automatic enrolment as being a good idea for other people, but inappropriate for them specifically, due to their personal circumstances. When asked what advice they would give to other workers who were deciding whether to stay in their workplace scheme or opt out, most described automatic enrolment in positive terms, as a good opportunity for anybody who did not face the specific barrier that they did to remaining in a workplace pension. In other words, those who felt that they could not afford the contributions thought that anybody who could afford them should consider staying in, while those who thought they were too old to begin saving usually said that automatic enrolment was a good idea for any younger workers.

'If they can afford it, then they should do it. That would have been my advice. It wasn't something that I was pleased that I had to opt out of. It was an expense that I can just do without really.'

(Retail, 30s, full time, over £40,000)

'If I had been younger I would have stayed in ... I said to the younger people that it has got to be worth it for you, but it just wasn't for me given my age.'

(Retail, 50s, full time, £15,000–£19,999)

'If you are not currently in a pension scheme, then you have got the chance to be in one, and your employer is making contributions towards it and your tax relief.'

(Manufacturing, 50s, full time, £30,000–£39,999)

Appendix A

Materials used in conducting this study

A.1 Employer screening questionnaire

Introduction for switchboard/gatekeeper: named contact

Good morning/afternoon. Please could I speak to [FIRST CONTACT]?

If unavailable and alternative names in sample: Could I then speak to [NEXT SAMPLE CONTACT]?

If unavailable and no alternative names available: Could I then speak to the person with overall responsibility for pensions at [EMPLOYER]?

Introduction for switchboard/gatekeeper: no named contact

Good morning/afternoon. Please could I speak to your Pensions Manager?

If positions do not exist: In that case, could I speak to the most senior person responsible for employee salaries and benefits?

If necessary: Explain who you are, and that you are calling from RS Consulting on behalf of the Department for Work and Pensions

When connected to appropriate contact: My name is and I'm calling from RS Consulting, on behalf of the Department for Work and Pensions.

We are contacting you because the DWP has commissioned us to conduct research into experiences of automatic enrolment, which we understand [EMPLOYER] is currently, or soon to be, implementing.

Our research will explore how both employees and employers are responding to automatic enrolment, and will measure how many employees who have been automatically enrolled opt out of workplace schemes.

We are aiming to involve as many as possible of the very first organisations to implement automatic enrolment, and so DWP would like to learn more about [EMPLOYER's] experiences.

This research has high Ministerial interest. The reforms are one of the major programmes being carried out by the Government, and it is essential they understand how it is working and the experiences of employers and employees.

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If respondent asks where we got their contact details: Details were provided by The Pensions Regulator solely for the purposes of this research. The details indicated that you are responsible for dealing with pension schemes for [EMPLOYER].

If respondent does not want to discuss the research:

There's no obligation for any employer to take part, but since this is a high-profile piece of research we would really like to talk to you about taking part. Could I leave you to consider it, and call back in a couple of days' time?

If respondent is clear that they do not want to participate:

As I say, there's no obligation to take part in the research. Could you perhaps explain to me why [EMPLOYER] would not be able to participate? I won't share these details with anyone outside the research team at DWP – but any feedback from you would be really helpful.

If respondent is happy to continue the conversation:

We would very much like to include [EMPLOYER] in this study.

First of all, can you tell me whether you are starting automatic enrolment this month?

If contact explains they are postponing automatic enrolment, find out when it is now planned, note the details/reasons in full in the spreadsheet, and check OK to call back at the beginning of the relevant month.

If automatic enrolment is going ahead this month:

Initially we would need you to send us some brief information about the number of employees you have, and types of pension scheme in operation.

We would then ask for some data on automatic enrolment and the level of opt outs.

Finally, we may also ask you, and potentially three or four of your employees, to participate in face-to-face interviews about your experiences of automatic enrolment.

I can assure you that anything you tell us during the course of the research will be treated in confidence by the project team. It will not be attributed to you, or your organisation, unless you agree to it. We will not tell anyone outside the research team at DWP the names of any organisations who participate in the research, unless you explicitly give us permission to do so.

Only if respondent is concerned about burden of taking part:

You do not have to participate in all of the elements, if you do not want to. We want to work flexibly with you, and we will value any contribution you are able to make to the research.

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Ensure that respondent is clear on this, and allow them to ask any questions.

Taking part is entirely voluntary and would not affect your future dealings with the Department. You would be able to withdraw from the research at any time.

We really hope you will be able to be involved.

