Providing pensions information and advice in the workplace where there is little or no employer contribution:

Pilot evaluation findings based on survey and qualitative research

John Leston and Margaret Watmough

A report of research carried out by RS Consulting on behalf of the Department for Work and Pensions
The Employer and Employee Pensions Information Packs were devised for use only in connection with the pilot. These packs were developed for the purposes of the research by the Department for Work and Pensions (DWP) with input from a consortium of experts led by representatives of the Association of British Insurers. Nothing in the Pensions Information Packs or in the report represents government policy, financial advice or any endorsement by the Government of any financial product or method of saving.

Statements in this report which are attributed to individual participants in the evaluation reflect only the personal opinion of those participants and are not to be taken as having been based on an accurate assessment of all the relevant information.

You should seek professional advice before making any financial decision. The DWP accepts no responsibility for any loss or damage that may arise from a decision taken on the basis of information in this report.

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.
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Any remaining deficiencies are the responsibility of the report authors.

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
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<tr>
<td>EPP</td>
<td>Employers’ Pension Provision (a DWP series of published surveys)</td>
</tr>
<tr>
<td>FAQ</td>
<td>Frequently asked questions</td>
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<tr>
<td>FSA</td>
<td>Financial Services Authority</td>
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<tr>
<td>GB</td>
<td>Great Britain</td>
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<td>GPP</td>
<td>Group personal pension</td>
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<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>IFA</td>
<td>Independent Financial Adviser</td>
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<tr>
<td>ISA</td>
<td>Individual Savings Account</td>
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<tr>
<td>MD</td>
<td>Managing Director</td>
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<tr>
<td>PIP</td>
<td>Pensions Information Pack</td>
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<tr>
<td>SERPS</td>
<td>State Earnings-Related Pension Scheme</td>
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<tr>
<td>SHP</td>
<td>Stakeholder pension</td>
</tr>
<tr>
<td>SSAS</td>
<td>Small Self-Administered Scheme</td>
</tr>
<tr>
<td>TUC</td>
<td>Trades Union Congress</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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# Glossary of terms

<table>
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<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td><strong>Active member</strong></td>
<td>An employee who is currently accruing benefits in a pension scheme.</td>
</tr>
<tr>
<td><strong>Active pension scheme</strong></td>
<td>A pension scheme that is currently accruing benefits.</td>
</tr>
<tr>
<td><strong>Additional State Pension</strong></td>
<td>Another name for the State Second Pension.</td>
</tr>
<tr>
<td><strong>‘After’</strong></td>
<td>This term refers to the post-pilot survey of employees; it is used variously to indicate this survey or the survey employees who participated in it.</td>
</tr>
<tr>
<td><strong>‘After’ surveyed employee</strong></td>
<td>A surveyed employee who participated in the post-pilot survey, irrespective of whether they had also participated in the pre-pilot survey.</td>
</tr>
<tr>
<td><strong>Allocated Option</strong></td>
<td>The Option a pilot employer was asked to implement.</td>
</tr>
<tr>
<td><strong>Basic State Pension</strong></td>
<td>An individual can build up rights to the basic State Pension if they pay, are treated as having paid, or are credited with National Insurance contributions.</td>
</tr>
<tr>
<td><strong>‘Before’</strong></td>
<td>This term refers to the pre-pilot survey of employees; it is used variously to indicate this survey or the survey employees who participated in it.</td>
</tr>
<tr>
<td><strong>‘Before and after’ surveyed employee</strong></td>
<td>A surveyed employee who participated in both the pre-pilot survey and the post-pilot survey.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<td>------------------------------------------------</td>
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</tr>
<tr>
<td>Delivered Option</td>
<td>The <strong>Option</strong> implemented at a <strong>pilot employer</strong>.</td>
</tr>
<tr>
<td>Delivery of a presentation</td>
<td>A <strong>presentation</strong> is deemed to have been delivered, if the <strong>presenter</strong> was on site at a <strong>pilot employer</strong> and ready to give it, even if no employees chose to attend.</td>
</tr>
<tr>
<td>Delivery of one-to-one meetings</td>
<td><strong>One-to-one meetings</strong> are deemed to have been delivered, if the <strong>presenter</strong> was on site at a <strong>pilot employer</strong> and ready to hold these, even if no employees chose to attend. One-to-one meetings are not deemed to have been delivered, if the presenter only gave out his contact details and left it to employees to contact him, if they wanted a meeting.</td>
</tr>
<tr>
<td>Dormant pension scheme</td>
<td>A pension scheme that is not currently accruing benefits.</td>
</tr>
<tr>
<td>Employee PIP</td>
<td>The pilot Pensions Information Pack (PIP) for employees.</td>
</tr>
<tr>
<td>Employer PIP</td>
<td>The pilot Pensions Information Pack for employers.</td>
</tr>
<tr>
<td>Experience of the pilot</td>
<td>Surveyed employees who experienced the pilot did so by either reading literature (the Employee PIP and/or stakeholder pension (SHP) provider literature) and/or by attending a presentation or one-to-one meeting.</td>
</tr>
<tr>
<td>Group personal pension</td>
<td>At its simplest, this is a series of individual personal pension plans, although if an employer sets up a group plan it is more likely to make a contribution and possibly provide life assurance and other benefits as well. The group personal pension (GPP) is not an occupational pension scheme, so the contribution and benefit limits for individual personal pensions apply.</td>
</tr>
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Independent Financial Adviser  Individuals who give advice about all aspects of finance, Independent Financial Advisers (IFAs) can advise and sell products for a range of insurance and/or investment companies. To be independent, IFAs must advise across the whole market and offer customers the opportunity to pay by fee for advice. If the adviser also receives commission from the product provider for selling the customer a product, the adviser will reduce the fee or increase the amount invested or return the commission. Tied or multi-tied advisers are not required to give customers the opportunity to pay by fee for advice.

Intermediary  A stakeholder pension provider or an Independent Financial Adviser.

Intervention  Any one of the channels of information used in the pilot, namely provider SHP literature, the Employee PIP, presentations and one-to-one meetings.

Member  A person who has joined the pension scheme and who is entitled to benefits under it.

Occupational pension scheme  A pension scheme which is offered by employers for the benefit of their workforce.

One-to-one meeting  One of the pilot interventions. Two types of one-to-one meeting were made available: a one-to-one meeting with the designated SHP provider to discuss pensions information, and a one-to-one meeting with the IFA for the designated SHP in which limited pensions-focused advice could be given.

Opt-in  The self-selected process by which employees expressed their willingness to participate in the evaluation.

Opt-in pack  The information pack produced by the evaluation team and distributed by employers to employees. The pack requested employees to opt in to the survey research.
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<tr>
<th>Term</th>
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<tbody>
<tr>
<td>Opt-in visit</td>
<td>The evaluation team visited a small number of <strong>pilot employers</strong> ahead of the pilot <strong>interventions</strong> to gain an understanding of the low rate of employee opt-in to the evaluation.</td>
</tr>
<tr>
<td>Option</td>
<td>One of the four approaches to the provision of pensions information and advice in the workplace tested in the <strong>pilot</strong>.</td>
</tr>
<tr>
<td>Pension Credit</td>
<td>Pension Credit is an entitlement for people aged 60 and over introduced by the government from October 2003. At present it guarantees everyone aged 60 and over an income of at least £105.45 a week for single people and £160.95 for couples. It also rewards people aged 65 and over for some of the savings and income they have for retirement.</td>
</tr>
<tr>
<td>Pilot</td>
<td>The testing of four approaches to the provision of pensions information and advice in the workplace.</td>
</tr>
<tr>
<td>Pilot employer</td>
<td>One of the 100 firms at which the <strong>pilot</strong> was conducted.</td>
</tr>
<tr>
<td>Pilot partners</td>
<td>The five <strong>SHP providers</strong> and seven <strong>IFAs</strong> who assisted DWP in the design and implementation of the <strong>pilot</strong>.</td>
</tr>
<tr>
<td>PIP</td>
<td>See <strong>Employee PIP</strong>.</td>
</tr>
<tr>
<td>PIP reader</td>
<td>A <strong>surveyed employee</strong> who had at least skim read the <strong>Employee PIP</strong>, but may also have read all or part of it fully.</td>
</tr>
<tr>
<td>PIPs</td>
<td>Both the <strong>Employee PIP</strong> and the <strong>Employer PIP</strong>.</td>
</tr>
<tr>
<td>Post-pilot survey</td>
<td>The <strong>survey</strong> of employees conducted after the <strong>pilot</strong>.</td>
</tr>
<tr>
<td>Pre-pilot survey</td>
<td>The <strong>survey</strong> of employees conducted before the <strong>pilot</strong>.</td>
</tr>
<tr>
<td>Presentation</td>
<td>One of the <strong>pilot</strong> interventions: a presentation to employees from the employer’s designated <strong>SHP provider</strong> or <strong>IFA</strong> about pensions and saving for retirement.</td>
</tr>
</tbody>
</table>
Presenter  **SHP provider/IFA** representative who gave a presentation.

Provider  See **stakeholder pension**.

Provider SHP literature  The sales literature of individual **SHP providers** that outlines the key features of the **SHP** and includes an application form.

Respondent employer  **Pilot employer** representative who was interviewed as part of the qualitative element of the evaluation.

Respondent provider/IFA  **SHP provider/IFA** representative who was interviewed as part of the qualitative element of the evaluation. Respondents comprised main contacts responsible for the pilot within their organisations and local presenters/account managers.

Respondent employee  Employee who was interviewed as part of the qualitative element of the evaluation. Most respondent employees were from Option 2-4 firms.

Scheme  A pension scheme, meaning the **stakeholder pension** scheme designated by a **pilot employer** unless indicated to be otherwise.

SHP provider  See **stakeholder pension**.

Stakeholder pension  A stakeholder scheme is defined in the Welfare Reform and Pensions Bill as any ‘pension scheme’ which is registered as such. The definition of ‘pension scheme’ is wide enough to include both occupational pension schemes and personal pension schemes. To be registered as a stakeholder, the scheme will have to meet minimum standards on governing charges, minimum acceptable contributions and investment choices.

Stakeholder  Short form of **stakeholder pension**.

Stakeholders  The three sets of ‘players’ in the **pilot** and evaluation, namely employees, employers and **SHP providers/IFAs**.
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<tr>
<th>Term</th>
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<tbody>
<tr>
<td>State earnings-related pension scheme</td>
<td>See State Second Pension.</td>
</tr>
<tr>
<td>State Second Pension</td>
<td>The State Second Pension is paid in addition to the basic State Pension. Until April 2002, it was usually known as state earnings-related pension scheme (SERPS) and depended solely on National Insurance contributions paid as an employee. From April 2002, the State Second Pension reformed SERPS to provide a better additional State Pension for low and moderate earners and to extend access to certain carers and long-term disabled people.</td>
</tr>
<tr>
<td>State Pensions</td>
<td>The basic State Pension and the State Second Pension.</td>
</tr>
<tr>
<td>Survey</td>
<td>The quantitative element of the evaluation. Two surveys were conducted: a pre-pilot survey and a post-pilot survey.</td>
</tr>
<tr>
<td>Survey employee</td>
<td>Employee who was interviewed as part of the quantitative element of the evaluation.</td>
</tr>
<tr>
<td>Surveyed employee</td>
<td>See survey employee.</td>
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Summary

This Summary collates the main findings of the evaluation. Chapter 12 discusses main themes emerging from the research findings, and what has been learnt from conducting the pilot.

Background

The evaluation reviewed the pilot implementation of four different approaches to providing information and advice in the workplace regarding pensions and income in retirement.

It had two main objectives:

• To assess the impact of the pilot on employees’ behaviour, knowledge and attitudes towards and about pensions and saving for income in retirement

• To assess the process and feasibility of implementing the different approaches from the perspective of the three stakeholders: employees, employers and providers/Independent Financial Advisers (IFAs)

The different approaches, or Options,¹ were:

• Option 1: Distribution of literature, including a Pensions Information Pack (PIP) for employees that was specially commissioned for the pilot

• Option 2: Distribution of literature and a presentation focusing primarily on the employers’ stakeholder pension (SHP) scheme

• Option 3: Distribution of literature, a presentation and one-to-one pensions information meetings with the SHP provider

• Option 4: As Option 3, but implemented by an IFA, so that one-to-one regulated, pensions-focused financial advice could be provided at the meetings

¹ Section 1.2.2 provides more detail on the coverage of each Option.
The pilot targeted employers who had at least five employees and who paid either no contribution to the SHP or a low contribution of less than three per cent of salary. This target group represents more than half of all Great Britain (GB) employers across all size categories. Only four of the 100 pilot employers currently offered a contribution (of under three per cent) to the SHP for all employees, while another pilot employer planned to offer an unspecified ‘small contribution’ within the next two years.

The evaluation combined quantitative and qualitative research, and has yielded interesting and valuable insights into what, until now, has been an under-researched group.

Nevertheless, it is important to emphasise that the research findings only relate to the targeted group of employers and also all findings must be considered as purely indicative, since:

- Only a small minority (100) of the 4,166 employers who were approached by SHP providers and IFAs agreed to participate in the pilot and subsequently completed it. Also less than ten per cent of their employees opted in to the evaluation process. Consequently, since we cannot be sure that either participant employers or employees are representative, findings may not be extrapolated either to all employees at pilot firms or more widely to those at other similar employers in Great Britain.

- Further, common sense suggests that the small minority of employers who agreed to participate in the pilot were probably above average in their willingness to support pensions-related interventions in the workplace. Therefore, findings may well overstate the degree of employer support that would be achieved were such interventions to be implemented more widely amongst the target audience.

Who experienced the pilot?

One hundred employers completed the pilot. In the pilot’s intended implementation, the target was for a high proportion of these 100 employers to offer presentations and one-to-one meetings and for all employees to have the opportunity to receive or take the pilot Employee PIP and provider SHP literature. In practice:

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2 One exception to the eligibility criterion on employer contribution was allowed. See Section 1.2.1 for details.

3 For more details about the target population for the pilot see Section 1.2.1 including Table 1.1.
The number of presentations and one-to-one meeting sessions actually held was much lower than planned. Forty-nine employers were supposed to hold one-to-one meeting sessions, but only six did so and only two of those were attended, while 84 should have arranged presentations, but only 19 did so, 17 of which were attended. This significantly reduced the number of employees able to take part in the more intensive elements of the pilot and means that, in large measure, the quantitative part of the evaluation became one essentially of the impact of the PIP.

This outcome was due to various reasons including in particular high levels of employee apathy and the impact of logistical barriers. Also, a minority of pilot employers proved unwilling to devote the necessary time and resources to complete the more intensive Options.

Not all surveyed employees were aware of or recalled the availability of the PIP, and distribution of the provider SHP literature was not comprehensive as had been planned. Overall, 53 per cent of surveyed employees were aware of the availability of the PIP, and 45 per cent read it or skim read it. By comparison, 27 per cent of surveyed employees were aware of or recalled provider SHP literature, and 15 per cent read it.

In total, combining all the pilot interventions, 65 per cent of surveyed employees were aware of the offer of one or more of the interventions at their workplace and 50 per cent experienced the pilot, i.e. they experienced at least one of these interventions by either reading literature (the PIP and/or the SHP provider literature) and/or attending a presentation or one-to-one meeting.

The surveyed employees who did not experience the pilot had either chosen not to read the PIP or attend a presentation or were unaware that the pilot interventions had been implemented at their workplace.

There were a few differences between the half of surveyed employees who experienced the pilot (i.e. by either reading literature and/or attending a presentation or one-to-one meeting) and the half who did not. Those who experienced the pilot were slightly older, more likely to be employed in small companies, more likely to have pension (active and/or dormant) and savings provision for retirement and were a little more knowledgeable about pensions-related issues. The pilot was not, however, merely preaching to the converted; it was also experienced by many with little or no provision for retirement and very limited pensions knowledge.
What was the impact of the pilot?

The pilot was held between July and December 2004 and the evaluation focused on short-term impact. Two key sources of data each had a specific short-term focus. Administrative data from providers and IFAs covering July 2004 and January 2005 were collected and compared, and the ‘after’ quantitative survey of employees was conducted in February 2005.

What was the impact on savings behaviour?

The evaluation identified negligible impact on the actual, or even currently planned, savings behaviour of employees:

- Prior to the pilot, in July 2004, across the 100 participating employers there had been 125 SHP scheme members. This number increased by only three when measured in January 2005: six members had left employment, and there had been nine new joiners.

- All the new joiners had come from only two employers, including eight from an employer where Option 3 was implemented in a very comprehensive manner. In this instance a senior representative of the provider gave the same standard of service usually reserved for high-value corporate clients. Also, the intention to introduce a small employer’s contribution within the next two years had been announced.

- Seventy of the 100 SHP schemes in the pilot had been shell schemes and at none of these did new members join during the period of the evaluation.

- Nor was there any significant change regarding the level of contributions. The nine new members did contribute amounts that were noticeably higher than the average for existing members. Otherwise, however, the only changes were that six existing members made automatic increases linked to salary changes, and just three made other very small increases.

- Self-reported action by surveyed employees during the pilot was very low in respect of pensions. Eight per cent claimed to have started or increased contributions into their pensions – which included arrangements other than their employer’s SHP – but five per cent said they had ceased or reduced them. Action on other saving for retirement was more widely reported. Twenty-two per cent claimed to have started or increased long-term savings and investments, with only two per cent having reduced or stopped this. Aggregating these findings, 27 per cent of surveyed employees had started or increased contributions to pensions and/or other savings for retirement, while six per cent had ceased or reduced pension and/or other savings for retirement, giving a net positive increase of 21 per cent of surveyed employees.

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4 A pen portrait of this employer is included at Section 8.8.1.
• However, the evaluation found no difference in these reported changes in behaviour on pensions and/or other savings for retirement between those surveyed employees who had experienced one or more of the pilot interventions and those who had not; consequently the apparent increase in total savings behaviour cannot be ascribed to the pilot which, in any event, had placed more emphasis on promoting pensions.

• Nor was the level of stated intention to act in the medium term (i.e. in the next six to nine months) identified after the pilot significantly different from the level recorded in the survey before it commenced.

• One-fifth of the minority of surveyed employees who received the PIP (which contained details of how to obtain a State Pension forecast) claimed to have requested one. This correlates with the volume of requests received by the Department for Work and Pensions (DWP).

What was the impact on knowledge about pensions and retirement income issues?

Although increases in knowledge measured by the evaluation were not large, some evidence emerged which implied the pilot interventions did have an impact:

• The great majority of surveyed employees had only very sketchy knowledge of pensions and retirement income issues; only around one in ten (11 per cent), for example, was able to give an accurate estimate of the current value of the basic State Pension for an individual.

• But measurements taken in the ‘after’ survey seemed to point to some impact by the pilot. There was a statistically significant increase amongst those surveyed employees who had read the PIP, from 50 per cent to 60 per cent, in the proportion who said they felt they knew where to go to obtain pensions advice. A similar effect was found for the subgroup who had attended presentations.

• Those who had read all or part of the PIP fully recorded a statistically significant increase in awareness of eligibility for tax relief on pension contributions; the proportion of this group being aware of their eligibility for tax relief increased from 33 per cent to 47 per cent. No other group, however, recorded a statistically significant increase.

• Comments about reading the PIP or attending presentations and one-to-one meetings from respondent employees who participated in the qualitative research also confirmed that in most cases participation in the pilot had added slightly to their knowledge. It had often helped to fill quite fundamental gaps, in particular about the state pension system.

• However, the overall levels of knowledge manifest after the pilot, even by those who had experienced it more fully than most, were still generally very low.

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5 Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.
What was the impact on attitudes to pensions and income in retirement issues?

The greatest impact by the pilot was in changing attitudes, although even here there are very few statistically significant differences between those surveyed employees who experienced the pilot and those who did not:

- Surveyed employees, whether or not they experienced the pilot, recorded an increase over the period of the pilot in the amount of thought they said they were giving to retirement issues, but this increase was significantly greater among those who had experienced the pilot.

- There was not a significant increase in all surveyed employees’ confidence in their ability to take decisions on pensions, but there was amongst those who had read all or part of the PIP fully, where the proportion saying they were ‘very’ or ‘fairly confident’ increased from 59 per cent before the pilot to 70 per cent after it.

- This same group was also the only one to record a significant improvement in their assessment of their own power to improve their prospects for income in retirement. Before the pilot, 47 per cent of those who had read some or all of the PIP fully were confident of their power to improve their prospects and this increased to 61 per cent subsequently.

- Although a clear majority still felt the need for further information and advice after the pilot, there was a significant decline in the proportions feeling the need for each of these and, further, it emerged that these changes were significantly greater amongst those who had experienced the pilot.

- Nevertheless, both quantitative and qualitative evidence point to a scenario where for many the pilot may have moved them along the path towards action, but they still require more information and/or advice before being able to take real decisions.

- A minority of surveyed employees were also somewhat more willing to suggest that they had a good idea as to the likely value of their own State Pension entitlement when they reach retirement; and, again, the change was significantly greater for those who had experienced the pilot in any way.

- Surprisingly, however, those who had experienced the pilot recorded a significant change between the ‘before’ and ‘after’ surveys towards endorsing the statement ‘I would rather have a good standard of living today than save for retirement’. This result was not found amongst those who had not experienced the pilot.

- Respondent employees on balance agreed that involvement with the pilot had changed their attitudes somewhat. Usually this change was in the direction of being more favourable and open to pensions. However, there was a minority for whom the additional information gleaned from the PIP or from attending a presentation served either to confirm or develop more negative views.
Implementation of the pilot?