At this stage it would be helpful to know your thoughts on this research and whether it is something that [EMPLOYER] might be prepared to take part in?

If respondent is happy to continue the conversation:

The next step is for me to send you a letter from the Department for Work and Pensions, which summarises what I have said about the research, talking to you today.

If you do not wish to participate in the research you can let the team at RS Consulting know at any time; the letter includes a number and email address you can use for this.

We will contact you again in a few days' time to check that you are happy to participate. All being well, we will then send you a company profiling questionnaire by email, which should not take long to complete.

Confirm contact details and send letter. Arrange a suitable time to re-contact respondent. If no firm appointment agreed, allow at least three days before re-contacting.

A.2 Example letter prepared by the research team for an employer to send to workers who had opted out

Dear Colleague,

As one of the biggest employers in the UK, COMPANY is one of the first to begin automatically enrolling its employees into a workplace pension. The Department for Work and Pensions has commissioned research among these employers to speak to people who have opted out of automatic enrolment, in order to get their feedback on why they decided that they did not want to be automatically enrolled into a pension.

The research is being carried out by an independent market research agency, RS Consulting. They are interested in talking to people to understand their experiences of being automatically enrolled into a pension, and their decision to opt out – the attached information sheet gives more details about the research. As someone who has chosen to opt out, they are interested in speaking with you to discuss things like:

- How you found out that you would be automatically enrolled into the COMPANY workplace scheme
- How you decided to opt out of the scheme
- Some of your thoughts about planning for retirement

They would be interested to hear your thoughts on these topics, even if you have not given the issue much thought. None of your feedback would be reported back to COMPANY as your employer, and you would remain anonymous when your feedback is shared with DWP.

If you would like to take part, you can call or email the research team on the following contact details, and they will arrange an interview with you.

Telephone [redacted], or email [redacted].

Interviews will take approximately 20 minutes, and can be carried out by telephone whenever is most convenient for you.

You can check RS Consulting's credentials as a genuine market research company with the Market Research Society: Freephone 0500 39 69 99.

A.3 Worker screening questionnaire

Overall requirements

- Working for Employer X – on a contract based full time in the UK
- Respondents must have opted out from being automatically enrolled into their pension over the last 11 months – it can't just be somebody who happens not to be in the company pension for any other reason.
- No other quota requirements – any mix of age, gender, location
- The respondents could all be from a single store if necessary

Respondent introduction

My name is _____, calling from RS Consulting. We are carrying out research on behalf of the Department for Work and Pensions, with people who have recently opted out of their company pension.

We are looking for people who work for specific employers, and are employed solely in the UK.

Q1 Can I confirm the name of your employer?

Employer X	1	Continue
Another employer	2	Thank and close

Q2 Can I confirm whether your job with Employer X is solely based in UK?

Employer X	1	Continue
Another employer	2	Thank and close

Q3 Did Employer X automatically enrol you into a workplace pension some time during or after October 2012?

IF NECESSARY: By “automatically enrolling”, I mean that Employer X put you into their pension scheme ‘automatically’, i.e. without your involvement, and would have been diverting a percentage of your salary into this pension each month.

Employer X	1	Continue
Another employer	2	Thank and close

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Q4 And did you opt out of the Employer X pension, for whatever reason that might be?

IF NECESSARY: By opting out, I mean that after being automatically enrolled, you had to intervene with Employer X, telling them that you had decided to leave the pension scheme. You would probably have had to fill in a form, either online or on paper, to do this.

Employer X	1	Continue
Another employer	2	Thank and close

Thank you for answering my questions. I would like to invite you to participate in a 20–30 minute telephone interview, at a time convenient to you.

Employer X is one of around 50 UK companies taking part in research for the Department for Work and Pensions, to understand employers' and employees' experiences around automatic enrolment.

The research is being carried out by an independent market research agency, RS Consulting. They are interested in talking to people to understand their experiences of being automatically enrolled into a pension, and their decision to opt out. As someone who has chosen to opt out, they are interested in speaking with you to discuss things like:

- How you found out that you would be automatically enrolled into the Employer X workplace scheme
- How you decided to opt out of the scheme
- Some of your thoughts about planning for retirement

They would be interested to hear your thoughts on these topics, even if you have not given the issue much thought.

Reassure on confidentiality: Anything you tell us during the course of the research will be treated in confidence. The interview will be recorded, but that recording will only be heard by employees of RS Consulting. You will remain anonymous when the research findings are shared with DWP and your participation will not be revealed to your employer.