**What lessons were learned from the process of recruiting employers and employees to participate?**

Much was learned about the feasibility of the pilot Options, and the barriers to their implementation, simply as a result of the process of seeking to recruit employers to take part in the pilot and employees to participate in the evaluation research:

- Providers and IFAs found it necessary to approach many more employers than expected to recruit willing and eligible potential participants. Most employers expressed disinterest, and over 4,000 employers were contacted to recruit the 143 employers to whom a pilot Option was allocated.

- It also emerged during the recruitment process that the providers in particular, as opposed to the IFAs, often had only low levels of contact with their clients in the pilot target group of employers and as a result did not know for certain whether or not they all met the pilot recruitment criteria.

- One hundred of the 143 employers completed the pilot (100 was co-incidentally the exact number of employers DWP had targeted for participation in the pilot). Of the 43 that did not complete the pilot, 19 were subsequently found to be ineligible, while 24 changed their mind about participating, including many who declined even to implement the least onerous Option 1 involving only the distribution of literature.

- Once the pilot was underway, further changes occurred as many employers declined or failed to implement the Option originally allocated to them; with one exception they did less than requested rather than more.

- It was appreciated by DWP and the evaluation team that, since recruitment of employees had to be conducted on an opt-in basis for Data Protection reasons, lower participation rates would result than might have been achieved had an opt-out approach been possible. Nonetheless, the actual opt-in rate at less than ten per cent was lower than anticipated.

- It became apparent that disinterest in the subject matter of pensions on the part of employees was a major contributing factor in employers’ decisions not to take part in the pilot and in employees’ own decisions not to take part in the evaluation.

**What worked in the implementation of the pilot Options?**

There were a number of aspects of the pilot which worked well:

- All the stakeholders endorsed the workplace as a venue for the provision of pensions information in principle and generally accepted it as an ‘obvious’ choice. Nevertheless, in practice many pilot employers proved unwilling to become involved beyond organising the distribution of printed information.
• Government was broadly trusted as a participant, and its involvement was accepted and to some extent welcomed. Employees usually also welcomed the fact that their employers were engaged in implementing the pilot and, typically, indicated that this increased their willingness to take notice of, and accept, the information provided.

• The employers who did participate in the pilot usually committed themselves to the process and generally took reasonable efforts to ensure that implementation was undertaken efficiently; for example, most stated that they did not consider the burden of distributing the PIP to be onerous, and where presentations did take place, in most cases, they were allowed during paid working hours.

• The most effective approach to distribution of the PIP was by hand. This approach worked less well, and was less viable, in larger firms, those with multiple sites and those with a high proportion of staff rarely or never on site.

• Whilst employees remained on balance somewhat mistrustful of the financial services industry, nevertheless their reactions to the performance of the provider/IFA staff who gave presentations and/or one-to-one meetings was mostly favourable and helped to disarm some of that initial cynicism.

• Where presentations were held, typically between a quarter and three-quarters of all employees from the firm attended them. Sessions of one-to-one meetings were attended at only two firms, and in both cases attendance was very high as a proportion of presentation attendees. These sessions were announced at the presentation, and the presenter returned on a fixed date a few days later. These examples, however, need to be placed in contrast to the total lack of attendance at one-to-one meetings that were planned to be offered immediately after presentations.

• A finding across all interventions – the PIP, presentations and one-to-one meetings – is that accessibility and ease of participation for employees is key to their interaction with pensions information/advice. As an example, and although the evidence is very limited, it would seem that one-to-one meetings are more likely to promote SHP take-up when the representative of the provider/IFA helps employees to complete the application form.

• In most instances, providers and IFAs devoted considerable resources to the pilot and did what they could to try to ensure effective implementation. This means, however, there is a danger that their performance is not representative of what might happen more broadly. They had, for example, devoted resources to companies that they would not usually have been willing to address due to what they saw as insufficient commercial opportunity. Also, in some cases, they had deployed more effort, or more experienced staff, than would be their typical practice for such companies.
What were the motivations of the stakeholders?

The evaluation has generated many insights into the attitudes and motivations of employees, employers and providers/IFAs:

- The dominant attitude to emerge among employees was of considerable, often substantial, apathy and indifference with respect to pensions and retirement income as an issue

- The reasons for this apathy were many and varied. Overall, most employees considered planning for retirement to be an unpleasant task and problem that they knew they *ought* to address. However, they consistently failed to do so for multiple reasons. Many felt their position was hopeless, while some were confused and/or did not know where to turn for advice or information. Others were demotivated by what they saw as a scenario in which they would have to make real sacrifices today in return for uncertain and probably inadequate returns in the future, while for many it was easier to let time drift by than tackle the issue

- The evaluation also revealed that employees on low incomes with little disposable income are concerned about the risks they associate with pensions and desire some guarantee that money invested will not be lost

- Most surveyed employees also had very little or no knowledge about pensions, state or private, and so where they did decide to engage with the pilot they typically had only a very general motivation of wanting to learn more; they knew so little that, in a sense, they did not know what it was they needed to know

- Surveyed employees claimed, however, that the introduction of an employer contribution would be likely to act as a catalyst to scheme membership and contributions. Among surveyed employees of firms where an employer contribution was not currently offered, 80 per cent said that the introduction of one would encourage them to either start or increase contributions themselves

- The employers who participated in the evaluation demonstrated a wide spectrum of opinions and motivations in respect of whether they should provide information on pensions and encourage their employees to act. Attitudes ranged from the proactive and supportive/paternalistic on the one hand to the strongly negative on the other. Although some were accepting of being given some role in at least facilitating information provision, there was still concern regarding more ‘red tape’ and regulatory burden on hard-pressed employers

- The employers demonstrated a similarly wide range of views and attitudes in respect of whether they should make an employer’s contribution. Few were willing to countenance making a contribution. Interestingly, however, some employers indicated that they would be more willing to consider making contributions, if their competitors were to do so. It was also the case for some employers that unwillingness to become involved in providing information and encouragement was linked to a concern that that such action on their part would stimulate a demand from employees for an employer contribution
The small group of providers and IFAs who participated in the pilot did so to assist the DWP research. In participating they expected to demonstrate that their typical marketing approaches of presentations, literature distribution and one-to-one meetings could be implemented amongst the target audience. It was their view, however, that the pilot approaches would not be commercially viable for them where an employer contribution was not being offered nor would they lead to significantly increased SHP membership.

What were the barriers to arranging and delivering workplace interventions of the type piloted?

The evaluation uncovered considerable evidence of barriers to arranging and delivering the interventions. Although some of these had been expected, some others had not been anticipated. They began to emerge even during the recruitment phase:

- The biggest single barrier faced was the level of apathy amongst employees, and this was manifest in several ways.
- Employees themselves failed to opt in to the evaluation and often cited total disinterest in the subject matter as a reason. They also gave a litany of reasons as to why they were not interested. For example, they felt they were too young to start, too old to start, had too little disposable income, were simply unwilling to make the sacrifices involved, were distrustful or negative about pensions and the industry, would prefer to save in other ways such as via property or via buy-to-let, felt the State Pension should provide, or they simply believed the task they would face in trying to make adequate provision was impossible.
- Indirect confirmation came from employers and providers/IFAs alike who claimed that a key reason for deciding not to proceed with presentations, for example, was a lack of interest amongst employees. Several employers, therefore, were not prepared to proceed with something they felt would be a waste of time.
- It also emerged that logistical issues were a real barrier to conducting the more intensive interventions as planned. In particular, the process of making staff available to attend presentations, and/or the need to have access to suitable meeting venues, were sizeable problems.
- These issues were raised quite widely, but were greater for organisations without suitable meeting rooms, where staff rotas were complex and/or many staff were usually off site and where it was impossible to shut down production or customer service functions for a period. These were issues not only for the employers who decided not to conduct presentations as originally planned. They were also issues for many of the employers who did arrange presentations, often at considerable effort.
• The concept of the Employee PIP was quite well received, and it seems that it can and has had some impact on some aspects of knowledge and attitudes among the minority of employees who were aware of its availability, took it and made time to read it. It clearly was not sufficient, however, to change behaviour, and the participating providers and IFAs were adamant that distribution of written information, without the back-up of presentations and/or particularly one-to-one meetings, was essentially futile. Many respondent employers shared this view.

• The findings about the Employee PIP also highlighted barriers specific to that initiative. Not all employees appear to have received a copy of the PIP or been aware that one was available; although in some cases this could be due to poor recall on the part of employees, the evidence also suggests that distribution by employers was not comprehensive.

• The evaluation also identified low recall of specific content by employees and provided considerable feedback from all stakeholders, often negative, on both the style and content of the PIP. It also demonstrated the considerable difficulty, if not impossibility, of designing a single document intended to address a wide range of employees.

• Low recall of the PIP’s content may not be surprising, however, given that half of the readers had only claimed to have skim read the pack. In many cases there was also a gap of several weeks between the distribution of the PIP and the ‘after’ survey interview.

• The attitudes of some employers and providers/IFAs also represented barriers. Most employers were supportive and co-operative, but some made clear their own personal antipathy to pensions. Providers/IFAs tended to feel that such attitudes, if voiced by employers, often had a very negative impact.

• Providers/IFAs were partially willing to set aside commercial considerations during the pilot. However, they made clear their conviction that virtually any firm where an employer contribution was lacking would not be worth pursuing.

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6 See Section 3.3.1 on recall of the availability of the PIP for details of the evidence that distribution of the PIP was not complete at all employers.
1 Introduction

This report provides the findings from an evaluation of a pilot conducted by the Department for Work and Pensions (DWP) to explore the effectiveness of four different ways of providing pensions information and advice in the workplace.

This chapter details the policy background to the pilot and describes in summary the design and objectives of both the pilot and the evaluation. It also provides an overview of the structure of this report and the reporting conventions it employs.

A set of appendices on Methodology and research instruments, published on the DWP website, provides more detail on the design of the pilot and the evaluation. It explains why the qualitative and quantitative approaches used in the evaluation were chosen and the coverage and purpose of each individual element. All research instruments – including the quantitative questionnaires and qualitative topic guides – are included as appendices.

1.1 Policy background

DWP’s December 2002 Green Paper, ‘Simplicity, security and choice: working and saving for retirement’, and the action plan, ‘Simplicity, security and choice: informed choices for working and saving’, which followed in February 2004 recognised that many people are underproviding for retirement and highlighted the importance of informed choice with regard to retirement planning.

‘The government believes that given the right opportunities, people will plan ahead sensibly. But at the moment there are barriers to people exercising an informed choice. Information about pensions is widely available, but people do not know which sources to trust, or how the information relates to their circumstances. Many people are not aware of the implications that their working and saving patterns may have for their own retirement prospects.’

(February 2004 action plan ‘Simplicity, security and choice: informed choices for working and saving’)

The Green Paper proposed amongst other things that employers making little or no contribution to their employees’ pensions should be obliged to offer access to the information and advice their employees would need to make an informed choice about saving for retirement. The government successfully sought reserve powers by way of the Pensions Act (2004) Section 238 to require employers to act to enable employees to have access to information and advice about saving for retirement. To gather evidence to help inform policy, DWP commissioned evaluated pilot tests of the effectiveness of different ways of providing pensions information and advice in the workplace.

1.2 Information in the workplace: target population, and pilot approaches and design

1.2.1 Target population for the pilot

Employers were eligible for the pilot, if they had five or more employees, had a stakeholder pension (SHP) scheme in place for their employees and offered either no employer contribution for employees who joined the SHP, or a contribution of less than three per cent of salary.

One exception to the eligibility criteria was agreed. An employer with more generous arrangements in place for some staff – including occupational schemes and contributions into private pensions – was still eligible for the pilot, if a contribution of three per cent or more of salary was offered to fewer than 20 per cent of employees across all pension schemes or arrangements offered by the employer.8

The findings from the evaluation only relate to the target group of employers, namely those offering no contribution or one of less than three per cent for employees who became members of the SHP set up by the company. Data from the Employers’ Pension Provision (EPP) survey 2003 (EPP 2003)9 show that just over two-thirds (70 per cent) of firms in Great Britain (GB) with more than five employees offered an SHP and that slightly more than half of these (55.5 per cent) either did not provide an employer contribution or provided one of less than three per cent; these are the companies nationally that would have met the eligibility criteria for the workplace pilot. EPP 2003 data also show little variation in the proportion of firms offering no employer contribution, or one of less than three per cent, by size of company. These data are summarised in Table 1.1.

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8 Eleven of the 100 employers who completed the pilot made contributions of three per cent or more for a small proportion of staff, variously defined as senior, managerial or salaried; quoted levels of contribution were in the range ‘up to four’ to 6.25 per cent.

9 DWP’s Employers’ Pension Provision series of surveys collects data on pension provision amongst all GB employers. Additional analysis was run by DWP on EPP 2003 data for inclusion in this report.
Table 1.1  Proportion of GB companies offering an SHP scheme making either no employer contribution or one of less than three per cent (EPP 2003)

<table>
<thead>
<tr>
<th>Company size</th>
<th>Row percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-49 employees</td>
<td>55.4</td>
</tr>
<tr>
<td>50-249 employees</td>
<td>56.7</td>
</tr>
<tr>
<td>250+ employees</td>
<td>53.9</td>
</tr>
<tr>
<td>Total</td>
<td>55.5</td>
</tr>
</tbody>
</table>

1.2.2 Testing the four approaches

DWP specified piloting the provision of information or advice in the workplace directly to employees, through employers, and through the participation of their nominated SHP providers and Independent Financial Advisers (IFAs). Following extensive consultation, four approaches to the provision of information or advice in the workplace, designated simply Options 1, 2, 3 and 4, were designed:

- Option 1 comprised the distribution of literature. All employees were to receive a pilot Pension Information Pack (Employee PIP)\(^{10}\) developed for the purposes of the pilot by DWP with input from a consortium led by the Association of British Insurers. This was an 11-page colour booklet that also contained a form for people to request a State Pension forecast from DWP. There was also a pilot version of the pack designed for employers (Employer PIP).\(^{11}\) It was also intended that all employees should receive a copy of the relevant SHP literature from their provider or IFA.

- Option 2 comprised distribution of literature (as per Option 1), and the opportunity for all employees to attend a presentation about pensions and saving for retirement from the employer’s designated SHP provider.

- Option 3 comprised distribution of literature (as per Option 1), the presentation and the opportunity to have a one-to-one pensions information session with a representative of the SHP provider.

- Option 4 was similar to Option 3. However, it was implemented by an IFA rather than an SHP provider. This meant that the one-to-one meetings on offer were with an IFA who could give regulated pensions-focused financial advice and was not restricted to offering only information.

\(^{10}\) A copy of the Employee PIP, ‘Saving for retirement: helping you through the pensions maze’, is included as Appendix M on the DWP website.

\(^{11}\) A copy of the Employer PIP, ‘What an employer can do: guiding your employees through the pensions maze’, is included as Appendix N on the DWP website.
1.2.3 Pilot design

The original pilot design assumed the random selection, by DWP, of a total of 100 participating employers drawn from a much larger sample of eligible companies provided by the SHP providers and IFAs that had agreed to participate in the pilot.

The 100 selected employers were also to be distributed equally and at random to the four Options and to cover three sizes of company. The original design was that shown in Table 1.2.

**Table 1.2 Original pilot design (Options 1 to 4 by employer size)**

<table>
<thead>
<tr>
<th>Number of employers</th>
<th>Small companies (5-49 employees)</th>
<th>Medium companies (50-249 employees)</th>
<th>Large companies (250+ employees)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>20</td>
<td>3-4</td>
<td>1-2</td>
<td>25</td>
</tr>
<tr>
<td>Option 2</td>
<td>20</td>
<td>3-4</td>
<td>1-2</td>
<td>25</td>
</tr>
<tr>
<td>Option 3</td>
<td>20</td>
<td>3-4</td>
<td>1-2</td>
<td>25</td>
</tr>
<tr>
<td>Option 4</td>
<td>20</td>
<td>3-4</td>
<td>1-2</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>15</strong></td>
<td><strong>5</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The design of the pilot changed from the original plan set out in Table 1.2 as a consequence of various implementation issues. Further details are available in Chapter 3 and in Appendix A on Methodology.12

Providers and IFAs were able to supply 143 employers as eligible for and willing to participate in the pilot. DWP then decided to allocate pilot Options to all 143 employers rather than make a random selection of 100 employers.13 IFAs had provided a sample of 25 firms and all were allocated to Option 4. SHP providers had supplied a sample of 118 firms. As the process of recruiting employers to the pilot had suggested that employers were less willing to implement the more intensive Options that involved presentations and one-to-one meetings, DWP decided to allocate more employers to Options 2 and 3 than to Option 1.

12 The appendices to this report are published on DWP’s website.

13 Section 2.1.1 on employer recruitment explains how over 4,000 employers were approached by the pilot providers and IFAs to participate in the pilot, in order to produce the 143 employers to whom DWP allocated pilot Options.
Table 1.3 summarises the pilot outcome for these 143 firms: 100 remained in the pilot, 24 withdrew, and 19 were excluded after it had been ascertained that the level of contribution offered by 17 of the employers did not meet this eligibility criterion, while one employer was taken over and another went out of business.

Table 1.3  **Outcome for the 143 employers allocated to pilot Options**

<table>
<thead>
<tr>
<th>Allocated</th>
<th>Total</th>
<th>Ineligible</th>
<th>Withdrew</th>
<th>Outcome/delivered Option</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Option 1</td>
</tr>
<tr>
<td>Option 1</td>
<td>26</td>
<td>5</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Option 2</td>
<td>46</td>
<td>3</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>Option 3</td>
<td>46</td>
<td>7</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>Option 4</td>
<td>25</td>
<td>4</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>19</td>
<td>24</td>
<td>81</td>
</tr>
</tbody>
</table>

Although the number of employers who participated in the pilot was co-incidentally exactly that targeted for it (100), the proportion of employers for each Option differed from the even split originally proposed. At most employers, 81 of the 100, only Option 1 was delivered. This was because some employers were unwilling to commence the pilot, if they had to deliver Options involving presentations or one-to-one sessions, while for some other employers there were logistical reasons why this was particularly difficult.

Table 1.4 shows how the 100 pilot employers split by both Option number and size in terms of number of employees. At the start of the pilot the 100 firms had between them 4,454 employees, of whom 79 per cent (3,519) were in firms at which only Option 1 was delivered.

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14 Section 2.1.5 describes the reasons these employers gave for withdrawing from the pilot.

15 Fuller details are available in Chapter 8.
Table 1.4  One hundred employers delivered the pilot (Options 1 to 4 by employer size)

<table>
<thead>
<tr>
<th></th>
<th>Number of employers, and employees at these companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small companies (5-49 employees)</td>
</tr>
<tr>
<td>Option 1</td>
<td>68</td>
</tr>
<tr>
<td>Option 2</td>
<td>12</td>
</tr>
<tr>
<td>Option 3</td>
<td>4</td>
</tr>
<tr>
<td>Option 4</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>85</td>
</tr>
</tbody>
</table>

The 100 firms were the clients of a total of five SHP providers and seven IFAs.

It had been intended that IFAs would deliver only Option 4, which could include regulated pensions-focused financial advice. In the event, one IFA delivered Option 4; one delivered Options 1, 2 and 4, while at all the employers recruited by the other five IFAs only Option 1 was delivered.

1.3 Evaluation aims

The pilot study had two main objectives: to assess the impact of the pilot Options on employees’ behaviour, knowledge and attitudes towards and about pensions and saving for retirement, and to assess the pilot process, or implementation, through exploring the experiences and views of the three key stakeholders, namely employees, employers and providers/IFAs, on the delivery, usefulness and effectiveness of the pilot interventions.

Key questions for the evaluation to address were:

- What changes in savings behaviour, knowledge and awareness occurred after employees received information or advice?
- What aspects of the pilot ‘worked’, and why?
- What barriers exist to arranging and delivering workplace interventions of the sort tested? What motivations exist?
- What barriers to change exist, and what guidance can be drawn from the pilot
about overcoming these?

Other important questions to be answered after the pilot, as specified in DWP’s Invitation to Tender, were:

- Are employees better informed about the value of pensions, their expected retirement income, and the options available to them for saving for retirement? Are they considering planning actively and regularly for their retirement? Have they discussed this with an adviser? Have they started to save for retirement or increased their existing provision? What were employees’ views of the interventions (e.g. what did they think about the PIP; how intelligible and helpful was it, and did they request a pension forecast)?

- How did employers incorporate the interventions into their workplace? What barriers to participation exist (e.g. opportunity and other costs to business); what motivations (e.g. recognition of the benefits of pension provision for their employees or recruitment and retention advantages); what are employers’ attitudes (e.g. increased awareness of pension benefits), and what support do they think may be required?

- What issues did providers and IFAs have about the delivery of presentations and one-to-one meetings? What were their views on the usefulness and effectiveness of the interventions? How did the experiences and views of providers and IFAs differ?

1.4 Evaluation methodology and timetable

The design of the evaluation was modified in line with changes to the design of the pilot, as set out in Section 1.2.3.

1.4.1 Original design of the evaluation

In its original design, the evaluation was to comprise four separate elements:

- Two large-scale, quantitative telephone surveys with employees at pilot firms, one before the pilot and one after: ‘after’ interviews would be sought only with employees who had completed a ‘before’ interview and had experienced all the interventions offered at their workplace

- Administrative data supplied by providers and IFAs to measure pre- and post-pilot levels of SHP scheme membership and contributions

- Qualitative telephone research with employees, employers and providers/IFAs
• **On-site observations** of presentations and sessions of one-to-one information and advice meetings

### 1.4.2 Reasons for changes, and final design and scope of the evaluation

The two causes of change in the design of the methodology were the low incidence of the more intensive Options 2-4, as reported in Section 1.2.3, and a lower than anticipated rate of participation in the evaluation by employees. Since employees were recruited to the evaluation by an opt-in process, it was already clear before the first telephone survey was conducted that achieved interviews would not provide bases of sufficient size for robust quantitative analysis of the impact of the pilot Options 2-4.

Although the evaluation maintained its original four elements, both the quantitative and qualitative elements of it were redesigned:

• Since the **survey research** attracted fewer participants than had been envisaged, the ‘after’ survey was conducted with ‘before’ survey employees, even if they had not participated in all of the interventions offered at their workplace. A sample of 293 employees who participated in both surveys was available to measure the impact of the pilot. To increase the number of ‘after’ survey employees able to comment on their experience of the interventions, in particular those delivered at the 19 Option 2-4 firms, a new wave of recruitment for the ‘after’ survey was undertaken. As a result, views on the interventions themselves as opposed to their impact could be reported on the expanded base of all 362 employees who had completed the ‘after’ survey

• The **administrative data** element did not change

• The **qualitative research** became a larger component of the evaluation than originally planned. The number of on-site observations and depth interviews increased, and focus was placed primarily on the 19 Option 2-4 employers such that observations were conducted at 16 of these and all 19 were represented in the evaluation, in almost all cases by a combination of employee, employer and provider/IFA interviews. Option 1 firms were also represented in the qualitative interviewing programme

• When interim results were already revealing that few employees and few employers had read the employee or Employer PIP in any detail, two new qualitative elements were added to the evaluation, to aid fuller assessment of views on the content of these documents. **Two focus groups** were conducted with employees from employers who, although they were not part of the pilot, fulfilled the same eligibility criteria. **Qualitative ‘Employer PIP’ telephone**
interviews were conducted with six pilot employers who had agreed to read the pack in detail

1.4.3 Evaluation timetable

The evaluation ran from mid-July 2004 to April 2005, as shown in Table 1.5.

It is important to note that the period of the evaluation was one that coincided with heavy media coverage of pensions issues, much of it negative. This coverage may have influenced the attitudes and behaviour not only of the pilot employers and the employees who took part in the evaluation but also of those employers and employees who did not participate.

Table 1.5 Timetable for the evaluation

<table>
<thead>
<tr>
<th>Evaluation element</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Before’ survey of employees</td>
<td>Mid-July – end August 2004</td>
</tr>
<tr>
<td>On-site observation of pilot interventions, and qualitative interviewing with</td>
<td>End July – mid-December 2004</td>
</tr>
<tr>
<td>employees, employers and provider/IFA local presenters/account managers</td>
<td>(interventions had been completed at most employers by mid-November)</td>
</tr>
<tr>
<td>‘After’ survey of employees</td>
<td>February 2005</td>
</tr>
<tr>
<td>Depth interviews with provider and IFA main contacts for the pilot</td>
<td>Mid-March – mid-April 2005</td>
</tr>
</tbody>
</table>

Administrative data were requested for July 2004 and January 2005. DWP designed a deliberate delay between the end of the interventions on the one hand and the ‘after’ survey and the month for which they requested ‘after’ administrative data of providers and IFAs on the other hand, so that these could capture changes in pensions and other savings behaviour made by employees after the pilot.

1.4.4 Strengths and limitations of the evaluation

The evaluation has supplied new evidence about a previously under-researched population of employers and employees. It has yielded valuable insights into the barriers to promoting pensions to the employees of employers who are offering no contribution or one of less than three per cent for employees who join the SHP set up by the company. The evaluation has provided indicative findings that can inform policy decisions.

There are limits, however, to the extent to which wider conclusions can be drawn, firstly because findings from pilots conducted in a voluntary environment cannot simply be generalised to a potentially mandatory environment. Secondly, the low

16 If the opt-in and participation rates had been higher, it would have been possible to generalise to all employees in the pilot.
opt-in rate for employees\textsuperscript{16} and the highly self-selected nature of the participating employers means we cannot be sure how representative they are. Consequently, all the survey findings should be seen as indicative only and should not be extrapolated beyond the survey sample to the pilot population as a whole, or beyond the pilot employers to the wider population of employers offering this type of pension provision.

It is also important to stress that the views of providers and IFAs in the report are clearly the views only of the small number who participated in the pilot and were willing to participate in the evaluation. Senior main pilot contacts from ten of the 12 pilot partners were interviewed: all five providers and five of the seven IFAs.

1.5 Structure of the report

This report contains findings from the quantitative ‘before’ and ‘after’ employee surveys and from all the qualitative research. Thematic analyses draw on survey and qualitative findings which are used in combination to answer the questions set for the evaluation.

This report is set out in the following chapters:

- Chapter 2: Scene-setting
- Chapter 3: Techniques for assessing the impact of the pilot
- Chapter 4: Impact of the pilot on employees’ savings behaviour
- Chapter 5: Impact of the pilot on employees’ knowledge of pensions and retirement income issues
- Chapter 6: Impact of the pilot on employees’ attitudes to pensions and income in retirement
- Chapter 7: Employee Pensions Information Pack
- Chapter 8: Presentations and one-to-one meetings
- Chapter 9: Employee perspectives
- Chapter 10: Employer perspectives
- Chapter 11: Provider and IFA perspectives
- Chapter 12: Conclusions
Each chapter is prefaced by a description of the content of the chapter and ends with a short summary of key findings.

1.6 Reporting conventions

1.6.1 Distinguishing participants in the quantitative and qualitative elements of the evaluation

All research conducted with employers and providers/IFAs was qualitative in nature. Employers and providers/IFAs who participated in the evaluation are referred to as respondent employers and respondent providers/IFAs.

Employees, on the other hand, participated in both the quantitative and qualitative elements of the evaluations. Employees who participated in the survey research are referred to as survey or surveyed employees, and a further distinction is made between ‘before and after’ survey employees, those who participated in both surveys, and the ‘after’ survey employees, the larger base of employees who completed the ‘after’ survey. Employees who participated in the qualitative depth interviews are referred to as respondent employees; most respondent employees were from firms that implemented Options 2 to 4.

1.6.2 Quotations and quotation attributions

Quotations in the report are attributed to respondents using the following conventions:

- Employees: age range, gender and delivered Option number
- Employer representatives: title, size of company and delivered Option number
- Intermediaries: provider or IFA, and level (senior main contact for the pilot, another contact or a presenter)

Examples of attributions are:

- 25-34; female employee; Option 2 employer
- Finance Director; small Option 1 employer
- IFA main contact

All quotations in the report are given verbatim. It is important to note that they give the personal opinions of the individual stakeholders who participated in the evaluation. They are not necessarily based on an accurate understanding of pensions and other financial detail.

1.6.3 Statistical significance

Even though findings cannot be extrapolated to wider universes, rigorous statistical
tests have been applied to the survey data to ensure that relationships and key differences highlighted throughout the report are real, significant and not due to chance for the evaluation sample.

Differences in survey data are only highlighted in the text of the report, if they are statistically significant. Data shown in italics in tables are not statistically significant themselves: rather, these are displayed only to demonstrate the difference in results between them and data from a similar or related subgroup where a significant difference was found.

Where a significant change did not occur between the ‘before’ and ‘after’ surveys detailed quantitative results from these surveys are not reported. In these cases, however, ‘starting-point’ data from the ‘before’ survey can be found in Chapters 2 and 3.

1.6.4 Mean score calculations

Differences between subgroups in either the ‘before’ or ‘after’ survey have sometimes been measured by comparing a ‘mean score’ derived by aggregating the responses of all surveyed employees who answered the question. The mean scores were calculated by allocating numeric values to the relevant semantic scale used in the question. A similar approach has been employed when measuring the degree of change that occurred between the two surveys.

In both cases the difference in the mean scores has been tested for statistical significance. Wherever the ‘mean score’ has been used as the basis for statistical testing, full details, including the relevant mean scores, are provided in Appendix A (web-based). ‘See Appendix A (web-based) for further details’ is written beneath all tables in the report where this applies.

1.6.5 Survey databases

DWP requested that results based on fewer than 50 surveyed employees should not be published. This approach ensures that all survey evidence is robust.

One exception to this rule has, however, been allowed. Forty-three employees from Option 2-4 firms completed both the ‘before’ and ‘after’ surveys. Where they demonstrate differences that are statistically significant, these are reported.

It should also be noted that the number of presentation attendees who participated in both the ‘before’ and ‘after’ surveys was also too low – the base was 29 – for results specifically for this group to be reported. There is, therefore, inevitably less quantitative coverage in the report able to comment specifically on the impact of the presentations than of the PIP; as far as possible this potential gap has been filled by use of depth qualitative data.

A percentage greater than zero but less than 0.5 is indicated by an asterisk in survey data tables. As a result of rounding, percentages do not always sum to 100.
2 Scene-setting

This chapter sets the scene on two levels for reporting findings of the evaluation in subsequent chapters:

- it describes the processes of recruiting employers to the pilot and employees to the evaluation, and what was learned from this;
- it provides ‘starting-point’ data from the ‘before’ survey on the sample of surveyed employees.

2.1 Getting employers to participate in the pilot

Participation in the pilot was voluntary. Employers’ willingness to participate in it was a necessary prior condition for it to take place. Capturing information on the recruitment of employers and on what may have caused them to refuse to participate or to withdraw after initial agreement was not part of the initial programme of evaluation. The recruitment process provided, however, very useful contextual data for the pilot and evaluation.

The Department for Work and Pensions’ (DWP) target for the number of employers participating in the pilot was 100. This target was achieved, although the recruitment process needed to meet this target was larger in scale than that anticipated.

2.1.1 Employer recruitment

The twelve pilot partners, the five stakeholder pension (SHP) providers and the seven Independent Financial Advisers (IFAs), contacted a total of 4,166 employers, to be able to pass 248 names to DWP. They provided breakdowns for failed recruitment, split by:

- Drop out not confirmed, i.e. it had not been possible to speak to an appropriate contact at the employer who was able to authorise participation in the pilot
The employer was ineligible for the pilot, i.e. had under five employees or an employer contribution into the SHP scheme of three per cent or more, or no SHP scheme at all, or the company had set up an SHP with another provider, or had ceased or was in the process of ceasing to trade.

The employer was unwilling to participate in the pilot.

Providers contacted 4,126 employers and passed on the names of 219 to DWP (five per cent of those they had contacted). In around two-thirds of cases (65 per cent) they ascribed failure to recruit employers to the pilot to employers’ own unwillingness to participate; they mentioned that some employers were reluctant to participate due to employees’ disinterest. Just under one in five (17 per cent) of the employers providers contacted were ineligible for the pilot, while in a similar proportion of cases (18 per cent), drop out was not confirmed.

IFAs contacted a total of 40 employers and passed on the names of 29 to DWP (73 per cent of those they had contacted); they ascribed all failure to recruit employers to the pilot to employers’ unwillingness to participate.

Table 2.1 summarises the recruitment data. The last three columns break down the reasons for the failure to recruit the 3,918 employers in the ‘failed recruitment’ column into the three categories ‘drop out not confirmed’, ‘ineligibility’ and ‘unwillingness to participate’.

<table>
<thead>
<tr>
<th>Employers contacted</th>
<th>Employers passed to DWP</th>
<th>Failed recruitment</th>
<th>Drop out not confirmed (%)</th>
<th>Employers ineligible for pilot (%)</th>
<th>Employers unwilling (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers</td>
<td>4,126</td>
<td>219</td>
<td>3,907</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>IFAs</td>
<td>40</td>
<td>29</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>4,166</td>
<td>248</td>
<td>3,918</td>
<td>18</td>
<td>17</td>
</tr>
</tbody>
</table>

As the evaluation process was starting, 105 of the 248 employers whose names had been passed to DWP as willing and eligible for the pilot withdrew or were excluded from it. Most of these 105 employers decided they were unwilling to participate, although a minority was recognised either by DWP or by local provider contacts as ineligible for the pilot after all. Thereby the 248 employers reduced to the 143 to which Option numbers were allocated by DWP.

In the early stages of the pilot, another 43 employers were cut from the pilot sample. Twenty-four decided to withdraw their participation. Nineteen were ascertained to be ineligible: 17 owing to the level of employer contribution offered, while one was
taken over by another company and one went out of business. As Table 2.2 shows, 100 employers remained who delivered the pilot.

### Table 2.2 One hundred out of 248 selected employers delivered the pilot

<table>
<thead>
<tr>
<th>Employers: numbers and row percentages</th>
<th>Employers who delivered</th>
<th>Delivery as a proportion of recruitment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>passed to DWP Recruitment</td>
<td>Options 1-4 Allocation</td>
</tr>
<tr>
<td>Providers</td>
<td>219</td>
<td>118</td>
</tr>
<tr>
<td>IFAs</td>
<td>29</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>143</td>
</tr>
</tbody>
</table>

2.1.2 Providers’ and IFAs’ relationships with employers in the pilot target population

The recruitment figures in Table 2.1 suggest that IFAs know well the clients on their records, since they ascribed no failure to recruit to ineligibility.

Providers have large numbers of employers on their records, but where the SHP is a shell scheme, part of an SHP umbrella scheme or where the sale was made through an IFA or other indirect channel, they may have had very little or no contact at all with the employer. As a result, providers did not know whether many of their clients were eligible for the pilot in terms of level of employer contribution offered or number of employees. They approached their clients to ascertain both eligibility for the study and willingness to participate. Many employers were unwilling to participate, with the result that providers made many more calls to employers than they had anticipated.

2.1.3 Employers’ reasons for participation in the pilot

Pilot employer contacts who participated in the evaluation – 33 from 30 firms – were asked why their firms had decided to take part in the workplace pilot and how enthusiastic they had been to participate. Employers gave a number of reasons for participating in the pilot. These included:

- ‘Buy-in’ to the purpose of the pilot, namely the desire to see employees making informed choices and the hope that SHP membership would rise
- Concern that employees would have inadequate income in retirement and recognition of the difficulty for employees of knowing where to get reliable information on pensions
A wish in particular to encourage employees to plan for retirement in the face of negative media coverage of the pensions industry

The wish to be seen to be doing something positive for staff, including staff new to the firm since the SHP was first introduced who had not had the opportunity to attend a presentation

A nonchalant ‘well, no reason not to’ view

Three employers expressed unique views which are interesting to note:

One employer had offered to make an employer contribution into the SHP which had been turned down by staff in preference for a pay rise, and was keen to see whether the pilot would raise interest in the SHP17

One, while recognising the potential importance of the pilot for his ‘staff and their future’, also saw the pilot as an opportunity for employers to keep up to date on requirements of them: ‘Initially the stakeholder was just as a legal requirement, but when the paperwork relating to it started to come through we realised how important it was to take an interest and to keep abreast of what’s going on’, he said

A third was hoping that the pilot would change government’s attitude towards pensions by way of research findings that ‘put a different slant on how people feel about pensions… and give a realistic view of the working class, rather than people with piles of money who think that pensions are a great idea’

As this summary of views expressed shows, most employers who agreed to participate in the pilot were positive towards it, and were considering the benefits it might have for their staff rather than what they might learn from it for themselves. While most employers wanted to help employees, without feeling an obligation to do so, and were willing to participate in the pilot for that reason, a few were strongly paternalistic in their views, expressing recognition of a moral obligation to provide employees with information on pensions that would allow them to plan for sufficient income in retirement. All such employers who had been allocated to Option 2, 3 or 4 delivered at least Option 2, and one allocated to Option 2 actually delivered Option 3.

‘We thought it might help the employees. We felt that maybe they ought to know a bit more about what’s going on, because I don’t think they find out any information, and we thought it might point them in the right direction.’

(Administration & Finance Director; small Option 2 employer)

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17 One of the employers who withdrew from the pilot had also seen the offer of an employer contribution declined: see Section 2.1.5.
'As part of a growing business, employing staff is not just about paying wages; it’s about concern for their overall well-being, and pensions is one of those things. I am perceived as a caring employer; it works in my benefit.'

(Owner; small Option 4 employer)

‘At the time, we’d been looking at staff recruitment and retention, and I just thought, it’s been four years since we’ve had a presentation, we’ve had new staff since, quite a bit of turnover, so I thought maybe it was an opportunity for someone to come along and give them a talk about pensions to see if anybody was interested.’

(Finance Director; small Option 2 employer)

‘I wanted to be proactive, and thought, “There’s certainly enough bad press about them, or rather, there isn’t enough good press about pensions”. They do need to be made aware that it is their responsibility at the end of the day to do something about it.’

(Director; small Option 2 employer)

2.1.4 Employers’ reasons for unwillingness to join the pilot

SHP providers and IFAs supplied anecdotal evidence on the reasons employers gave for being unwilling to participate in the pilot. They identified two main reasons for employers’ unwillingness: in short, employee and employer disinterest.

Employers who said they were unwilling to participate in the pilot because their employees would not be interested, often justified their decision by the fact that employees had not been interested in SHP membership at the time the scheme was set up; at some of these firms, presentations by a provider had been held at set-up.

When employers said they themselves were not interested in the pilot, quoting busy workloads and the hassle involved in participation, providers and IFAs often believed that perceived cost was an underlying reason: cost of arranging pilot interventions and administering SHP memberships, as well as the fear of pressure from employees for an employer contribution.

One provider also highlighted employers’ own mistrust in pensions and a lack of trust in, or suspicion of, the government’s motives in conducting the pilot.

2.1.5 Employers’ reasons for unwillingness to complete the pilot: 24 firms withdrew

Twenty-four employers withdrew from the pilot after they had been allocated to a pilot Option. Between them, these 24 employers had been allocated to each of the Options and therefore included some (five) who had been asked only to implement Option 1. Seventeen of the 24 ‘withdrawn’ employers were willing to give an explanation or at least some insight into their decision to leave the pilot. Provider representatives who managed the schemes of two of these employers also completed exit interviews.
This section summarises the reasons employers gave for withdrawing from the pilot, giving us an early insight into some of the implementation issues employers who took part in the pilot also identified.

Some employers withdrew having never really been engaged with, or been interested in, the pilot process.\(^\text{18}\) This was not true of the majority, however, some of whom were very positive in their attitude towards the pilot and indicated a wish to try to engender greater interest in pensions within their workforce. Most employers were not against the idea of using the workplace to provide information on pensions, including those who thought that in their particular industries – builders and travel agencies, for instance – pension schemes do not offer any value for recruitment or retention.

The most cited reason for withdrawal from the pilot was **employee apathy**. Once employees had shown no interest when the survey opt-in packs\(^\text{19}\) were distributed, there was, as one employer put it, ‘nowhere else to go’; employers could not see any point in distributing the pilot Employee Pensions Information Pack (PIP) to employees. Overall, these employers were not surprised at the nil level of interest in the evaluation and in the pilot that employees expressed to them. Employees had not been interested in the SHP prior to the pilot, even at firms where presentations and one-to-one meetings had been held or offered at the time the scheme was set up, and employers were sensitive to the causes they suggested as underlying employees’ disinterest in pensions:

- Employees on low incomes, especially those with children and mortgages, do not have surplus income to save into a pension, with the result that pensions seem irrelevant to them
- Young employees simply do not give the long-term future much consideration
- Employees are also not, in the words of one employer, ‘paperwork-minded’. Some employers doubted that their employees had read the opt-in packs. Lack of interest in the subject matter and general ‘shying away’ from reading documentation conspired to cause employees to disengage, they said

\(^\text{18}\) There was also some evidence that, in a few cases, employers had not taken on board what the pilot would entail and had then made a decision to withdraw when, as they saw it, they were being asked to do more than they had expected.

\(^\text{19}\) See Section 2.2.1 for further details on the survey opt-in pack.
• Employees have little or no trust in the pensions industry.

‘About 4-5 years ago [SHP provider] came and set up a seminar etc for the employees. It was a complete waste of time. We can’t force them to be interested in pensions or to start saving. They will just have to find out when they retire that they did not put enough away… Roofers live a ‘hand to mouth’ existence. They take their money on Tuesday and by the end of the week it is gone. They would prefer to put their money under a mattress… They have a deep mistrust of pensions and pension providers and think taking matters into their own hands is less risky.’

(Owner; small employer that withdrew from the pilot)

While a few employers felt that an employer contribution, which most stressed they could not afford, might overcome employee disinterest in the SHP, others said that even this would not promote SHP membership and that their employees would always prefer a pay rise.

The difficulty of organising presentations or one-to-one sessions was also a stated reason for withdrawal from the pilot. This problem was mentioned particularly by multi-site firms and those with a highly mobile workforce who were rarely on site or rarely on site at the same time. Some employers cited limited or no office space in which to hold a presentation as a reason for withdrawal. Others were not willing to hold a presentation during working hours, since they saw this as very costly as well as difficult to organise. Some of the employers also said that employees did not want to sacrifice any of their own time to attend a presentation about something in which they were not particularly interested. The logistical reasons cited for withdrawal were similar to those cited by pilot employers, mostly by those who delivered Option 1 instead of the more intensive Option to which they had been allocated, but also by some pilot employers who managed to organise presentations in spite of such circumstances.

Providers were not at all surprised that certain employers withdrew from the pilot, and reiterated the reasons expressed by employers for employee apathy to pensions. They also said that it is critical to SHP take-up that the employer be very positive about the benefits of pension provision, even if they do not motivate staff by way of an employer contribution: employee apathy can be re-enforced by employer apathy, they stressed, whereas a positive employer can help to break it down. The employer apathy providers discussed tallied with remarks from a few employers that they did not see it as their responsibility to get involved in employees’ financial plans.