I can assure you there is no selling involved as this is a market research exercise. Many participants feel these types of discussions are quite enjoyable. This is essentially an opportunity to give feedback to DWP on your thoughts as to why you did not wish to be automatically enrolled into a pension. The research will help to inform DWP's future pension policy.

We would like to assure you that in accordance with MRS Code of Conduct and the Data Protection Act 1998, all the attributable information gained will be used for research purposes only, and solely for the purposes of this project.

Can I arrange a suitable date and time when we can undertake this interview?

If respondent agrees: collect email address, provide contact number in case email is not received; collect direct dial/mobile number in case of bounce-back or other issues.

A.4 Worker information sheet

Research about automatic enrolment

RS Consulting, working on behalf of the Department for Work and Pensions, is carrying out a programme of research to understand how employers and workers have chosen to respond to automatic enrolment.

We are conducting interviews with staff in around 50 of the largest companies in the UK – the first employers to bring in automatic enrolment.

Why do we want to speak to you?

We're interested in talking to workers such as yourself to understand your experiences of being automatically enrolled into a pension and choosing to opt out.

As someone who has chosen to opt out, we are interested in speaking with you to discuss things like:

- How you found out that you would be automatically enrolled into a workplace scheme
- Any sources of information you used in finding out about automatic enrolment
- How you decided to opt out of the scheme
- What happened when you opted out
- Some of your thoughts about planning for retirement

We would like to ask you for your thoughts on these topics, even if you have not given the issue much thought.

What will we do with the information?

Eventually we will write a report for DWP which will draw together all the information and opinions we gather. We will use the information you give us anonymously when we come to write our report.

Everything you say will be treated as strictly confidential by the RS Consulting project team, and your comments will not be attributed to you in any way that could possibly identify you in the report or the information we give to DWP.

We are conducting the interviews under the terms of the Market Research Society (ESOMAR) Code of Conduct. They are being carried out for research purposes only.

Interviews will take approximately 30 minutes.

Your participation in the research is entirely voluntary: you can end the interview at any time.

We would be happy to answer any questions, or talk to you about the research or your participation. You can ask the interviewer in person, telephone us on [redacted], or email us at [redacted].

You can check we are a genuine market research company with our industry body, the Market Research Society: Freephone 0500 39 69 99.

A.5 Worker interview discussion guide

Introduction	
	<p>Introduce self and RS Consulting</p> <p>We're carrying out research on behalf of DWP to understand how different people – employers and workers – have chosen to respond to automatic enrolment</p> <p>Ask for permission to record for our analysis purposes. Recording will not be passed onto DWP or any other third party and will be destroyed after the project finishes</p> <p>Before we start our discussion, would you like to ask me any questions?</p> <p>Please feel free to tell me anything. Nobody will make any judgement about anything that you tell us.</p>
About you	
	<p>I'd like to start off by understanding a bit more about you.</p> <p>Tell me a bit about yourself. What do you like to do when you aren't at work? Who do you live with? Do you have a spouse/partner/family?</p> <p>Can you tell me a little bit about your role at [employer]?</p> <p>Do you work full-time (more than 30 hours per week) or part-time (fewer than 30 hours in a typical week)?</p>
Planning for retirement	
	<p>I'd like you to tell me about any thoughts you've had about your retirement</p> <p>To start, how much thought have you given to your retirement, would you say?</p> <p>When would you <i>like</i> to retire?</p> <p>When do you think you <i>will</i> retire, in practice?</p> <p>Why do you think you'll retire at that point?</p> <p>[If not mentioned] How does this tie in with State Pension age?</p> <p>Do you have anything in place, to fund your retirement?</p> <p><i>[If respondent has nothing in place]</i></p> <p>Can you tell me if there are specific reasons for that? [probe for: too early to think about it; will rely on partner's provision; reject pensions as a savings vehicle; need money now]</p> <p>Ask whether they are saving in another way.</p> <p>If respondent is not saving for retirement in another way, skip to next section</p>