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20 Clearly this same issue applied to the distribution of the opt-in packs; in at least a few cases employers posted these to off-site staff.
2.2 Getting employees to participate in the evaluation

2.2.1 The recruitment process

Once employers had agreed to participate in the pilot they were sent sufficient survey opt in packs for all their employees and asked to distribute them. The pilot was available to all employees; the packs asked employees to opt-in to the evaluation.

The opt-in packs contained background information on the pilot and the evaluation and details of the incentives available in return for participation. The packs also included an opt-in card for the evaluation that could be returned by freepost and details of a freephone telephone number that, as an alternative, could be called.

Once it became apparent that opt-in rates were lower than anticipated, a small number of opt-in visits were organised at some employers; these were designed to yield understanding of the reasons that lay behind the low opt-in rates. It emerged from some of these visits, however, that the distribution of opt-in packs had not been fully comprehensive at all employers. This means, of course, that the true opt-in rate was somewhat higher than that calculated based on total numbers of employees, as certainly some employees were not given an opportunity to opt in, since they did not receive an opt-in pack. Unfortunately, it is not possible to know how many employees were excluded in this way.

In the face of the low opt-in rate experienced, it was decided to extend the recruitment process in two ways:

- Further opt-in packs and cards were distributed to attendees at presentations that were observed as part of the qualitative research
- Additional opt-in cards were included in the Employee PIP

Employees recruited through these processes could not, of course, participate in the ‘before’ survey and so did not contribute to the analysis of the impact of the pilot. They were, however, able to provide useful further observations on their experience and their views of the interventions they experienced.

2.2.2 Employees’ motivations for participating in the evaluation and pilot or for not doing so

As part of the opt-in visits, the opportunity was taken to discuss with employees their reasons for deciding whether or not to take part in the evaluation. This process provided an interesting additional insight into employee attitudes to pensions as much as to the evaluation process and is, therefore, a useful additional element of the qualitative research.

Comments directly related to willingness to take part in the research revealed that a few employees were influenced by the availability of the financial incentives, and it seems certain that without those they would not have taken part. On the other
hand, there were others who declined to take part as a result of suspicions of the motives of the researchers; mistrust of government and its motives in seeking information, and concerns regarding how any data they provided or views they expressed might be used.

Attitudes relating directly to pensions from those who decided to participate included:

- Some were negative about the pension system in general and/or their own experience of it in particular – several had lost money either through the collapse of a previous pension scheme or simply as a result of poor investment performance – and they welcomed the opportunity to express their opinions
- Others felt it was important for people to ensure they had good pension arrangements or were genuinely interested in gaining more information and felt participation in the pilot and evaluation would help them learn more

The attitudes of those who chose not to take part provided some interesting early insights into the views and motivations that lie behind what was frequently described by employers and providers/IFAs as employee apathy. The issues raised by these employees included:

- Previous personal bad experience with pensions; several had been members of company pension schemes that had collapsed. One gave the example of having personally lost £10,000-£15,000 through a scheme collapse. Others were similarly influenced, either by knowing people who fell into this category or simply by being aware that such collapses had occurred
- Cynicism about pensions and the level of return they are likely to offer – ‘It’s simply not worth it’
- Cynicism of another type related to a belief that pension returns are so poor that anyone on low or moderate income will probably end up with no more in retirement than someone who had made no provision – ‘Why bother? You would get no more than someone who didn’t bother to save and was on the basic pension and all the other benefits they could get’
- Feeling that pensions are an issue for people who are older and not something that anyone in their teens or early to mid twenties should be thinking about
- Preference for investing in property, or other options considered to be under an individual’s direct control, as likely to produce better returns and remove reliance on a mistrusted financial services industry
2.3 Profile of the surveyed employees

This section concentrates on profiling the 293 surveyed employees who were interviewed in both the ‘before’ and ‘after’ surveys; this is the sample on which all analyses of the impact of the pilot has been based. Comparative figures are shown, however, for the demographics of the extended sample of 362 surveyed employees being all those who participated in the ‘after’ survey and asked for their reactions to the different interventions.

2.3.1 Demographics of surveyed employees

The breakdown of the sample into its main demographic segments is shown in Table 2.3.

Table 2.3 Demographic profile of surveyed employees

<table>
<thead>
<tr>
<th></th>
<th>Column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>‘Before and after’</td>
</tr>
<tr>
<td></td>
<td>surveyed employees</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>18</td>
</tr>
<tr>
<td>25-34</td>
<td>30</td>
</tr>
<tr>
<td>35-49</td>
<td>34</td>
</tr>
<tr>
<td>50 and over</td>
<td>17</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>50</td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
</tr>
<tr>
<td>Individual annual income</td>
<td></td>
</tr>
<tr>
<td>Below £10,000</td>
<td>20</td>
</tr>
<tr>
<td>£10,000 to £14,999</td>
<td>34</td>
</tr>
<tr>
<td>£15,000 to £19,999</td>
<td>19</td>
</tr>
<tr>
<td>£20,000 to £29,999</td>
<td>15</td>
</tr>
<tr>
<td>£30,000 and above</td>
<td>11</td>
</tr>
<tr>
<td>Household annual income</td>
<td></td>
</tr>
<tr>
<td>Below £20,000</td>
<td>31</td>
</tr>
<tr>
<td>£20,000 to £29,999</td>
<td>32</td>
</tr>
<tr>
<td>£30,000 to £39,999</td>
<td>17</td>
</tr>
<tr>
<td>£40,000 to £59,999</td>
<td>12</td>
</tr>
<tr>
<td>£60,000 and above</td>
<td>8</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
</tr>
<tr>
<td>Full-time (30 hours or more)</td>
<td>88</td>
</tr>
<tr>
<td>Part-time</td>
<td>12</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); 362 (all ‘after’ survey employees).
2.3.2 Comparing the demographics of surveyed employees with the relevant part of the Great Britain workforce

The demographics of the surveyed employees can be compared with those recorded in the *Employers’ Pension Provision survey 2003* (EPP 2003) for employees from Great Britain (GB) companies with more than five employees where an SHP scheme was offered but either no employer contribution was made, or one of less than three per cent. This comparison shows that the surveyed group overrepresents female workers and underrepresents those working part-time. Details are provided in Table 2.4.

**Table 2.4** Demographics of surveyed employees compared with the relevant part of the GB workforce

<table>
<thead>
<tr>
<th>Gender</th>
<th>'Before and after' surveyed employees</th>
<th>Relevant EPP 2003 respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>50</td>
<td>61</td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
<td>39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>'Before and after' surveyed employees</th>
<th>Relevant EPP 2003 respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time (30 hours or more)</td>
<td>88</td>
<td>67</td>
</tr>
<tr>
<td>Part-time</td>
<td>12</td>
<td>33</td>
</tr>
</tbody>
</table>

Base = 293 ('before and after' survey employees).

2.3.3 Pre-existing pensions and savings

Before the pilot commenced, 31 per cent of ‘before and after’ surveyed employees said specifically that they had an active pension (i.e. one currently receiving contributions), while a total of 58 per cent said they had an active and/or dormant pension. Turning to savings, 21 per cent said they were making at least some long-term savings specifically with retirement in mind, 12 per cent on a regular monthly basis.

Combining this information gives the breakdown shown in Table 2.5, covering those with or without dormant or active pension provision and long-term saving specifically for retirement. Significant differences across most variables exist between the under 25s and those aged 50 and over.

Looking just at active and dormant pension arrangements, significant differences were identified for those surveyed employees with household annual income above £40,000: 47 per cent had an active pension, while 76 per cent had an active and/or dormant pension.
Table 2.5  Pre-existing pension and savings arrangements of surveyed employees

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: column percentages</th>
<th>Total</th>
<th>Under 25</th>
<th>50 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pensions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active and/or dormant pension provision</td>
<td>58</td>
<td>22</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Active pension provision</td>
<td>31</td>
<td>13</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td><strong>Savings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any long-term savings for retirement other than pensions</td>
<td>21</td>
<td>9</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Regular long-term savings for retirement other than pensions</td>
<td>12</td>
<td>2</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td><strong>Combined</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No active or dormant pension or long-term savings for retirement</td>
<td>34</td>
<td>70</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>No active or dormant pension but some long-term savings for retirement</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Active and/or dormant pension but no long-term savings for retirement</td>
<td>45</td>
<td>20</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Active and/or dormant pension and long-term savings for retirement</td>
<td>13</td>
<td>2</td>
<td>32</td>
<td></td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Under 25 = 54; 50 and over = 50.

There was widespread awareness of the need to make greater provision for retirement: 85 per cent of surveyed employees felt that they needed to save more than they were currently to secure a comfortable future in retirement. Thirteen per cent felt they were already saving a sufficient amount, and only two per cent believed that they were currently saving more than would be needed.

Forty-three per cent said they were currently planning to take action in the next six to nine months that would help to increase their income in retirement.

2.3.4  Knowledge and attitudes in respect of pensions

It emerged that surveyed employees generally had limited knowledge of pensions issues prior to the pilot.

Only 11 per cent gave the correct answer when asked the current level of the individual basic State Pension per week.\(^{21}\) Interestingly, more (54 per cent) gave answers below the actual level than above (12 per cent), while 22 per cent were unable even to provide an estimate.

\(^{21}\) At the time of the survey this was £79.60 per week. The analysis treated as ‘correct’ any answer in the range £78.50 to £80.49.
There was similar uncertainty before the pilot regarding eligibility for tax relief on pension contributions. Only 24 per cent were certain that they would be eligible; by far the greatest proportion, 72 per cent, indicated that they ‘did not know’, while only four per cent said categorically that they would not be eligible. In view of this lack of clarity regarding the tax treatment of pension contributions it is not surprising that survey responses were mixed regarding whether ‘putting money in a pension is the most tax efficient way of saving for your retirement’. Almost half (49 per cent) of surveyed employees either ‘strongly agreed’ or ‘agreed’ with this view, while just over one-third (37 per cent) either ‘disagreed’ or ‘strongly disagreed’; the remaining 14 per cent ‘did not know’.

Nor were surveyed employees particularly confident about where to obtain either information or advice about pensions. Thus, 57 per cent in the ‘before’ survey either ‘agreed strongly’ or ‘agreed’ with the statement ‘I do not know where to get information about planning for retirement’ and a similar proportion, 53 per cent, ‘agreed strongly’ or ‘agreed’ that they did not know where to get advice about planning for retirement.

Yet if surveyed employees did not know where to go for further information or advice, they still felt that they needed it. Thus, 84 per cent agreed they had a requirement for ‘further basic knowledge about pensions’, and 86 per cent felt the same regarding a need for advice.

The ‘before’ survey also explored how much thought surveyed employees were giving to their income in retirement and how confident they were about addressing these issues.

Before the pilot began, around a quarter of surveyed employees (26 per cent) said they had given ‘a lot of thought’ to making arrangements for income in retirement and a further half (48 per cent) said they had given it ‘some thought’; against this, the remaining 27 per cent indicated that they had given either ‘very little thought’ or ‘none at all’. Variations in the amount of thought given showed a clear pattern by age; the proportion claiming to have given the matter ‘a lot of thought’ or ‘some thought’ increased from 52 per cent among the under 25s to 88 per cent of those aged 50 and over.

Perhaps in line with the amount of attention paid to the issue, surveyed employees were not particularly confident in their ‘overall ability to make decisions about pensions’. Only seven per cent claimed to be ‘very confident’, although 46 per cent were ‘fairly confident’; against this, 36 per cent were ‘not very confident’ and 12 per cent ‘not confident at all’.

One question which perhaps gave some further indication of surveyed employees’ confidence in their knowledge regarding retirement issues was whether they felt they knew what their own State Pension was likely to be when they retired. In the ‘before’ survey only 14 per cent either ‘disagreed’ or ‘disagreed strongly’ with the statement ‘I do not know what my State Pension is likely to be when I retire’, while 73 per cent ‘agreed strongly’ and 13 per cent ‘agreed’.
Finally, the opportunity of the ‘before’ survey was taken to obtain some benchmark measurements regarding the attitudes of surveyed employees on a range of pensions-related issues. These are summarised in Table 2.6 and show a lack of consensus on all three issues explored.

Table 2.6 Agreement with selected statements regarding pensions and retirement

<table>
<thead>
<tr>
<th>Column percentages</th>
<th>'Before and after' surveyed employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree strongly</td>
</tr>
<tr>
<td>'Putting money into a pension is the most secure way of saving for your retirement'</td>
<td>25</td>
</tr>
<tr>
<td>'I feel I have little power to improve my own prospects of having adequate income in retirement'</td>
<td>27</td>
</tr>
<tr>
<td>'I would rather make sure I have a good standard of living today than put money aside for retirement'</td>
<td>17</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees).

As shown, attitudes were very diverse in response to statements about the security of pensions, an individual’s power to improve income in retirement and choices between living for today and saving for retirement.

Attitudes on the security of pensions, in particular, showed some interesting patterns; those from households on higher annual incomes (£40,000 and over) showed much lower levels of confidence, with only nine per cent stating that they ‘agreed strongly’, while 35 per cent ‘disagreed strongly’. Ironically, those who already had either an active or dormant pension scheme were also less convinced about the security of pensions; amongst this group 28 per cent said they ‘disagreed strongly’.

2.4 Summary

The process of recruitment for the pilot and the evaluation of itself provided useful insights and information:

- Over 4,000 employers were approached to realise a pilot completed by 100 of these; this ratio alerts us that we cannot be certain those who did participate are representative of the total universe of target employers

- The process highlighted that participating providers very often do not have an active relationship with their stakeholder scheme employers in the target audience, while the IFAs who participated were more likely to do so
Those employers who decided not to participate, or dropped out early in the pilot process, identified employee apathy as a key reason for their doing so. Many were not willing to ‘go through the motions’ once they were confident their staff would not participate; a low response rate to the evaluation opt-in process was often a trigger for this.

It was the case, however, that some employers withdrew in response to logistical difficulties in delivering the more intensive Options, often as a result of having staff off site or spread across many sites and/or the lack of a suitable venue for presentations.

Overall, the 100 employers who did participate appeared to be genuinely committed to the process which adds some credence to the view that the widespread experience of participating employers’ failing to deliver the more intensive Options stemmed from factors other than employer apathy.

Turning to the profile of the surveyed employees who participated in the ‘before’ and ‘after’ surveys:

Income levels were quite low; over half had individual annual incomes of below £15,000.

Less than one-third (31 per cent) had an active pension scheme, and only around one-fifth (21 per cent) had long-term savings for retirement.

Around a third (34 per cent) had neither pension (active or dormant) nor savings provision in place for retirement.

Knowledge of pensions issues was limited; only around one in ten (11 per cent) knew the value of the individual basic State Pension, and only around a quarter (24 per cent) were confident of their eligibility for tax relief on pension contributions.

There was widespread acknowledgement of the need for further information and advice; just over a quarter (26 per cent) claimed to have given ‘a lot of thought’ to the issues, while 84 per cent recognised a need for more information and 86 per cent for advice; but many did not know where to go for that information or advice; more than half agreed that they did not know where to obtain either of these.

Few (seven per cent) were ‘very confident’ of their ability to take decisions regarding pensions, although a further 46 per cent were ‘fairly confident’.

Attitudes were very divided on various aspects of pensions such as how secure they are; whether it is better to have a good standard of living today than to save for retirement, and how much power individuals feel they have to improve their own prospects of income in retirement.
3 Techniques for assessing the impact of the pilot

This chapter begins with an explanation of the analytical approach used to measure the impact of the pilot. This was based on identifying differences in any changes in behaviour, knowledge and attitudes between employees who had experienced pilot interventions and those who had not.

The next sections quantify what proportion of surveyed employees fell into different categories with respect to the extent of their experience of the pilot interventions.

Finally, variations in the demographic profile of those who experienced the pilot in different ways, or did not do so at all, are explored; this provides an indication of the types of employees who did, or did not, experience the pilot. The latter group, of course, combines those who chose not to participate and those who were unaware of the pilot interventions.

3.1 Measurement of impact by the pilot

There are two key groups of surveyed employees in the evaluation: those who participated in at least one element of the pilot, such as reading the pilot Employee Pensions Information Pack (PIP) or attending a presentation or one-to-one meeting, and those who did not participate in any element.

While not being as robust as having a formal control group, nevertheless the ability to compare ‘before’ and ‘after’ data for these groups allows us to draw conclusions about the impact of the pilot.

Consequently, the main focus of analysis throughout the report has been on identifying significant differences, where they exist, between those who had experienced the pilot interventions directly and those who had not.
It has also been possible to identify variations between more specific subgroups of those who had experienced the pilot; examples are all those having read the PIP at all or those who had read all or part of the PIP fully, and so on. Many of the more interesting findings emerge from differences in data between subgroups such as these.

For an individual surveyed employee to be recorded as having ‘experienced’ a particular pilot intervention, such as attending a presentation, it was necessary that:

- The specific intervention was planned to be available at the company concerned, which would depend on the pilot Option to which it was allocated
- It was actually implemented as planned
- It was implemented in such a way that the employee was aware of it
- The surveyed employee took the decision to participate in or ‘experience’ the intervention

This means that reviewing the extent to which surveyed employees participated in or experienced specific interventions can provide insights at several levels:

- Were individual interventions offered as planned?
- Were they offered in a way that meant surveyed employees were aware of them?
- What proportion of surveyed employees who were aware of particular interventions decided to experience them?

Each of these stages are reviewed in turn.

3.2 Implementation of pilot interventions as planned

Many of the 100 employers who participated in the pilot in fact implemented a different Option from the one originally intended. Details of the changes that occurred are given in Table 3.1, which reproduces some data from Table 1.3.
Table 3.1  Options allocated to and delivered by the 100 pilot companies

<table>
<thead>
<tr>
<th>Number of employers</th>
<th>Allocated Option</th>
<th>Delivered Option</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Option 1</td>
</tr>
<tr>
<td>Option 1</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Option 2</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Option 3</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td>Option 4</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>81</strong></td>
</tr>
</tbody>
</table>

As a consequence of these changes, employees at only 19 employers had the opportunity to attend a presentation and at only six was the presenter available to conduct one-to-one meetings.22

3.3  Awareness of the availability of pilot interventions

We are dependent in measuring awareness of the availability of pilot interventions on the recall of surveyed employees in the ‘after’ survey. Consequently, where a surveyed employee does not recall the availability or offer of a particular intervention this could be the result of any of:

- The proposed intervention was not offered/implemented as planned at that employer
- It was offered/implemented but in such a manner that not all surveyed employees were made aware of it
- It was offered/implemented and the surveyed employee was aware of it at the time but did not recall that when interviewed

It is possible, therefore, that the reported results for awareness of the availability of interventions may represent a slight understatement of the true level due to failure of recall.

3.3.1  Recall of availability of the Employee PIP and provider stakeholder pension literature

Turning first to recall of the availability of literature, it was intended that both the PIP and copies of the relevant stakeholder pension (SHP) provider literature should be made available to all employees.

22 As explained in Chapter 8, only 17 of the 19 presentations and two of the six sessions of one-to-one meetings held were attended.
Care was taken during the evaluation of the pilot to check with employers that copies of the PIP had been made available to employees. Analysis of the pattern of results from surveyed employees seems to confirm this was the case, since no examples were found of an employer with multiple participants in the ‘after’ survey where none of them recalled the PIP.

Despite this, overall only just over half (53 per cent) of the ‘before and after’ surveyed employees recalled the PIP’s being available. The pattern of detailed results suggests that distribution was not always implemented effectively. One variation that encourages this interpretation is that recall was significantly higher amongst surveyed employees from small firms (65 per cent) than amongst those from large companies (37 per cent); this may reflect a more onerous distribution task in the latter case.\(^{23}\) The level of recall at Option 1 employers, where distribution of literature was the only pilot intervention, was somewhat lower at 49 per cent. Information gathered from respondent employees\(^{24}\) and employers as well as from on-site observations also demonstrated that distribution of the PIP had not been comprehensive. At one visit, for example, boxes of the PIP were seen unopened in the office of the employer contact. He indicated that he had not as yet been able to distribute them as planned and now intended merely to leave the copies available for collection without taking steps to advertise their availability.

It was also intended that provider SHP literature would be distributed to all employees at each of the participating employers, regardless of the Option to be implemented. In the event, distribution was more limited than this as some providers were either unable to distribute printed material, for instance due to current redesign or reprinting, or felt that it was only cost-effective to limit distribution to ‘interested’ employees such as those who attended a presentation. Providers and Independent Financial Adviser (IFAs) were not able to provide a record or good indication of the proportions of employers or employees to whom scheme literature had been distributed. As a result of the limits placed on the distribution of SHP literature, under a third of surveyed employees (27 per cent) recalled its being made available.\(^{25}\)

### 3.3.2 Recall of availability of presentations and one-to-one meetings

Presentations were held at the 19 employers who implemented Options 2-4, although at two of these firms (one an Option 3 and one an Option 4 employer) no employees actually attended.

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\(^{23}\) Fuller details on the distribution of the PIP are provided in Section 7.1.

\(^{24}\) Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.

\(^{25}\) No Option was considered incomplete, if SHP scheme literature had not been distributed.
One-to-one sessions were offered and held at the six Option 3-4 firms, i.e. the provider or IFA local representative was on-site at each firm to conduct personal meetings. At only two employers, however, was this offer taken up by employees.

Unfortunately, the number of surveyed employees from Option 2-4 firms is too low\textsuperscript{26} for a robust quantitative assessment to be made of awareness of presentations or one-to-one meetings as a proportion of the employees at employers where these interventions were made available. The picture that emerges from the qualitative research which covered all 19 relevant employers, however, is that generally a high proportion of employees were aware of plans for a presentation. Awareness of the availability of one-to-one sessions, on the other hand, was mostly restricted to those employees who attended a presentation.

\subsection*{3.3.3 Overall recall of availability of the pilot interventions}

The proportion of surveyed employees who could recall the availability of at least one of the pilot interventions at their place of work can be considered one measure of the success of the implementation of the pilot.

Looking at surveyed employees across all the Options, 65 per cent recalled one or more interventions’ being implemented at their place of work. Specifically at Option 1 employers, where only literature was to be provided, 58 per cent were aware of one or both of the PIP’s and SHP provider literature’s being offered.

\subsection*{3.4 Experience of the pilot interventions}

The overall picture to emerge regarding experience of the pilot interventions is that generally a high proportion of those who were aware of their availability took advantage of them.

\subsubsection*{3.4.1 Readership of the Employee PIP and SHP provider literature}

Amongst those surveyed employees (53 per cent) who recalled the PIP’s availability, most took or received it and then went on to at least skim read it. Overall, almost half (48 per cent) took a copy and nearly all of those (45 per cent in total) read it, and thus it had the opportunity to influence their behaviour. Specifically, 22 per cent read all or part of the PIP fully, while 23 per cent skim read it. Looking only at surveyed employees from Option 1 employers, a total of 40 per cent read the PIP; 18 per cent read all or part of it fully, and 21 per cent skim read it.\textsuperscript{27}

\textsuperscript{26} Base is 43.

\textsuperscript{27} The last two percentages do not sum to 40 due to rounding.
The few surveyed employees who were aware of the availability of the PIP but did not take or receive a copy attributed this in roughly equal measure to lack of interest or to not knowing how to get one, in part due to absence from work during the distribution.

There is evidence also that the effect of the PIP on those who took it will not always be one-off. Thus, by the time of the ‘after’ survey 39 per cent of surveyed employees, a high proportion of those having taken or received the PIP, still retained their copy. However, its effect does not appear to have spread much beyond the surveyed employees themselves; only eight per cent both received a copy and shared it with someone other than a colleague, in most cases their spouse/partner or another family member.

Qualitative research findings support the survey results. Respondent employees who participated in the qualitative research divided in roughly equal proportion into those who had and those who had not read the PIP at all, and few of the readers had read the document in full. Most of the respondent employees who had kept the PIP had done so for future rather than immediate or imminent reference, which helps to explain the incidence of skim readers. They said the PIP might be a useful ‘starting point’ when or if they came to consider pensions. Few respondent employees had shared the PIP with others, but, for a few, sharing the PIP with a partner or spouse had led to discussions about retirement planning that they would not otherwise have had.

‘I kept it just in case I do decide to take anything out. It’s always handy; it would be my first port of call.’

(Under 25; male employee; Option 2 employer)

‘It is something that we need to sort out. My husband had pensions through previous employers and they are frozen, and he can’t seem to find information about them. So we are definitely going to keep it [the PIP] and look at it in the future.’

(35-49; female employee; Option 1 employer)

Employers’ views supported this picture of limited readership of the PIP, even though a few admitted to having exerted pressure on employees to look at it. Most, however, agreed that the limited amount of feedback received from employees indicated to them that few of their workforce had read the PIP, while a few cited employee feedback of the type ‘how am I going to read this?’ On the other hand, in a limited number of cases, employers felt that a minority of their staff were likely to have read the PIP thoroughly.

‘Some of them just left them on the table, so I told them the next day that they had to read them. I had to be pretty forceful.’

(Owner; small Option 2 employer)
‘I’ve not had any feedback from it. [Impact] must be minimal, otherwise I’d have had people coming to me to do something about it.’

(Director; small Option 2 employer)

Amongst those surveyed employees who recalled provider SHP literature’s being available (27 per cent), the proportion that went on to read it was also quite high. Overall, 17 per cent of employees surveyed ‘before’ and ‘after’ took or received provider SHP literature, and 15 per cent read it: six per cent read all or part of it fully and nine per cent skim read it.

Table 3.2 draws together the quantitative data regarding the recall and readership of the PIP and provider SHP literature in the pilot. It further re-enforces the fact that, for both types of literature, once surveyed employees were made aware of it then a majority would at least pay it some attention. This was particularly the case for the PIP and may reflect the trust placed in government as a source of printed information on pensions by the majority of surveyed employees.

Table 3.2 Recall and readership of the Employee PIP and provider SHP literature

<table>
<thead>
<tr>
<th>Surveyed employees: row percentages</th>
<th>Proportion of those recalling who read</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recalled</td>
<td>Read</td>
</tr>
<tr>
<td>Employee PIP</td>
<td>53</td>
</tr>
<tr>
<td>Provider SHP literature</td>
<td>27</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees).

3.4.2 Attendance at presentations and one-to-one meetings

Presentations were held at 19 employers and attended at 17 of these. Where they were attended it was typically by between a quarter and three-quarters of employees. Two exceptions, however, were that:

- Four presentations held at a single large employer attracted only a total of 34 attendees out of a staff of 600
- All employees attended at just one employer: an engineering firm with a workforce of just five

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28 As per Section 3.3.1, low recall (27 per cent) does not necessarily indicate low interest in scheme literature; rather, it reflects limited distribution.

29 See Section 9.2.1 on employees’ trust in government.
In total the presentations held in the pilot attracted 181 attendees: 102 men and 79 women. Of the 181 attendees, nine were senior employer representatives: owners and directors.

Attendance was high where the employer had put a lot of effort into encouraging attendance – in one case, for instance, by including personalised invitations to the presentation in pay-slips. Inevitably, attendance was high too where it was more or less compulsory; at one employer the presentation was the first item in a monthly staff meeting, while at another firm the employer said staff ‘were to attend’ bar those providing essential ‘cover’. Nonetheless, attendance exceeded 50 per cent in other cases when it was voluntary and the employer had only committed a small amount of effort to encouraging it.

At two firms no employees attended the presentation that was on offer. Based on comments from all stakeholders at the firms, the factors contributing to lack of attendance were:

- Lack of discretionary income amongst employees
- Relatively high proportion of part-time staff
- High staff turnover
- A manager’s personal negativity towards pensions and his preference, expressed to staff, for saving for retirement by way of other investments such as property that he considered to be ‘safer’

Qualitative data also inform that non-attendees included some older staff who felt it was too late to begin contributing to a pension; some earning wages so low that they simply had no disposable income; some who had lost out when company or personal pension schemes had produced returns far below expectation, and others who already had active pensions, whether their firm’s SHP or another.

One-to-one sessions were held at six employers; in two cases the sessions were held on a separate day about a week after the presentation, while at the remaining four firms employees were invited to have a meeting with the presenter immediately after the presentation. In these latter four cases no one took up the offer and so there were no attendees.

The experience of the two pilot employers where the one-to-one meetings were held on a separate day was very different. Both of these attracted a good attendance from the employees who had participated in the presentation such that in total 19 out of 24 presentation attendees across the two companies went on to have a one-to-one meeting.
3.4.3 Overall experience of the pilot interventions

A surveyed employee is considered to have experienced the pilot if he/she had done one or more of:

- Read or skim read the PIP
- Read or skim read SHP provider literature
- Attended a presentation or one-to-one meeting

In total, 50 per cent of the surveyed employees experienced the pilot as defined in this way. Among those in Option 1 firms, the very great majority, the proportion having experienced the pilot by reading the PIP or SHP provider literature was 44 per cent.

3.5 Comparing the profiles of employees who did and did not experience the pilot

As explained in Section 3.4.3, the sample of surveyed employees divided equally between those who did experience one or more of the pilot interventions and those who did not. It is the case, of course, that non-participation will not always have been the result of a deliberate decision by the surveyed employee – as already shown, some were simply unaware of the availability of the Employee PIP, for example, while presentations and one-to-one meetings were not widely offered.

Nevertheless, comparing the profiles of these two groups does provide insights into differences in the types of surveyed employees who did or did not experience the information sources piloted.

3.5.1 Demographics

The only significant demographic difference to emerge was in respect of age. Those who participated in the pilot were, on average, slightly older; their mean age was 38 compared with 34 for those who did not participate in the pilot. Within this, there were two significant differences regarding specific age ranges. Thus, among surveyed employees aged 25 to 34, only 39 per cent participated in the pilot, while among those aged 50 and over the proportion doing so was 72 per cent.

There were no significant differences between those who experienced one or more of the pilot interventions and those who did not in respect of other key demographics including gender, living arrangements, accommodation and individual or household annual income band.

3.5.2 Pre-existing pensions and savings

As Table 3.3 shows, those who experienced the pilot were significantly more likely than those who did not to have a pension (active and/or dormant) and savings arrangements in place before the pilot commenced, or to have a pension and long-term savings specifically for retirement.
Table 3.3  Pre-existing pension and savings arrangements of surveyed employees (pilot participants and non-participants)

<table>
<thead>
<tr>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active and/or dormant pension provision</td>
<td>65</td>
</tr>
<tr>
<td>Any savings</td>
<td>76</td>
</tr>
<tr>
<td>Active and/or dormant pension and long-term savings for retirement</td>
<td>19</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146.

There was no significant difference between the two subgroups, however, in respect of the proportion specifically with an **active** pension scheme which was 31 per cent across the total ‘before and after’ sample of surveyed employees.

### 3.5.3 Knowledge and attitudes

It also emerged from the ‘before’ survey that those who were to go on to experience the pilot tended already to be more knowledgeable and to have paid greater attention to the subject of preparing for retirement before the pilot commenced.

The responses demonstrating this are given in Table 3.4.

Table 3.4  Examples of knowledge about, and attention to, issues to do with income in retirement prior to the pilot

<table>
<thead>
<tr>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have given ‘a lot of thought’ to making arrangements for income in retirement</td>
<td>33</td>
</tr>
<tr>
<td>Agreed with statement ‘I would receive tax relief on pension contributions I make’</td>
<td>29</td>
</tr>
<tr>
<td>Have previously consulted a financial adviser about pensions</td>
<td>45</td>
</tr>
<tr>
<td>‘Strongly disagreed’ with the statement ‘I don’t know where to get relevant information about planning for retirement’</td>
<td>22</td>
</tr>
<tr>
<td>Have seen or heard something recently about stakeholder pensions</td>
<td>63</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146.
Nevertheless, the contrast between the two groups should not be overemphasised. Significant differences were not found on several similar issues or topics, including:

- How many agreed they needed further information or advice on pensions
- The proportion acknowledging that they did not know where to get relevant advice on pensions
- Level of confidence in their ability to make decisions about pensions
- The number already planning before the pilot to take action on pensions
- How many had used each of a pension provider/insurance company, a bank/building society or an accountant to find out about different pension options
- What proportion recalled having seen or heard something recently about getting a State Pension forecast, or about Pension Credit, or websites that provide general information on pensions
- What proportion gave a ‘correct’ estimate of the basic State Pension for an individual

Nor did the groups differ in their pre-pilot attitudes to or agreement on any of:

- Preference between having a good standard of living today rather than putting money aside for retirement
- Agreeing or disagreeing that pensions are the most secure way of saving for retirement
- Feeling they knew what their own State Pension is likely to be when they retire
- Feeling they have little power to improve their prospects of having adequate income in retirement
- The view that putting money in to a pension is the most tax efficient way of saving for retirement

3.5.4 Comparing different groups among those who did experience the pilot

A few differences emerged when two subgroups of those having experienced the pilot were compared, namely those having:

- Skim read the PIP
- Read all or part of the PIP fully and/or attended a presentation

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30 All replies in the range £78.50 to £80.49 were coded as ‘correct’; the individual basic State Pension at the time of the survey was £79.60.
There were no major demographic differences between these groups, although those who skim read the PIP were less likely to come from a small employer (49 per cent did so) than were those who read all or part of the PIP fully and/or attended a presentation (69 per cent did so).

There were also differences in terms of their pre-existing savings and pensions provision between those who subsequently skim read the PIP and those who read it fully and/or attended a presentation. Details are shown in Table 3.5. These suggest that those who had already paid more attention to the issue of income in retirement were likely to give more attention to the pilot.

Table 3.5  Pre-existing pension and savings arrangements

<table>
<thead>
<tr>
<th>'Before and after' survey employees: column percentages</th>
<th>Read all or part of PIP fully and/or attended presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skim read PIP</td>
<td>Read all or part of PIP fully and/or attended presentation</td>
</tr>
<tr>
<td>Any savings</td>
<td>62</td>
</tr>
<tr>
<td>Active and/or dormant pension and long-term savings for retirement</td>
<td>11</td>
</tr>
</tbody>
</table>

Base = 293 ('before and after' survey employees); Skim read PIP = 55; Read all or part of PIP fully and/or attended presentation = 79.

On the other hand, there were no significant attitudinal or knowledge differences prior to the pilot between these different subgroups of those who went on to experience it.

3.6  Summary

The assessment of impact in the evaluation has been based primarily on comparing changes in behaviour, knowledge and attitudes between employees who experienced one or more of the pilot interventions and those who did not. This has provided insights into implementation and impact:

- Overall around two-thirds of surveyed employees (65 per cent) were aware of at least one intervention, and half (50 per cent) experienced one or more

- These findings highlight that even under pilot conditions implementation was not universally successful, since the intention was that all employees should have been aware of at least one intervention

- But they also show that among surveyed employees who recalled the interventions’ being offered, the willingness to experience the pilot was generally high. Of those surveyed employees who were aware of the PIP most took it, and most of those then at least skim read it, while attendance levels where presentations were delivered were quite encouraging
• Contrasting the profile of those who did experience the pilot with those who did not has revealed that those experiencing the pilot were on average slightly older, but that there were no other demographic differences.

• The pilot seems to have appealed more to those who have already paid some attention to, or taken some action on, issues relating to income in retirement. Nonetheless, those who experienced the pilot still included substantial proportions of less well prepared or previously interested surveyed employees, and the limited amount of differences between the two groups suggests that the pilot was successful in reaching some of the ‘unconverted’.

• There were very few significant differences in general attitudes to pensions and preparing for income in retirement prior to the pilot between those who subsequently experienced it and those who did not.

• Contrasting those who experienced the pilot by skim reading the PIP with those who read all or part of the PIP fully and/or attended a presentation has shown only a few differences. However, those whose experience was restricted to skim reading the PIP had somewhat less pension or savings provision prior to the pilot. People who already have a pension (dormant/active) were more likely to read all or part of the PIP fully and to attend a presentation if it was offered.
4 Impact of the pilot on employees’ savings behaviour

The evaluation was designed to assess the impact of the pilot on employees’ behaviour, knowledge and attitudes towards and about pensions and saving for income in retirement.

This chapter reviews the evidence gathered via the evaluation in respect of any changes in employees’ behaviour in terms of their having acted or having developed plans for action since the interventions.

Three sources of data were available:

- Administrative data from the participating providers and Independent Financial Advisers (IFAs), which give an objective summary of any differences in stakeholder pension (SHP) membership and contributions between the start and finish of the pilot\(^{31}\)
- Data from the surveyed employees who completed the ‘before’ and ‘after’ surveys
- Information from respondent employees who completed depth interviews\(^ {32}\)

The sequence of coverage in this chapter is:

- Summary and analysis of the administrative data

\(^{31}\) The administrative data provided by providers and IFAs were anonymous: no employee was identified by name; the data provision complied with the Data Protection Act.

\(^{32}\) Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.
• Self-reported levels of pension provision (active schemes) and other regular long-term saving for retirement
• Reported action on pensions and savings over the six months immediately preceding the ‘after’ survey, i.e. broadly during the pilot period itself
• Any change in recognition of the need to save more for retirement
• Planned action in the medium term (the next six to nine months) measured before the pilot and afterwards
• Numbers having requested a State Pension forecast
• Any change in expected retirement age, i.e. deciding to delay retirement
• Review of the impact of the individual types of intervention

4.1 Administrative data: stakeholder pension members and contributions

Analysis of administrative data for July 2004 and January 2005, supported by anecdotal evidence covering a few employers for whom official administrative data were not available, revealed only limited change in membership of pilot employers’ SHP schemes and little change in the level of contributions made by members.

4.1.1 Administrative data: methods of capture

Providers and IFAs supplied administrative data for 90 of the 100 employers in the pilot, who between them employed 3,948 of the 4,454 employees at all pilot employers. Anecdotal evidence from employers and local providers/IFAs collected for the other ten pilot firms – covering the remaining 506 employees – was sufficient to indicate the number of SHP scheme members before and after the pilot at these firms, but did not include data on the value of contributions.

4.1.2 SHP scheme membership

Between July 2004 and January 2005 data showed a ‘net’ increase of only three members, from 125 to 128, produced by nine employees’ joining SHP schemes at two firms (all nine had been employed throughout the period of the pilot), partially offset by six scheme members who left employment.

Eight of the nine new joiners came from a single Option 3 employer, where very well-organised and attended presentations and one-to-one meetings were held and the employer promised to introduce a ‘small contribution’ within the next two years.

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33 Appendix A (web-based) describes the data capture process and explains which data were requested of providers and IFAs.

34 The employer did not specify the amount of the contribution. A pen portrait of this employer is found at Section 8.8.1.
The other new member joined at an Option 2 firm where no employer contribution was offered. Both of these firms had had members before the pilot.

Members – both for July 2004 and January 2005 data – were employees of 30 firms. Seventy of the 100 schemes remained shell schemes throughout the period of the evaluation.

### 4.1.3 Levels of contribution

Contribution levels did not increase substantially after the pilot. The mean personal contribution per member for July 2004 before the pilot was £59.68; this increased to £63.07 per member for January 2005. These figures take into account:

- For January 2005, the contributions of the nine new members
- Small £3-4 a month increases not related to a change in salary made by three existing members
- Increases in contributions in line with salary increases for six existing members

The increase in average contribution was driven in the main by the nine new members as their average contribution was £98.19, more than double that of the pre-existing members of their particular employers’ schemes which was £46.61.

### 4.2 Survey data regarding levels of active pension scheme membership and other regular long-term saving for retirement

Surveyed employees did not show any statistically significant changes during the period of the evaluation in self-reported levels of regular long-term saving for retirement, either by way of an active pension or through other regular monthly retirement-related saving.

### 4.3 Savings behaviour in the six months preceding the ‘after’ survey

Surveyed employees were asked in the ‘after’ survey whether they had taken any action in the preceding six months on pensions or other forms of saving for retirement.

On pensions, eight per cent said they had started to contribute or had increased contributions, while five per cent stated they had reduced or ceased contributions. Thus, there was a ‘net’ balance of those moving in a ‘positive’ direction of three per cent. Action on pensions covered action on the firm’s SHP scheme or on any other occupational or private scheme.
Turning to reported levels of action regarding sources of income other than pensions, such as long-term savings and investments, a particularly interesting result emerged. Twenty-two per cent of surveyed employees said they had started and/or increased savings, compared with only two per cent who had stopped or reduced provision, giving a ‘net’ increase of 20 per cent, a much higher figure than that recorded for pension provision.

Analysis was also conducted aggregating the findings regarding claimed action on pensions with those concerning claimed action on long-term savings and investments. When these were analysed in combination, overall a total of 27 per cent of surveyed employees had started or increased provision on either pensions or long-term savings or on both. Against this, six per cent had reduced or ceased either or both types of provision, giving, overall, a ‘net’ increase of 21 per cent.

It should be noted that there were no significant differences in claimed action over the previous six months on pensions or on long-term savings and investments linked to surveyed employees’ different levels of experience of pilot interventions, for example between readers and non-readers of the pilot Employee Pensions Information Pack (PIP). Consequently, the reported increase in total savings behaviour cannot be ascribed to the pilot.

4.4 Recognition of the need to save more for retirement

There was little opportunity for the information provided during the pilot to have a major impact on the proportion of surveyed employees recognising the need to save more, since a sizeable majority (85 per cent) already did so before the pilot began.

It is therefore not surprising that the figure after the pilot for those agreeing that they needed to save more ‘to have a comfortable future’ was not significantly different from that recorded in the ‘before’ survey. Also, no statistically different findings emerged according to the amount of experience that surveyed employees reported in respect of the pilot interventions (e.g. PIP readers compared with PIP non-readers). Individual respondent employees did highlight, however, that they had been influenced by one or more of the interventions.

‘It’s [presentation] had a good effect because I’m thinking about it now. I know now that I need to do something. It’s just where to go.’

(35-49; female employee; Option 2 employer)

‘[The presentation] has put it into my mind quite a lot...I am more aware that you need to do something about it and that you can’t wait and sit around. It shows that you need to sort it out when you are younger.’

(Under 25; male employee; Option 2 employer)
‘[I discussed the PIP] with my wife – it prompted us to discuss investing for the future.’

(35-49; male employee; Option 2 employer)

4.5 Planning action in the medium term (six to nine months)

When responses in the ‘before’ and ‘after’ surveys were compared, there was no significant change in the proportion of surveyed employees stating that they were planning to take action in the medium term to help increase their income in retirement. Nor was it the case that there was a significant change either for the subgroup that had experienced the pilot or for those that had not done so.

At the end of the pilot there was, however, a statistically significant difference in expressed intention to act in the medium term between those who experienced the pilot at all and the rest. Among the former, 50 per cent stated an intention to act, whilst amongst the surveyed employees who did not read the literature or attend a presentation or one-to-one session the proportion with intentions to act was lower at 39 per cent. This difference is explained primarily by pre-existing differences that were captured in the ‘before’ survey and not by changes that occurred during the pilot.