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	<p><i>[If yes]</i></p> <p>Can you tell me a bit about what you've got in place? <i>Interviewer: probe to understand whether they have pensions, other savings, or alternative provision, e.g. property. If respondent mentions using their property as income, check whether they are paying a mortgage, paying rent, or own their home outright</i></p> <p>How did you come to have the savings/provision that you have? Did anything specific trigger you setting them up?</p> <p>Do you have a broader plan for providing for your retirement – perhaps an idea about provision that you intend to put in place one day, but not yet? How does what you already have fit into that?</p> <p>Do you feel that what you've got at the moment will be enough? Can you tell me what you're basing that on?</p> <p>[If not yet clear] Are you going to make other provision? What might that be? When do you see yourself putting that in place?</p> <p><i>[If respondent has mentioned other ways of saving for retirement – not pensions]</i></p> <p>You've mentioned getting an income from <i>[another form of provision]</i>. Where did you get that idea from – what was your thinking?</p> <p>Do you prefer the idea of that to a pension? Why is that?</p>
<p>Your reaction to automatic enrolment</p>	
	<p>I'll ask in a moment about how you first heard you'd be automatically enrolled into a workplace pension scheme. But first, I'd like to know if you'd been offered the chance to join a pension by your employer before?</p> <p>Let's think back to the point where you first became aware that you'd be enrolled into a workplace pension scheme.</p> <p>When did you first hear that you were going to be automatically enrolled? How did you hear? Did you first find out from your employer when people were told officially, or in another way – such as from your colleagues, friends or someone else?</p> <p>[If not already mentioned] Do you remember seeing any advertising on TV or the radio, or anything in the press, telling you that automatic enrolment was coming? What do you remember seeing/hearing? What did you think about that?</p> <p>Firstly, I'd like you to tell me what your immediate reaction was ...</p> <p>What did you understand by this term, 'automatic enrolment'?</p> <p>What did you do, after you had heard that you were going to be automatically enrolled?</p>

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	<p><i>Ask all</i></p> <p>And when your employer first told you, what information were you given? What form did the information take? Verbal, letter, presentation, meeting, noticeboard?</p> <p>Did your employer give you any other information? When did you receive it? What did you think, when you received it?</p> <p>Did you read it?</p> <p>And what was your reaction – how did you feel about the idea?</p> <p>Did you see any potential benefits to being enrolled? For example, receiving a contribution from your employer; getting tax relief on contributions?</p> <p><i>If found out another way before being informed by employer:</i></p> <p>When did you first hear from your employer that you were going to be enrolled into a pension scheme at work?</p>
<p>Using information in your decision</p>	
	<p><i>Interviewer, note distinction between information and communications. Some messages will have been intended to persuade/raise awareness, and others to provide more objective information/guidance. Probe if appropriate, to understand whether the respondent thinks the information they used was intended just to inform them, or to persuade them to stay opted in.</i></p> <p>Let's talk about any sources of information that you have used, to find out anything about automatic enrolment. Can you tell me about any that you have used? For example, from your employer; from the Government; from talks or meetings you might have been to; leaflets, letters, emails you might have been sent ...</p> <p><i>For each sort of information, ask</i></p> <p>Was this something you were given at work, or something that you found independently?</p> <p><i>If found independently, How did you hear about it?</i></p> <p>How much attention did you pay to it – was it something you spent time reading/thinking about/listening to carefully, or did you just skim it/consult it in passing/listen more passively?</p> <p>What kinds of things did it tell you? What did it help you to understand? How could it have done that better?</p> <p>Can you give me an example of something you found out from this information?</p> <p>How easy for people to understand, would you say it was? What made it easy/difficult to understand?</p>

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	<p>Did you discuss it with anyone else? Who? What did you talk about? <i>[Probe, if not clear, on who they spoke to – e.g. colleagues; anyone they know who had opted out, etc.]</i></p> <p>Did it play a part in your deciding to opt out? Why was that?</p> <p><i>If respondent has not used any information sources, other than employer letter</i></p> <p>Did you think about finding any information yourself, independently of your employer?</p> <p>Did anything stop you from doing so, or did you just not get round to it/not have time before you needed to tell your employer you were opting out?</p> <p>What questions did you have? What kind of information would have been helpful ?</p> <p>Where do you think you might have looked for information?</p>
Your decision to opt out	
	<p>So, now that we've talked about any information that you have used, I'd like to understand more about how you came to opt out of your workplace scheme.</p> <p><i>Interviewer note: in this section, if interviewing a public sector worker, start by checking whether they had previously left a scheme as a result of public sector pension reform – specifically, increased contributions from April 2012. Automatic enrolment would mean them being re-enrolled in a workplace scheme 6-12 months later.</i></p> <p>Was the decision to opt out something you thought about for a long time, or one you came to quickly, or even straight away? How long did it take?</p> <p>Did you have other priorities/other financial responsibilities that you took into consideration? (e.g. paying bills, cost of living, supporting family etc)? Please tell me a bit about them</p> <p>To what extent did you consider each of these when deciding to opt out?</p> <p>What about any personal views you have on saving and pensions?</p> <p>[If relevant from previous responses] And what about your other provision – where did that fit into the decision?</p> <p><i>[If not mentioned]</i> The amount paid to you by your employer wouldn't change, but some of that money would be saved in your pension, rather than being received by you immediately. How important was the fact that you'd have less money to spend each month?</p> <p>What else fed into the decision?</p>