However, there are again examples of direct impact by the pilot on individual respondent employees such as those summarised by the following comments from a presentation and one-to-one meeting attendee respectively.

‘I do understand it a bit better now. And I am going to get myself a pension…It made me a lot more aware that I am not going to get much…from the state. I got quite a bit of a shock…and am more aware of the consequences of waiting a year before starting a pension.’

(Under 25; female employee; Option 2 employer)

‘I’m still thinking about it, but I think I should go for one, in the next year.’

(Under 25; male employer; Option 3 employer)

When all surveyed employees with a stated intention to act in the medium term (44 per cent) were asked what they intended to do, actions mentioned by five per cent or more of the total sample were: start contributing to a pension (nine per cent), increase pension contributions (eight per cent), start saving/open a savings account (eight per cent), invest in property (five per cent) and take on extra work/second job (five per cent). Other possible actions mentioned included to seek advice on pensions, restart payments to a pension, pay off debts, seek pension information, and start a business venture.
4.6 Requesting a State Pension forecast

One action which may be taken as part of consideration of the need to act to boost income in retirement is requesting a State Pension forecast. Forms to request a forecast by post were included in the Employee PIP along with details of a dedicated number on which a request for a State Pension forecast could be made by telephone.

Amongst the employees surveyed ‘before and after’, nine per cent, representing just under one-fifth (19 per cent) of those who took or received the PIP, claimed to have requested a forecast. A clear pattern emerged by age, with 22 per cent of all surveyed employees aged 50 and over saying they made a request compared with only four per cent of all those under 35.

‘The form was useful. I filled it out and sent it in.’
(35-49; male employee; Option 2 employer)

‘I was very interested in the bit where you can project what you will get [the State Pension forecast].’
(35-49; male employee; Option 2 employer)

‘I used the form. Having the pack saved me the trouble of having to get one from somewhere else.’
(50 and over; male employee; Option 2 employer)

Findings from the survey matched reasonably well with the total number of requests logged by the Department for Work and Pensions (DWP) from all employees of the pilot companies. In total, combining postal and telephone requests, 271 applications were recorded, representing six per cent of all employees at the 100 pilot firms.

4.7 Intention to work longer

Another possible intention to act was to make a change in planned retirement age. If surveyed employees had taken on board the need to act, one step they might have taken would be to plan a later retirement date.

The surveys recorded no significant change in employees’ aspirations regarding this, however. Furthermore, no statistically significant variations were found linked either to experience of the pilot or to any demographics including gender.
4.8 Assessment of the impact of the pilot interventions on employees’ savings behaviour

4.8.1 Impact of the Employee PIP

Reading the PIP alone appears to have had no significant impact during the period of the evaluation on the savings behaviour of employees; certainly, there were no new SHP members at any of the Option 1 pilot employers. The fact that a proportion of readers did decide to request a State Pension forecast does, however, demonstrate some potential impact at the level of preparing to act.

Respondent providers and IFAs had not anticipated that the PIP on its own would have very much impact on employees’ savings behaviour; they stressed that employees need personalised information before they decide to get a pension, and that printed information is not a substitute for a face-to-face meeting with an expert.

Most respondent employers were also not surprised that simply reading the PIP had been insufficient to result in action; many felt that its design was not appropriate for their staff.

Experiences at one of the participating employers showed a ‘vicious circle’ at work which demonstrated the lack of impact of the PIP on its own. As there was insufficient stated interest in scheme membership, the provider was unwilling to invest ‘time and money’ in building a relationship with the employer, yet employees and the employer alike stressed the need for personal contact with the provider as a precursor to any pension take-up. Employees would prefer a one-to-one meeting, and were clear in their views that the PIP, while useful, is no substitute for a personal meeting with a pensions expert.

‘I think an information booklet is great, but sometimes I think it is easier to talk to somebody as well. ‘Cause I think when you get given something you have a glance through it and then put it down.’

(35-49; female employee; Option 1 employer)

‘I would have gone for a presentation, where everyone is there, and have a really enthusiastic presenter who could highlight the dangers of not having a pension, and who could make it look a very feasible exercise to get a pension, how simple it was to set one up, and how little you could put in until your salary increases at a later date and then build on it. I think if it’s only a pack, it’s up to them [employees] whether or not they chose to read it; if it’s done by a presentation, then they can’t ignore it.’

(Owner; small Option 1 employer)
4.8.2 Impact of presentations

During the evaluation there was only one employee who joined their employer’s SHP scheme where a presentation, but no one-to-one meetings, had been held.

Thus presentations on their own appear to have had very little impact at all on attendees’ behaviour with regard to saving for retirement by way of pension provision. Only a couple of respondent employees, who had not had a one-to-one meeting, said they would or might take out a pension within the next year or so on the basis of what they had learned in the presentation.

A couple of the employers said that one or two presentation attendees had expressed an interest in joining the SHP, but they doubted that they would do so without the chance to discuss their individual circumstances in a one-to-one meeting.

Employers and presenters alike were unsurprised at the low impact of the presentations at the level of changing savings behaviour. Employers stressed that attendees included, for example, young workers on low pay, for whom retirement does not seem ‘real’, and older employees, who feel it is simply too late to take out a pension. Providers and IFAs tend to see presentations as more of a ‘screening’ process, so that subsequent one-to-one meetings will only take place with genuinely interested employees, rather than as a real opportunity to ‘close’ sales.

The experiences at one employer typified common reasons why presentations alone failed to generate action. In this instance, a small company with a mainly blue-collar workforce, the company administrator had taken a considerable and personal interest in the welfare of the other staff and had encouraged them to attend, resulting in a good turnout. Also, the presentation was carefully pitched for the audience and well-received. Nevertheless, two respondent employees explained the reasons why, in each of their cases, a well implemented presentation had not been sufficient to stimulate action. They both stated that following the presentation they were now aware of the need to start making contributions as early as possible. However, one specified that he would like some additional, more personalised advice before taking the next step, while the other’s increased knowledge and awareness did not translate into increased confidence in her ability to make decisions about her future retirement planning. She had already known that her provision was inadequate and the presentation seemed, in fact, to have decreased her confidence, leaving her overwhelmed and concerned that she has left it too late to start saving. She thus also felt that she would require access to personalised advice rather than information before making any decisions.

35 Section 3.4.2 provides data on the total number of attendees across all the presentations held as part of the pilot.
‘[The presentation] has put it into my mind quite a lot...I’m more aware that you need to do something about it and that you can’t wait and sit around. It shows that you need to sort it out when you are younger...He couldn’t give any personal advice out, so in that way you can’t know where you stand exactly...[I would like to know more about] numbers: if you put so much away a week, how much you’d get after [so much time].’

(Under 25; male employee; Option 2 employer)

‘It’s had a good effect because I’m thinking about it now. I know now that I need to do something. It’s just where to go. I’m a bit stuck now really...My head was buzzing by the end of it. I didn’t know how drastic it was going to be...I just need somebody that knows what they’re talking about to point me in the right direction. I am quite worried that I won’t be able to put enough in now.’

(35-49; female employee; Option 2 employer)

4.8.3 Impact of one-to-one meetings

All eight employees who joined at the Option 3 firm where the pilot was successful in generating scheme members came from among the employees who attended one-to-one sessions.

However, it was not always the case that one-to-one meetings were effective. At one other employer, eight employees who had attended a presentation went on to one-to-one meetings in the following week, but by the end of the evaluation none of them had joined the SHP scheme.

Fuller details on the experience of one-to-one meetings at these two employers are given in Sections 8.8.1 and 8.8.2.

Providers and IFAs, however, were generally adamant that one-to-one meetings are the most successful way to convert interest in pensions into actual membership of a scheme.

‘I personally think you need a one-to-one, because I don’t think you can sell pensions on a direct offer basis. People are still wary of pensions. They think it’s a very complicated product and they want the reassurance that they’re doing the right thing.’

(Provider main contact)
4.9 Summary of the impact of the pilot on employees’ savings behaviour

Key findings to emerge regarding impact of the pilot on employees’ savings behaviour were:

- The evaluation has recorded minimal change in the number of SHP scheme members with only nine new joiners in the period across the 100 employers; there were no new joiners in any of the 70 shell schemes.

- Nor did surveyed employees report increased levels of action on pensions or other savings.

- It is illuminating to note that the only firm where there was a major impact (eight new SHP members) was one of only two where one-to-one meetings were attended. This could suggest that the more intensive Options can have an impact on behaviour, although we cannot know what would have happened without the promise of an employer contribution, as occurred in this case, nor the extent to which other elements specific to this employer had an impact. Moreover, it has to be questioned how widely there will be the commercial incentive and the will amongst employers and providers to commit this level of input.

- Those who had experienced elements of the pilot were more likely after it to say they intended to act than those who had not experienced them; however, there was no significant change between the two surveys in expressed intention to act for either group.

- There was no evidence of surveyed employees’ contemplating delaying retirement.

- One impact, however, is that almost one-fifth of those who received the PIP claim to have requested a State Pension forecast. This correlates with the volume of requests received by the Department for Work and Pensions (DWP).

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36 The holding of these one-to-one meetings are described in the pen portrait in Section 8.8.1.
Impact of the pilot on employees’ knowledge of pension and retirement income issues

After action or preparing for action, the next level of impact that the pilot may have had is on increasing participants’ knowledge and understanding of issues relating to income in retirement, thereby enhancing their ability to make informed choices.

This chapter summarises the findings of the evaluation on whether employees’ knowledge appeared to increase following the pilot.

It first reviews how many surveyed employees felt they knew where to go to obtain information and advice about planning for retirement.

Also covered is evidence as to whether or not more surveyed employees correctly knew factual information relating to:

- Their eligibility for tax relief on pension contributions
- The tax efficiency of saving for retirement by way of a pension
- The current level of the basic State Pension for an individual

Lastly, the chapter reviews the contribution of the different interventions specifically to any increases in employees’ knowledge.
5.1 Knowledge of where to obtain information about planning for retirement

The quantitative surveys did reveal a statistically significant increase between the start and conclusion of the pilot in the proportion of surveyed employees overall who felt they knew where to obtain information about planning for retirement.

In the ‘before’ survey, 57 per cent ‘agreed’ or ‘agreed strongly’ that they ‘did not know where to get information about planning for retirement’; this declined to 51 per cent at the ‘after’ stage. Full results are shown in Table 5.1.

Table 5.1 Agreement with the statement ‘I do not know where to get information about planning for retirement’

<table>
<thead>
<tr>
<th></th>
<th>‘Before’</th>
<th>‘After’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree strongly</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Disagree</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Agree</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>Agree strongly</td>
<td>32</td>
<td>22</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees). See Appendix A (web-based) for further details.

There was, however, no clear evidence that the pilot interventions had contributed to this increase, as no significant differences emerged between those who had experienced the pilot at all, i.e. had read the pilot Employee Pensions Information Pack (PIP) or provider stakeholder pension (SHP) literature and/or had attended a presentation or one-to-one meeting, and those that had not.

5.2 Knowledge of where to obtain advice about planning for retirement

The picture to emerge regarding knowledge of sources of advice was different from that for sources of information. So far as advice was concerned, there was no significant change in the proportion of all surveyed employees claiming to know where to go to obtain it. Nor was there a significant change specifically among all surveyed employees who had experienced the pilot.

However, the specific group of surveyed employees who had read the PIP did show a statistically significant change in their self-stated knowledge of where to obtain advice. For this subgroup the fall in those lacking this knowledge was from 50 per cent in the ‘before’ survey to 40 per cent in the ‘after’ survey. As an example of this,
one respondent employee confirmed that he had retained the PIP specifically to be able to re-use the relevant contact information that it contained.

‘I [have kept the PIP] simply because of the telephone numbers. The other stuff is not so relevant.’

(25-34; male employee; Option 2 employer)

A review of the change in opinions amongst the 43 surveyed employees from Option 2-4 employers showed that they too recorded a significantly greater decline in the proportion saying they did not know where to go to obtain advice than did those from Option 1 employers.

5.3 Knowledge regarding eligibility for tax relief on pension contributions

This was one of two topics selected as examples to test for changes in the factual knowledge of surveyed employees in the area of pensions. Information relevant to eligibility for tax relief was provided summarily in the Employee PIP and also typically mentioned at the presentations that were held at Option 2-4 firms. As part of the evaluation, surveyed employees were asked two questions on the topic, namely whether they believed they would be eligible for tax relief on pension contributions, and if they agreed that putting money into a pension is the most tax efficient way of saving for retirement. The changes in responses to these questions are reviewed in Sections 5.3.1 and 5.3.2.

5.3.1 Knowledge of eligibility for tax relief

No significant change occurred between the ‘before’ and ‘after’ surveys in the proportion saying that they would be eligible for tax relief on pension contributions, neither among those who had experienced the pilot nor those who had not.

A significant change did emerge, however, for a subgroup of those who had experienced the pilot, namely those surveyed employees who had read all or part of the PIP fully. For this group, 33 per cent had agreed they would be eligible for tax relief in the ‘before’ survey, but 47 per cent did so subsequently. The full results for this group are given in Table 5.2.

37 Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.

38 The other topic area, covering knowledge of the value of the basic State Pension for individuals, is explored in Section 5.4.
Table 5.2  Level of agreement with the statement ‘I would be eligible for tax relief on pension contributions’

<table>
<thead>
<tr>
<th></th>
<th>‘Before’ survey</th>
<th>‘After’ survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>33</td>
<td>47</td>
</tr>
<tr>
<td>Disagreed</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>63</td>
<td>52</td>
</tr>
</tbody>
</table>

Base = 64 (Read all or part of PIP fully).

5.3.2 Views on whether putting money into a pension is the most tax efficient way of saving for retirement

The ‘after’ survey revealed no evidence that the views of surveyed employees on this topic had changed during the period of the pilot. This was again equally the case for those who had experienced the pilot, to whatever extent, and those who had not.

5.4 Knowledge regarding the value of state pension provision

This was the second topic area included in the evaluation to explore whether or not surveyed employees had increased their knowledge on the subject of pensions. Surveyed employees were asked the current value of the basic State Pension for an individual which at the time of the survey was £79.60; this figure was quoted in the Employee PIP. Overall there was no significant difference between the ‘before’ and ‘after’ results in the proportion of surveyed employees, whether or not they had experienced the pilot, who gave a correct response.  

In reviewing the ‘after’ results in detail, however, it emerged that there was now a significant difference between all PIP readers, of whom 16 per cent knew the value accurately, and those who had not read the PIP, of whom only seven per cent were correct in their estimate. Detailed comparisons for these groups are provided in Table 5.3. This result, however, is driven in part by the fact that PIP readers were already somewhat more knowledgeable before the pilot as opposed to their showing significantly more change over the period of the pilot itself.

---

39 Totals do not sum to 100 per cent due to rounding.

40 All answers in the range from £78.50 to £80.49 inclusive were treated as ‘correct’.
Table 5.3 Estimates of the value of the basic State Pension per week for an individual (£79.60) (‘after’ survey)

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PIP readers</td>
</tr>
<tr>
<td>Higher than correct range</td>
<td>13</td>
</tr>
<tr>
<td>Correct range (£78.50 to £80.49 inclusive)</td>
<td>16</td>
</tr>
<tr>
<td>Lower than correct range</td>
<td>59</td>
</tr>
<tr>
<td>Don’t know</td>
<td>11</td>
</tr>
</tbody>
</table>

Base: PIP readers = 130; PIP non-readers = 163.
1 The first column does not total 100 per cent due to rounding.

5.5 Assessment of the effectiveness of the pilot interventions on increasing employees’ knowledge

The most noticeable theme in comments made by respondent employees was that participation in the pilot had told them often quite basic things about pensions and the pension system of which they had previously been unaware; this was true as much or more concerning the state system as private pension provision. Information in the PIP and supplied at presentations and one-to-one meetings contributed to this.

5.5.1 Impact of the Employee PIP

Looking first at the effectiveness of the PIP, most respondent employees who had reviewed it acknowledged a small change in their knowledge of pensions as a result. They spoke of its bringing home to them that their level of knowledge was low.

‘It taught me how many different types of pension there are.’
(25-34; male employee; Option 2 employer)

‘It was useful to find out the minimum I can pay…and the age at which you can start.’
(Under 25; male employee; Option 2 employer)

‘It was quite useful. I didn’t know anything about pensions before.’
(Under 25; male employee; Option 2 employer)

‘[The PIP] was useful in that it explained that we are all going to need something extra because the State Pension won’t be enough.’
(25-34; female employee; Option 2 employer)
5.5.2 Impact of presentations

Turning to presentations, attendees generally stated that their expectations for the amount of factual information provided had been met or, in many cases, exceeded. They acknowledged the result had been to increase their knowledge about pensions and retirement income issues. Only a very few said that the presentation had told them nothing new; these respondent employees typically already had dormant or active pension schemes.

Examples of knowledge gained at presentations included the fact that not everyone receives the same level of basic State Pension and the possibility that the ‘demographic timebomb’ will affect what the state can pay.

‘It told you quite a lot about the State Pension. It was figures really; knowing roughly what you put in and what you’ll get out.’
(Under 25; male employee; Option 2 employer)

‘It was useful. It’s come back that pensions have moved on a lot since I last had one.’
(25-34; male employee; Option 2 employer)

‘Ultimately, I thought, you got your pension every Thursday or Friday – that was what I thought a pension was. I didn’t know you could have different money and there were different structures.’
(25-34; male employee; Option 2 employer)

There was also evidence that the key message on the importance of saving for retirement was getting through in some cases via the presentations.

‘I was hoping] that somebody would say, “Don’t worry about it. It’ll be OK.” But [SHP provider presenter] didn’t.’
(35-49; female employee; Option 2 employer)

‘I always thought that I was alright, I’m only 33 and that I have ages. [The presenter] made me aware that I need to start now and should be offsetting some money. It totally opened my eyes…I have never worried about a pension but now I do. The meeting was definitely positive.’
(25-34; male employee; Option 2 employer)

It also emerged, however, that for a minority of respondent employees changes in the level of knowledge generated by the presentations were often not great and, sometimes, were simply supporting whatever background knowledge the respondent employee already had.

‘I was already fairly aware [before the presentation]; I have been keeping up with things quite well over the years.’
(35-49; male employee; Option 3 employer)
5.5.3 Impact of one-to-one meetings

Very few respondent employees attended one-to-one meetings. However, it was clear from their comments that the major benefits of the sessions for them were the chance to gain information specific to their own circumstances, and the opportunity for key points to be explained to them in more detail to ensure they had understood them correctly.

‘He explained the wage that I’m on and how much I can put aside and what I would get, compared to if it was just a government pension.’

(Under 25; male employee; Option 4 employer)

‘[The topics] were a little bit [difficult to follow] to start with, but once you had that one-to-one, he broke things down and put it in simpler terms, so you could get your head round it…He was real helpful, and he was well up for answering any questions that you had, and he explained things twice so you understood.’

(Under 25; male employee; Option 4 employer)

5.6 Summary of the impact of the pilot on employees’ knowledge of pension and retirement income issues

The evaluation registered few statistically significant increases in knowledge over the period of the pilot, but there appeared to be some evidence of impact by the PIP and presentations:

• There was an increase in those feeling they knew where to go for pensions-related information, although this occurred both amongst those who had, and had not, experienced the pilot

• Those who had read the PIP at all recorded a significant increase in the proportion stating that they knew where to obtain advice on pensions, whereas non-participants in the pilot did not. It was also the case that the increase in knowledge in this area was greater among surveyed employees from Option 2-4 companies than those from Option 1, suggesting that presentations may also have played a role

• Those who had read all or part of the PIP fully showed a real increase in knowledge regarding tax relief for pension contributions

• There was no significant change, however, among either participants or non-participants in the pilot with respect to the proportion who felt pensions were the most tax efficient way to save for retirement
• It was true both before and after the pilot that only around one in ten surveyed employees could give an accurate estimate of the value of the basic State Pensions for individuals; in the ‘after’ survey, however, those who had read the PIP were more likely to give a correct response than those who had not. This result cannot be ascribed to the pilot as some of the difference in knowledge between the two subgroups predated the pilot

• Comments from respondent employees revealed that often participation in the pilot had helped to fill quite fundamental gaps in their knowledge and, in a number of cases, had really pushed home the key message of the need to act; in only a few instances did PIP readers or presentation attendees feel they were simply being told what they already knew
6 Impact of the pilot on employees’ attitudes to pensions and income in retirement

The final measurement of impact by the pilot covered changes in attitudes. This chapter firstly explores any changes which occurred in:

- The amount of thought employees were giving to making arrangements for income in retirement
- The level of confidence they had in their ability to take decisions about pensions
- Whether they felt they knew what their own State Pension was likely to be in retirement; this was viewed in the evaluation as more of a measure of surveyed employees’ confidence regarding pensions issues than an assessment of their actual knowledge
- Their perceived need for further information and advice regarding pensions.

The chapter then moves on to review whether or not change had occurred in attitudes to:

- How secure pensions were considered
- Whether surveyed employees felt they had the power to improve their prospects for retirement
- The balance to strike between saving for retirement and ‘living for today’

The final topic is an evaluation of the contribution of the different pilot interventions to any changes in attitudes to pensions.
6.1 Amount of thought being given to preparing for income in retirement

Overall, surveyed employees showed statistically significant increases between the ‘before’ and ‘after’ surveys in the amount of thought they said they were giving to making arrangements for retirement.

Before the pilot began, around a quarter of surveyed employees (26 per cent) said that they had given ‘a lot of thought’ to making arrangements for income in retirement and a further half (48 per cent) said they had given it ‘some thought’. Interestingly, when the results were analysed to compare the ‘starting points’ of those who went on to experience the pilot, and those who did not, it emerged that the former had already paid an above average amount of attention to making arrangements for income in retirement. Details are given in Table 6.1 which shows the responses from the ‘before’ survey for all surveyed employees and separately for those who did, and did not, subsequently experience one or more of the pilot interventions.

Table 6.1 Amount of thought given to making arrangements for income in retirement (‘before’ survey)

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>A lot of thought</td>
<td>26</td>
</tr>
<tr>
<td>Some thought</td>
<td>48</td>
</tr>
<tr>
<td>Very little thought</td>
<td>22</td>
</tr>
<tr>
<td>Not thought about it at all</td>
<td>5</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146. See Appendix A (web-based) for further details.

The increase in the amount of thought being given to preparing for retirement recorded in the ‘after’ survey was significant. It was not concentrated on the proportion of surveyed employees who said they were giving the subject ‘a lot of thought’, which in fact remained the same at around a quarter (26 per cent). Rather, the increase was amongst those who said they were giving income in retirement ‘some thought’: this measure increased from 48 per cent to 55 per cent. The overall pattern of results also continued to show the same significant variations as recorded in the ‘before’ survey in so far as differences remained between those who had experienced the pilot and those who had not. The detailed results from the ‘after’ survey are given in Table 6.2.
Table 6.2  Amount of thought given to making arrangements for income in retirement (‘after’ survey)

<table>
<thead>
<tr>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>A lot of thought</td>
<td>26</td>
</tr>
<tr>
<td>Some thought</td>
<td>55</td>
</tr>
<tr>
<td>Very little thought</td>
<td>18</td>
</tr>
<tr>
<td>Not thought about it at all</td>
<td>2</td>
</tr>
</tbody>
</table>

The pattern of results as to whether or not the degree of change between the ‘before’ and ‘after’ surveys for different subgroups was statistically significant was somewhat complex. Although there was not a significant change at the level of all those having experienced the pilot there was for those who had been exposed to it more fully, either by more than skim reading the pilot Employee Pensions Information Pack (PIP) and/or attending a presentation. The change in the proportion of surveyed employees stating that they had given ‘a lot’ or ‘some’ thought to making arrangements for income in retirement during the period of the pilot for these groups is summarised in Table 6.3.

Table 6.3  Change in amount of thought given to making arrangements for income in retirement (‘after’ survey)

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: column percentages</th>
<th>‘Before and after’ survey employees: column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Read all or some of the PIP fully and/or attended a presentation</td>
</tr>
<tr>
<td>‘A lot’ or ‘some’ thought in the ‘before’ survey</td>
<td>74</td>
</tr>
<tr>
<td>‘A lot’ or ‘some’ thought in the ‘after’ survey</td>
<td>81</td>
</tr>
<tr>
<td>Change</td>
<td>+7</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; Read all or part of the PIP fully = 64; Read all or part of the PIP fully and/or attended a presentation = 79. See Appendix A (web-based) for further details.
Among respondent employees, several confirmed that they felt one impact of the pilot had been to make them think more, or even for the first time, about pensions and related issues.

‘I’m just basically aware that I’m an imbecile when it comes to pensions and I’d better try and start to understand it. It’s made me get my finger out and try and sort out where I am. Before that, I was just sallying along and putting my bit in, and not really thinking about it. It’s made me realise I need to look a bit more in depth at it.’

(35-49; male employee; Option 2 employer)

‘Yeah – for starters, it’s made me think about it more. What you can do and how much you can save…It’s worth doing something about it for your retirement…It [the presentation] brought me to think about it even more. When I first got the pack I had a quick look through and I thought I was half interested, half not. And then when I was at the presentation, I got more information about it.’

(Under 25; male employee; Option 2 employer)

6.2 Employees’ level of confidence in their ability to take decisions on pensions

Surveyed employees overall did not show a statistically significant increase in their confidence to make decisions about pensions between the start and conclusion of the pilot; nor, when reviewed as a total group, did the surveyed employees who had experienced the pilot. A significant increase in confidence was found, however, amongst those who had read all or part of the PIP fully.

Before and after results for the total sample of surveyed employees and for the other subgroups mentioned are summarised in Table 6.4.

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41 Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.
Table 6.4 Proportion feeling 'very' or 'fairly' confident in their overall ability to make decisions about pensions

<table>
<thead>
<tr>
<th></th>
<th>'Before and after' survey employees:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Experience of the pilot: any</td>
</tr>
<tr>
<td>Very or fairly confident 'before'</td>
<td>53</td>
<td>59</td>
</tr>
<tr>
<td>Very or fairly confident 'after'</td>
<td>58</td>
<td>63</td>
</tr>
<tr>
<td>'Net' change</td>
<td>+5</td>
<td>+4</td>
</tr>
</tbody>
</table>

Base = 293 ('before and after' survey employees); Experienced the pilot = 147; Read all or part of PIP fully = 64. See Appendix A (web-based) for further details.

As shown (in italics) in Table 6.4, the degree of change recorded by the subgroup comprising all those who experienced the pilot was not statistically significant. However, the level of confidence recorded for this group in the 'before' survey was significantly greater than the average, again as shown in Table 6.4. Consequently, the result of the degree of change which did occur being combined with the above average starting point meant that this group ended up recording a significantly higher level of confidence in the 'after' survey than did those who had not experienced the pilot. This was also true of PIP readers compared with PIP non-readers, as shown in Table 6.5.

Table 6.5 Amount of confidence in overall ability to make decisions about pensions ('after' survey)

<table>
<thead>
<tr>
<th></th>
<th>'Before and after' survey employees:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Experience of the pilot: any</td>
</tr>
<tr>
<td>Very or fairly confident</td>
<td>58</td>
<td>63</td>
</tr>
</tbody>
</table>

Base = 293 ('before and after' survey employees); Any experience of pilot = 147; No experience of pilot = 146; PIP readers = 130; PIP non-readers = 163. See Appendix A (web-based) for further details.

Even after the pilot, respondent employees tended on the whole still to be somewhat lacking in confidence regarding their ability to take decisions on pensions issues, although there was some recognition that they had learnt more and to that extent were better equipped to deal with this topic.

‘Yes, I looked at [the PIP], but I gave it to my husband because he is a bit more clued up; I get confused with all the information.’

(35-49; female employee; Option 2 employer)
‘If I were to sign up…I would need someone to go with me to help me out. I am not confident enough to do it alone.’
(Under 25; female employee; Option 2 employer)

‘Basically all I know is there isn’t going to be enough in the State Pension, and I am going to need to do something myself, but what I don’t know.’
(25-34; female employee; Option 2 employer)

6.3 Perceived requirements for further knowledge and advice

In both the ‘before’ and ‘after’ surveys, a clear majority of surveyed employees felt that they needed further basic knowledge about pensions. There was, however, a significant decline over the pilot period in the proportion who felt this was the case.

A similar pattern of results was also found for the proportion acknowledging a need for more advice regarding their own arrangements.

These results are reviewed in Sections 6.3.1 and 6.3.2.

6.3.1 Perceived need for further knowledge

In the ‘before’ survey, 84 per cent of surveyed employees conceded that they needed further basic knowledge on pension matters. There were no statistically significant variations, however, between those surveyed employees who subsequently experienced the pilot at all and those that did not.

In the ‘after’ survey the proportion acknowledging a continuing need for further basic knowledge about pension issues fell to 74 per cent, a statistically significant decline. Moreover, there was a clear indication that groups that had experienced different elements of the pilot were significantly more likely to show such a decline. Key subgroups where a statistically significant decline was recorded are shown in Table 6.6.
Table 6.6 Proportion with perceived need for more basic knowledge on pensions

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: row percentages</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>‘Before’</td>
<td>‘After’</td>
<td>Change</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>74</td>
<td>-10</td>
</tr>
<tr>
<td>Experience of the pilot: any</td>
<td>80</td>
<td>67</td>
<td>-13</td>
</tr>
<tr>
<td>Experience of the pilot: none</td>
<td>87</td>
<td>80</td>
<td>-7</td>
</tr>
<tr>
<td>Read all or part of the PIP fully and/or attended a presentation</td>
<td>85</td>
<td>65</td>
<td>-20</td>
</tr>
<tr>
<td>Read all or part of the PIP fully</td>
<td>86</td>
<td>63</td>
<td>-23</td>
</tr>
<tr>
<td>All PIP readers</td>
<td>82</td>
<td>65</td>
<td>-17</td>
</tr>
<tr>
<td>PIP non-readers</td>
<td>85</td>
<td>81</td>
<td>-4</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146; Read all or part of PIP fully and/or attended presentation = 79; Read all or part of PIP fully = 64; All PIP readers = 130; PIP non-readers = 163.

The main interest among many respondent employees for additional information was to move them further on the path to taking action.

‘I have got more information than I had [before the presentation], but would like more information about how to set up a pension.’

(Under 25; female employee; Option 2 employer)

‘It gave me a good idea of what could be done, but it didn’t give me an idea of things I would actually like to do. Nothing that is a real option jumped out as a solution – especially since my employer does not contribute...Following the presentation, I only know a scraping of the tip of the iceberg.’

(Under 25; male employee; Option 2 employer)

6.3.2 Perceived need for advice

It was also the case that a high proportion of surveyed employees (86 per cent) agreed before the pilot that they needed advice on their own pension arrangements. Again, there were no statistically significant variations in those perceiving this need between those who subsequently experienced the pilot at all and those who did not.

The proportion still perceiving a need for advice after the pilot was 77 per cent, again a statistically significant decline.

As was the case with the perceived need for knowledge, there was also a clear indication that those who had experienced particular elements of the pilot were significantly more likely to report that they felt they no longer needed advice. Key
subgroups of those experiencing the pilot where a statistically significant decline was recorded are shown in Table 6.7. It shows that different groups amongst those having experienced the pilot interventions recorded significant changes.

**Table 6.7 Proportion with perceived need for more advice on pensions**

<table>
<thead>
<tr>
<th></th>
<th>‘Before’</th>
<th>‘After’</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>86</td>
<td>77</td>
<td>-9</td>
</tr>
<tr>
<td>Experience of the pilot: any</td>
<td>84</td>
<td>72</td>
<td>-12</td>
</tr>
<tr>
<td>Experience of the pilot: none</td>
<td>87</td>
<td>83</td>
<td>-4</td>
</tr>
<tr>
<td>Read all or part of the PIP fully and/or attended a presentation</td>
<td>85</td>
<td>69</td>
<td>-16</td>
</tr>
<tr>
<td>Read all or part of the PIP fully</td>
<td>86</td>
<td>67</td>
<td>-19</td>
</tr>
<tr>
<td>All PIP readers</td>
<td>85</td>
<td>71</td>
<td>-14</td>
</tr>
<tr>
<td>PIP non-readers</td>
<td>86</td>
<td>83</td>
<td>-3</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146; Read fully all or part of PIP and/or attended presentation = 79; Read fully all or part of PIP = 64; All PIP readers = 130; PIP non-readers = 163.

A common attitude among respondent employees, too, was that the pilot had increased their awareness and knowledge, but access to personalised advice was necessary to convert that into action.

‘I’d like to be told, “This is how you need to do it.” I’d welcome further meetings and want to sort out how much I could afford to contribute, and how this would pay out eventually.’

(Under 25; male employee; Option 2 employer)

‘I am still uncertain as to which fund is the right one for my circumstances.’

(25-34; male employee; Option 2 employer)

‘I don’t know how to progress. I am not even sure which company I should take a pension out with. I need personalised advice and I am worried about what level I need to contribute.’

(35-49; female employee; Option 2 employer)

### 6.4 Estimates of likely value of own pension from the state

In the ‘before’ survey only 14 per cent of surveyed employees showed confidence in their knowledge of what their own State Pension was likely to be by ‘disagreeing’ or ‘strongly disagreeing’ with the statement ‘I do not know what my State Pension is
likely to be when I retire’. One group, however, was significantly more confident: amongst surveyed employees who were subsequently to read some or all of the PIP fully and/or attend a presentation, 22 per cent either ‘disagreed’ or ‘strongly disagreed’ in the ‘before’ survey.

The results from the ‘after’ survey did show a real change for the total sample; the proportion who ‘disagreed’ or ‘strongly disagreed’ with the statement ‘I do not know what my State Pension is likely to be when I retire’ increased to 22 per cent. There was also a significant difference in the responses given by those who had experienced the pilot at all, and those who had not. The former group recorded a statistically significant increase in their perceived knowledge, while the latter did not.

Table 6.8 shows for each response the amount of change which had occurred between the ‘before’ and ‘after’ surveys. A positive figure denotes an increase between the ‘before’ and ‘after’ surveys; a negative figure denotes a decrease.

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: percentage change between ‘before’ and ‘after’ survey</th>
<th>Total</th>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree strongly</td>
<td>+4</td>
<td>+6</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>+4</td>
<td>+5</td>
<td>+3</td>
</tr>
<tr>
<td>Agree</td>
<td>+6</td>
<td>+3</td>
<td>+9</td>
</tr>
<tr>
<td>Agree strongly</td>
<td>-13</td>
<td>-14</td>
<td>-13</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146. See Appendix A (web-based) for further details.

6.5 Attitudes towards the security of pensions as a means of saving for retirement

Surveyed employees were asked whether they felt pensions were ‘the most secure way to save for retirement’. There were no statistically significant differences between groups of surveyed employees based on their subsequent level of experience of pilot interventions. No significant change occurred during the period of the pilot.

This lack of impact may not be surprising, however, as the topic of pension security was not covered in the PIP which was the only intervention most surveyed employees experienced.
Comments from respondent employees also demonstrated that exposure to presentations did not always improve perceptions of the security of pensions.

‘I felt a lot more negative, but I also thought that [the presentation] was a lot more truthful than I’ve ever been told before…Although it’s unlikely, but it is possible that we could end up with nothing even though we are paying into it, even if it’s a stakeholder that’s been sorted out by the government, if the stocks and shares go down, because we are gambling on the stock market. To me it makes more sense to put your money in the building society.’

(35-49; male employee; Option 3 employer)

‘I know a bit more now but what I found out at the session and didn’t know before was all negative.’

(50 and over; male employee; Option 2 employer)

There was another side to the coin, and providing information also increased interest in taking up a pension for some respondent employees.

‘I feel more positive as now I know I can leave my money to my family. It doesn’t get put into someone else’s pocket but gets put into my family’s pocket.’

(25-34; female employee; Option 2 employer)

6.6 Power to improve prospects of having adequate income in retirement

Surveyed employees were evenly divided before the pilot on whether or not they agreed they had ‘little power to improve my prospects of having adequate income in retirement’; 53 per cent ‘agreed’ or ‘agreed strongly’ with this negative statement, whilst 47 per cent either ‘disagreed’ or ‘disagreed strongly’. There was no significant variation in views before the pilot between those who were to experience it and those who did not.

The ‘after’ survey revealed a significant change but only amongst those having read all or part of the PIP fully and not amongst the wider group of all those who had experienced the pilot, or amongst those who had not experienced it.

In the case of these readers of the PIP a significant change was identified both amongst those who had only read all or part of the PIP fully and all those who had read all or part of the PIP fully. The changes in these specific groups are shown in Table 6.9.

43 This quotation gives the opinion or belief of the respondent. It is not always the case that an SHP fund or annuity can be passed to other family members.

44 The group ‘Read all or part of the PIP fully’ includes everyone who had read the PIP to that extent, regardless of whether or not they had also attended a presentation or one-to-one meeting. The group ‘Only read all or part of the PIP fully’ excludes employees who had also attended a presentation or one-to-one meeting.
Table 6.9 Proportion ‘disagreeing strongly’ or ‘disagreeing’ with the statement ‘I feel I have little power to improve my prospects of having adequate income in retirement’

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Only read all or part of the PIP fully</td>
<td>Read all or part of the PIP fully</td>
</tr>
<tr>
<td>Disagree strongly or disagree ‘before’</td>
<td>47</td>
<td>44</td>
<td>47</td>
</tr>
<tr>
<td>Disagree strongly or disagree ‘after’</td>
<td>52</td>
<td>64</td>
<td>61</td>
</tr>
<tr>
<td>‘Net’ change</td>
<td>5</td>
<td>20</td>
<td>14</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Only read all or part of PIP fully = 50; Read all or part of PIP fully = 64. See Appendix A (web-based) for further details.

6.7 Preference between good standard of living today and putting money aside for retirement

Before the pilot, surveyed employees were almost evenly divided between those who might be designated ‘spenders’ (those who ‘strongly agreed’ or ‘agreed’ with the statement ‘I would rather have a good standard of living today than put money aside for retirement’) and ‘savers’ (those who ‘disagreed’ or ‘disagreed strongly’ with the statement).

A statistically significant shift did occur, however, during the period of the pilot in the direction of the ‘spenders’, as detailed in Table 6.10.

Table 6.10 Agreement with the statement ‘I would rather make sure I have a good standard of living today than put money aside for retirement’

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>‘Before’</td>
</tr>
<tr>
<td>Disagree strongly</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Disagree</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>Agree</td>
<td>33</td>
<td>37</td>
</tr>
<tr>
<td>Agree strongly</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees). See Appendix A (web-based) for further details.

This shift towards ‘spending’ was statistically significant amongst those who had experienced one or more of the pilot interventions, whereas it was not amongst those who had not experienced any of the pilot interventions, as shown in Table 6.11.
Table 6.11 Proportion ‘strongly agreeing’ or ‘agreeing’ with the statement ‘I would rather have a good standard of living today than save for retirement’

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: column percentages</th>
<th>'Before and after' survey employees: column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Experience of pilot: any</td>
</tr>
<tr>
<td>Strongly agree or agree ‘before’</td>
<td>50</td>
</tr>
<tr>
<td>Strongly agree ‘after’</td>
<td>55</td>
</tr>
<tr>
<td>‘Net’ change</td>
<td>5</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Any experience of pilot = 147; No experience of pilot = 146. See Appendix A (web-based) for further details.

Comments from respondent employees did not confirm any direct impact by the pilot which would have steered participants in the direction of spending rather than saving. However, some of their comments did draw attention to examples of the reasoning and motivations of those who chose to ‘live for today’.

‘It’s just finding the extra money. I do want a pension but I want to spend it now too. I’d rather spend it whilst I’m young than when I’m being wheeled around at 70.’

(25-34; male employee; Option 2 employer)

‘I would wait until I’m at least 28 [before seriously thinking about getting a pension]…I have a house to pay for at the moment!…Some of my friends first organised pensions in their early twenties, which was weird….Pensions are not the sort of thing you think about at my age, are they? There’s plenty of beer to spend your money on. And I need some new guitar strings!’

(Employee interviewed during an opt-in visit)

6.8 Assessment of the impact of the pilot interventions on employees’ attitudes

6.8.1 Impact of the Employee PIP

It is one of the more striking findings of the evaluation that although the balance of comments and assessments about the PIP was somewhat negative,45 nevertheless considerable evidence has emerged, and been reported in this chapter, to suggest that it may have had an effect on some attitudes among those who read it and especially on those who read all or part of it fully.

45 See Chapter 7 for a detailed evaluation of the PIP.
Thus, although the PIP has been shown to be insufficient, of itself, to stimulate action, it seems to have started the process of making some surveyed and respondent employees realise that pensions and income in retirement are a topic to which they need to pay more attention.

6.8.2 Impact of presentations

The impact on attitudes to pensions reported by presentation attendees was more mixed, however, ranging from a much more receptive and positive view of pensions to a sharpened view that pensions are a poor and unstable way to save. On balance, the effect on attitudes seems to have been more positive than negative, and employers also confirmed that, although the feedback they had received was limited, it typically showed that the presentation had ‘opened their eyes’ and ‘sown seeds’. It had, they said, made some employees feel that state provision alone would be inadequate for their needs in retirement and that consequently they would need to think more about providing for their own retirement by way of a private pension or other means.

Some respondent employees indicated that the presentation had made them more positive about pensions and/or had heightened their awareness of the need to make provision for retirement. These respondents described the presentation as ‘thought-provoking’; said that it had made them feel ‘less negative’ or ‘more at ease’, and that they now realised that ‘saving is imperative’.

Other respondent employees reacted differently. Some were not swayed at all from pre-existing negative attitudes; they remained disillusioned about pensions, still thinking them to be ‘a gamble’ or simply ‘unsafe’. Some who remained unconvinced would, however, think about other savings vehicles such as Individual Savings Accounts (ISAs), they said. More worryingly, the presentation made some, if few, respondent employees more worried about the courses of action open to them, especially if they were older, or less confident and unsure of what they should or could ‘do next’ after a presentation they described as ‘complicated’.

6.8.3 Impact of one-to-one meetings

From the few observations from respondent employees it appears that generally one-to-one sessions have served to reassure and to help employees by addressing issues from the perspective of their own personal situation.

‘I think I do, yes [have enough information to be able to decide what to do regarding pensions, having attended the one-to-one meeting]. The information he [stakeholder pension (SHP) provider presenter] gave me has swayed me into setting one up, instead of hanging back.’

(35-49; female employee; Option 3 employer)

However, the meetings were not universally effective, and in a very few cases a one-to-one meeting has been insufficient to break down either lack of confidence about taking decisions on pensions or negativity towards them. Thus one respondent
employee felt more insecure about his financial future after attending a presentation and one-to-one meeting, and was left with unanswered questions. He felt uneasy about the lack of certainty associated with pensions and would prefer it, if the government guaranteed the amount individuals will receive upon retirement.