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	<p><i>If not mentioned, probe on:</i></p> <p>How important were any savings for retirement that you already have, in your decision?</p> <p><i>[If they have one]</i> How about any provision that your spouse/partner has, and that you might use in retirement?</p> <p>How about the fact that your employer was going to be involved with your pension arrangements – did that play any part in the decision?</p> <p>If you had stayed in the pension scheme, would your employer have been contributing, as well as you?</p> <p><i>[If aware that they would have received an employer contribution]</i> As you'll know, by deciding to opt out, you aren't getting that contribution. Did you consider that, as you made your decision? Was something else more important to you?</p> <p><i>[If not aware of employer contribution]</i> To begin with, your employer would have had to make a contribution worth 1% of your earnings. If you had known that, might you have stayed in the scheme? Why/why not? Did you discuss the decision with anyone?</p> <p>Who – partner, colleagues, friends, family?</p> <p><i>[If partner mentioned and not already clear]</i> Did you discuss any provision that your partner has in place?</p> <p>How did those discussions go – did anyone you talked to tell you what they'd done in this kind of situation?</p> <p>All in all, did you have enough information to make the decision confidently?</p> <p>Why do you say that?</p> <p>Was there any information that you would really have liked to access, but didn't get?</p> <p>At the point where you made the decision to opt out of the scheme, was there anything you wanted to know, but hadn't been told?</p> <p>How would you have felt, if you had been given the option to delay being enrolled into the pension scheme, and automatically enrolled six months or a year later?</p> <p>What do you think you might have done, a little further down the line? Would you have responded differently to being enrolled? Why?</p> <p>Do you know that you will be automatically enrolled again, if you're still working in three years' time? What do you think about that?</p>
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Automatic enrolment: experiences of workers who have opted out

	<p>Did you find out how much this pension would have been worth at retirement, if you hadn't opted out?</p> <p><i>[If not]</i> Did you try to find out? (Why not?)</p> <p><i>[If so]</i> What was your reaction to that? How did this information feed into your decision?</p> <p><i>[If so]</i> And was that forecast more, less or about the same as you expected?</p>
Your experience of opting out	
	<p>The last part of the decision that I'd like to ask you about is what happened when you actually went about opting out.</p> <p>What arrangements did your employer make, for people who wanted to opt out? For example, did you fill something in on paper, online, or in some other way? Tell me about that</p> <p>Did anything you hadn't anticipated happen?</p> <p>For example, were there any problems or issues, during the process? What were they?</p> <p>How straightforward was the process, would you say?</p> <p>Have you had something to confirm that you've been opted out? Have you checked your pay, to make sure no deductions have been made?</p> <p><i>If respondent does not feel they have sufficient provision</i></p> <p>You mentioned earlier in our conversation that you don't think the provision you have in place will be enough to provide the income you want during your retirement.</p> <p>Do you plan on taking steps to increase your provision?</p> <p><i>[If not mentioned]</i> Might working for longer be one way in which you increase provision?</p> <p>When do you think you will start saving/saving more for your retirement – at what point in your life?</p> <p>Do you think it could rest on something else happening, or being in place? (examples might be earning more, being married, having 2 incomes, having fewer outgoings?)</p> <p>How far into the future might that be?</p> <p>How do you think you'll go about it?</p>

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Your thoughts on saving for retirement	
	<p>In these last few questions, I'd like to ask a bit more about your general views on saving for retirement.</p> <p>ASK ALL:</p> <p>What do you understand about the need to save for retirement? Why do people need to do that?</p> <p>And how do you feel about pensions, generally?</p> <p>If not already mentioned, probe on how they feel about pensions generally, as savings type. How much faith do they have in pensions as a means of saving?</p> <p>How much of a responsibility do you feel that you have, for providing your own income after you stop work? Probe for: versus your husband/wife/partner; the state?</p> <p>How far do you think you'll be supported by the basic state pension?</p> <p>How much responsibility do you think your employer should have?</p> <p>ASK ALL</p> <p>And how does your employer feel about pensions? Is this something that it sees as important for its workers? Why do you say that?</p>

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