‘I wanted some information that he [SHP provider presenter] couldn’t give. I wanted to know how much I would have to put in now to get roughly half of what I’m earning now when I’m 60 or 65. One of my work pensions gave me a guarantee of 3.5 per cent, so it gave me the minimum I was going to get, but he couldn’t even do that because of the way that pensions are now. I’d like it if the government said, “As long as you put so much in, you will be guaranteed a certain amount of your wage”.

(35-49; male employee; Option 3 employer)

6.9 Summary of the impact of the pilot on employees’ attitudes to pensions and income in retirement

While little or no apparent impact has been recorded at the levels of action, planned action and knowledge, it appears that the pilot has had more effect on surveyed employees in the broad area of attitudes to pensions:

- Surveyed employees recorded giving more thought to retirement and pension issues in the ‘after’ survey and this increase was particularly marked amongst those who had experienced the pilot

- Although there was not a general increase in employees’ confidence in their ability to take decisions on pensions, there was for one subgroup of those having experienced the pilot, namely those having read all or part of the PIP fully

- Although a clear majority still feel the need for further information, and advice, there has been a significant decline in the proportions requiring each of these and, further, it emerged that the changes were significantly greater amongst those who had experienced the pilot

- Nevertheless, both quantitative and qualitative information point to a scenario where for many the pilot may have moved them along the path towards action, but they still require more information and/or advice before being able to take real decisions

- A minority of surveyed employees were also somewhat more willing to suggest that they had a good idea as to the likely value of their own State Pension entitlement when they reach retirement; and, again, the change was significantly greater for those who had experienced the pilot in any way

- On the other hand, attitudes to the perceived security of pensions did not change, possibly reflecting the fact that this topic was not covered in the PIP, although it was covered in some presentations
Surveyed employees generally did not emerge from the pilot with a heightened sense of their power to improve prospects of having adequate income in retirement; one particular group did, however, and it was again those who had read all or part of the PIP fully.

Interestingly, there was also a significant movement among those who had experienced the pilot, but not amongst those who had not, on the issue of whether surveyed employees had a preference between ‘saving for retirement’ and ‘having a good standard of living today’; perhaps unexpectedly, the movement was actually in the direction of spending more now and by implication saving less.

Overall, these results suggest that there has been some real impact by the pilot on attitudes, particularly amongst those surveyed employees who experienced it more fully. However, it must be remembered that the surveyed sample is only a small proportion of all pilot employees, and then that only a minority of this sample had experienced the pilot beyond skim reading the PIP.
7 Employee Pensions Information Pack

Distribution of the pilot Employee Pensions Information Pack (PIP), ‘Saving for retirement: helping you through the pensions maze’, was common to all pilot Options. The PIP contains an 11-page colour brochure divided into the following sections:\(^\text{46}\)

- **Pensions you can get from the state**: this section covers the basic State Pension, the additional State Pension and Pension Credit and other benefits
- **Pensions that come with your job**: occupational pensions, stakeholder pensions (SHPs) and group personal pensions (GPPs) are covered
- **Your questions answered**
- **Want to know more**: contact details for several government sources for further information are provided

Spread across the PIP are five case studies of named individuals that describe the retirement planning of five employees, aged from 25 to 63 with salaries from £6,500 part-time to £31,000 full-time, and their expectations for income in retirement. The PIP also contains an application form to request a State Pension forecast.

This chapter covers two main topics:

- The distribution of the PIP, including the methods used and logistical issues
- Reactions, in particular those of employees’, to the design and content of the PIP, including the reasons employees gave for not reading it

\(^\text{46}\) A copy of the Employee PIP is available as Appendix M (web-based).
Chapter 3 provides data on the proportions of surveyed employees that recalled the availability of the PIP, received and read a copy and whether they had kept it or shared it with others. Chapters 4 to 6 include summaries of the impact of the PIP on employees’ behaviour, knowledge and attitudes. Findings relating to the pilot Employer PIP can be found in Sections 10.4 and 11.5.

7.1 Distribution of the Employee PIP

7.1.1 Methods of distribution of the Employee PIP

The most commonly used approach to distribution was by hand. Sixty-seven per cent of surveyed employees who recalled that the PIP had been available at their place of work said it had been distributed in this way; significantly higher and lower proportions of employees from small firms on the one hand, and from medium and large firms on the other, said that the PIP had been distributed by hand at their workplace. Where the PIP was distributed by hand it was done by the employer/owner in some cases, while in others supervisors, foremen or administrators were given the task.

Table 7.1 provides details on the methods of distribution cited by surveyed employees who recalled the availability of the PIP. Other approaches included leaving the PIP at a central location such as a staff room or in pigeonholes, distribution with pay-slips and posting to home addresses.

Table 7.1 Methods of distribution of the Employee PIP

<table>
<thead>
<tr>
<th>Surveyed employees who recalled the availability of the PIP: column percentages¹</th>
<th>Total</th>
<th>Employees at small companies</th>
<th>Employees at medium and large companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>In person</td>
<td>67</td>
<td>76</td>
<td>52</td>
</tr>
<tr>
<td>At a central location</td>
<td>24</td>
<td>18</td>
<td>33</td>
</tr>
<tr>
<td>With pay-slips</td>
<td>7</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>In in-trays or pigeonholes</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>By post</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Base = 155 (‘before and after’ survey employees aware that PIP was distributed at their company); Small companies = 94; Medium and Large companies = 61.

¹ Surveyed employees could select more than one option.
7.1.2 Logistical issues and employer effort in distribution of the Employee PIP

The great majority of pilot employers reported that distributing the PIP was not a particularly onerous task. However, it should be recalled that as part of the preparation for the evaluation all pilot employers were contacted by telephone specifically either to confirm that distribution had occurred or to remind and ask them to do so. Even with this encouragement, the quantitative survey revealed that only 53 per cent of surveyed employees were aware of the availability of the PIP. The qualitative research showed that at a number of firms the PIP was only distributed either on the day of a presentation or even after that, despite the fact that it had been agreed distribution should occur in advance.\(^47\)

It is essential to emphasise that this was the picture amongst the 100 employers who completed the pilot who might well be expected to be more committed than most employers in this target group.

Turning to the individual distribution methods used: distribution by hand was most effective in small firms, in particular those with fewer than around 20 employees, when the owner or Managing Director distributed the PIP with an explanation of its purpose or when an administrator kept a record of staff given a copy and ensured that all employees did receive one. The Managing Director of a small day nursery, for example, distributed the PIP during a staff meeting; she said that the information it contained was important, and she recommended that everyone seek a State Pension forecast.

Pilot employers included four large firms. Employers at three of these – two manufacturers and one meat-packing plant – where the PIP was circulated with pay-slips commented that distribution in this way had been ‘convenient’ or ‘easy’. It appears, however, that at least some shift workers and other employees not on site during the distribution either had access to the PIP only from a central location or did not know that it was available.

‘I work by myself at night and I don’t belong to one of the teams who all sit together and chat.’

(35-49; male employee; Option 1 employer [employee of a large firm where the employer had reported that distribution of the PIP was comprehensive])

\(^{47}\) In a few cases this was due to the late arrival of the batch of copies of the PIP at the workplace.
At the remaining large employer, logistical difficulties meant that the PIP was distributed only at one of its three sites and not to all employees at this site; it was distributed only at pilot presentations and to staff attending training sessions in the week after the presentations.48

Qualitative data also revealed that the task of distribution was demanding on some smaller employers, for instance those with multiple sites or those with a high proportion of staff who were rarely or never on site. In some cases this required the PIP either to be mailed out to them or to be left for collection when they did come in, for example for a monthly staff meeting.

‘The employees are not based on site, and hence only come in once a fortnight. I put the PIPs in each member of staff’s tray. Each employee would take all the documents from the tray and look through them at a later date.’

(General Manager; small Option 1 employer)

Although some of the instances of the PIP’s being left for collection at a central location can be explained by scenarios such as most staff working off site, not all the examples fell into this category. In other cases, therefore, the decision to opt for leaving the PIP to be collected, rather than handing out copies, appears to stem from a lower level of interest or commitment on the part of the employer rather than a bona fide logistical issue or problem.

There were also differences in the amount of trouble to which employers went if they did opt to leave the PIP to be collected. In some instances, copies were simply left to be found, while in others care was taken to pre-advise employees by email or memo or via a notice on a central notice-board (e.g. one employer reported that ‘a notice was put on the staff board and the packs were left in the staff room for employees to pick up’); again, this tends to reflect different levels of employer commitment to the pilot.

7.2 Usefulness of the Employee PIP

7.2.1 Overall rating of the Employee PIP

Both readers and non-readers of the PIP among the surveyed employees were asked to give a rating either of the usefulness of the PIP (readers) or of the concept of a government-produced information brochure on pensions (non-readers).

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48 The organisation has approximately 600 employees, but the employer only agreed to receive 180 copies of the PIP for distribution at the company’s main site. He considered this an ample quantity, since, as he explained, of the 250 employees at this site a high proportion are foreign nationals, many of whom ‘have poor English’.
Table 7.2 shows that readers gave a favourable endorsement, as around two-thirds (67 per cent) described the PIP as ‘quite useful’; a further 13 per cent were more enthusiastic and said it was ‘very useful’. Significantly higher than average proportions described the PIP as ‘very useful’ amongst those readers who had indicated in the ‘before’ survey that they were planning to take action in the next six to nine months to help increase income in retirement and amongst those who had read all or part of the PIP fully.

Table 7.2 Usefulness of the Employee PIP

<table>
<thead>
<tr>
<th></th>
<th>‘After’ survey employees who at least skim read the PIP (PIP readers): column percentages</th>
<th>PIP readers planning action in the next 6 to 9 months in the ‘before’ survey</th>
<th>Read all or part of the PIP fully</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>Very useful</td>
<td>13</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>Quite useful</td>
<td>67</td>
<td>57</td>
<td>68</td>
</tr>
<tr>
<td>Not very useful</td>
<td>19</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>Not at all useful</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Base = 181 (PIP readers); PIP readers planning action in next six to nine months in ‘before’ survey = 59; Read all or part of PIP fully = 91. See Appendix A (web-based) for further details.

Non-readers, those who had not had a copy or had not read it, were very enthusiastic about the idea of the PIP, with 92 per cent of these non-readers giving ratings almost equally divided between ‘very useful’ and ‘quite useful’. Again, those who had indicated in the ‘before’ survey that they were planning to take action in the next six to nine months to help increase income in retirement were significantly more likely to describe the concept as ‘very useful’. Details are given in Table 7.3.

Table 7.3 Usefulness of the Employee PIP as a concept

<table>
<thead>
<tr>
<th></th>
<th>‘After’ survey employees who did not read the PIP (PIP non-readers): column percentages</th>
<th>PIP non-readers planning action in the next 6 to 9 months in the ‘before’ survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>59</td>
</tr>
<tr>
<td>Very useful</td>
<td>48</td>
<td>59</td>
</tr>
<tr>
<td>Quite useful</td>
<td>44</td>
<td>33</td>
</tr>
<tr>
<td>Not very useful</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Not at all useful</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Base = 181 (PIP non-readers); PIP non-readers planning action in next six to nine months = 66. See Appendix A (web-based) for further details.
7.2.2 Readers’ recall of the content of the Employee PIP

Table 7.4 summarises readers’ unprompted and prompted levels of recall of topics in the PIP.

Table 7.4 Readers’ recall of topics in the Employee PIP

<table>
<thead>
<tr>
<th>Surveyed employees who read the PIP: row percentages¹</th>
<th>Unprompted recall of topic</th>
<th>Unprompted and prompted recall of topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Pensions</td>
<td>29</td>
<td>82</td>
</tr>
<tr>
<td>Government sources of information</td>
<td>2</td>
<td>61</td>
</tr>
<tr>
<td>Occupational/private pension schemes</td>
<td>24</td>
<td>59</td>
</tr>
<tr>
<td>FAQs²</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td>State Pension forecasts</td>
<td>8</td>
<td>48</td>
</tr>
<tr>
<td>Case studies</td>
<td>8</td>
<td>43</td>
</tr>
<tr>
<td>Nothing</td>
<td>56</td>
<td>6</td>
</tr>
</tbody>
</table>

Base = 181 (PIP readers).

¹ Surveyed employees could select more than one option.

² Frequently asked questions.

In spite of surveyed readers’ typical comment that the PIP was ‘quite useful’, their spontaneous recall of the topics covered in the PIP was generally low, and over half (56 per cent) were unable to remember any of the content without prompting. Spontaneous recall was highest for the topics ‘State Pensions’ (29 per cent recalled this) and ‘occupational/private pension schemes’ (24 per cent). No other topic amongst ‘government sources of information’, ‘State Pension forecasts’, ‘case studies’ and ‘FAQs’ was recalled spontaneously by more than eight per cent of readers.

Low unprompted recall may not be surprising, however, given that half of the readers had only claimed to have skim read the PIP and also given that there was, in many cases, a gap of several weeks between the distribution of the PIP and the ‘after’ survey interview.

When individual topics had been prompted, those recalled most frequently by surveyed readers related more to the state pension system: 82 per cent recalled ‘State Pensions’ and 61 per cent ‘government sources of information’, with ‘occupational/private pension schemes’ (59 per cent) and ‘FAQs’ (57 per cent) not far behind. ‘State Pension forecasts’ and ‘case studies’ were recalled by 48 per cent and 43 per cent of PIP readers respectively.
Six per cent of readers even after prompting claimed to recall no single topic in the PIP.  

7.2.3 Readers’ views on the overall level of detail in the Employee PIP and the usefulness of individual topics covered

Surveyed employees who had at least skim read the PIP generally endorsed the overall level of detail provided. Around two-thirds (63 per cent) described this as ‘right’ as opposed to ‘too detailed’ (20 per cent) or ‘not detailed enough’ (15 per cent).

Only those readers who had recalled an individual topic were asked to rate its usefulness. No topic was considered ‘very useful’ or ‘quite useful’ by less than two-thirds (69 per cent) of those readers recalling it. Details are given in Table 7.5.

Table 7.5 Usefulness of individual topics in the Employee PIP

<table>
<thead>
<tr>
<th>‘After’ survey employees who at least skim read the PIP (PIP readers): column percentages</th>
<th>State Pensions</th>
<th>Private pensions</th>
<th>FAQs¹</th>
<th>Case studies</th>
<th>List of government sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very useful</td>
<td>14</td>
<td>8</td>
<td>15</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Quite useful</td>
<td>67</td>
<td>62</td>
<td>63</td>
<td>43</td>
<td>58</td>
</tr>
<tr>
<td>Not very useful</td>
<td>16</td>
<td>24</td>
<td>17</td>
<td>23</td>
<td>12</td>
</tr>
<tr>
<td>Not useful at all</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Recalled but did not read</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Base = 181 (PIP readers); Read PIP and recalled State Pension topic = 149; Read PIP and recalled private pension topic = 106; Read PIP and recalled FAQs = 104; Read PIP and recalled case studies = 78; Read PIP and recalled list of government sources = 110.

¹ Frequently asked questions.

Table 7.5 shows that the list of government sources and information on State Pensions emerge as the top two topics in terms of the proportion of readers describing them as ‘very’ or ‘quite’ useful.

One interesting result is that for the case studies which appear to have divided readers: a relatively high proportion described them as ‘very useful’, but at the same time a high proportion described them as ‘not very useful’.

⁴⁹ As a control on the accuracy of responses in the ‘after’ survey, the prompted list of topics in the PIP included a spurious topic, ‘buy-to-let’. Only 14 per cent of PIP readers claimed to recall this topic when prompted with it. This suggests that levels of prompted recall were probably not much of an overstatement.

⁵⁰ Those topics listed in Table 7.4.
7.2.4 Non-readers’ assessment of different topics to include

Those surveyed employees who had not read the PIP were also asked to indicate how useful they thought coverage of the different topics that were included in the PIP would be.

The non-readers’ assessments of what they expected would be useful matched very closely with the ratings of the content provided by readers in that their top two topics, based on the proportion describing them as potentially ‘very’ or ‘quite’ useful, were the same, namely information on State Pensions and government sources of information. Details are provided in Table 7.6.

Table 7.6 Anticipated usefulness of including individual topics in the Employee PIP

<table>
<thead>
<tr>
<th>‘After’ survey employees who did not read the PIP (PIP non-readers): column percentages</th>
<th>State Pensions</th>
<th>Private pensions</th>
<th>FAQs</th>
<th>Case studies</th>
<th>List of government sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very useful</td>
<td>67</td>
<td>55</td>
<td>46</td>
<td>45</td>
<td>54</td>
</tr>
<tr>
<td>Quite useful</td>
<td>29</td>
<td>38</td>
<td>44</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td>Not very useful</td>
<td>3</td>
<td>6</td>
<td>10</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Not useful at all</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Base = 181 (PIP non-readers).

7.2.5 Potential inclusion of more ‘commercial’ information

Readers and non-readers alike were asked how useful they thought it would be for each of three more ‘commercial’ topics to be covered in something like the PIP. These topics were:

- Other savings and investments
- Non-government sources of information
- Contact details for SHP providers and Independent Financial Advisers (IFAs)

Full results are shown for PIP readers in Table 7.7 and for PIP non-readers in Table 7.8. Both groups showed broad interest in all three topics.
### Table 7.7  Anticipated usefulness of including selected ‘commercial’ topics in the Employee PIP (PIP readers)

<table>
<thead>
<tr>
<th></th>
<th>‘After’ survey employees who at least skim read the PIP (PIP readers): column percentages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other savings and investments</td>
<td>Non-government sources of information</td>
</tr>
<tr>
<td>Very useful</td>
<td>42</td>
<td>34</td>
</tr>
<tr>
<td>Quite useful</td>
<td>41</td>
<td>51</td>
</tr>
<tr>
<td>Not very useful</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Not useful at all</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Base = 181 (PIP readers).

### Table 7.8  Anticipated usefulness of including selected ‘commercial’ topics in the Employee PIP (PIP non-readers)

<table>
<thead>
<tr>
<th></th>
<th>‘After’ survey employees who did not read the PIP (PIP non-readers): column percentages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other savings and investments</td>
<td>Non-government sources of information</td>
</tr>
<tr>
<td>Very useful</td>
<td>51</td>
<td>39</td>
</tr>
<tr>
<td>Quite useful</td>
<td>34</td>
<td>50</td>
</tr>
<tr>
<td>Not very useful</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Not useful at all</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Base = 181 (PIP non-readers).

### 7.3 Summary of qualitative findings on the content of the Employee PIP

Survey research amongst employees indicates that the PIP covers the ‘right’ topics with roughly the ‘right’ level of detail, yet low levels of readership and recall of the content of the PIP caution against taking these results at face value. Qualitative research amongst employers and providers/IFAs as well as employees supplies more detailed feedback – more negative than positive – on the design, content and style of the PIP.
7.3.1 Positive feedback on the Employee PIP

Most of the respondent employees\(^{51}\) who had read the PIP said they had ‘learned something new’. Most of these commented on the usefulness of the information on State Pensions, although a few would have liked information on whether to contract out of or back in to the additional State Pension,\(^{52}\) and they appreciated the inclusion of the State Pension forecast application form. Some said the telephone contacts for further information were useful.

The case studies, respondent employers and providers/IFAs also agreed, provided a human touch to the PIP and made it more interesting to read, although all had criticisms to make of the particular case studies used.

From the perspective of the providers and IFAs, the availability of standardised government information is useful, although they had much to suggest by way of redesign to the content and style of the Employee PIP.

‘I think it is key. I think that when we have spoken to employers and employees alike, they actually say, “We don’t hear anything from local government or anyone in authority – all we hear is blurb from you guys, and it’s just a sales pitch.” So the impartiality was coming up a little more, so I thought it would be good for the industry to standardise something for once, so that everybody uses the same pack, so all employees get the same message [whichever provider they are dealing with]. ...That was a real step forward for continuity.’

(Provider main contact)

7.3.2 Negative feedback on the Employee PIP

Respondent employees expressed negative views strongly, even if they had not read the PIP or if their recall of specifics was low. Those who had not read the PIP or had barely skim read it complained that it was too long and looked complicated, heavy-going and dull.

Respondent employees who had read the PIP tended to agree with these negative perceptions, even if they identified some merit in the PIP. A less common, but nonetheless important, view amongst respondent employees was that their own lack of basic knowledge on pensions was such that they could not assess the content of the PIP at all; it ‘said nothing’ to them.

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\(^{51}\) Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.

\(^{52}\) All of the few respondent employees who talked about the additional State Pension referred to it as SERPS (State Earnings-Related Pension Scheme).
Overall, the opinion of respondent readers was that:

- The PIP was overlong and its style was wordy, preachy and complicated
- Topic coverage was disappointing, since there was no mention of other ways to save, such as Individual Savings Accounts (ISAs) or buy-to-let
- Other commercial information that government cannot provide would also be very useful, including pension provider league tables, and charts indicating pension values on retirement ‘at age X if £Y per month had been paid in for £Z years’
- The case studies were ‘cheesy’ and generally unrealistic; in particular the income levels used were too high

‘It was quite useful…I couldn’t really understand it, so I had to get someone to explain it to me.’
(Under 25; female employee; Option 2 employer)

‘I think it should be more in layman’s language, because some of the stuff in there could confuse some people unless they have basic information in the first place.’
(35-49; male employee; Option 2 employer)

‘I think a better source of information would be how the market’s performing and what can be done when things go wrong.’
(35-49; male employee; Option 2 employer)

‘It was good. The only thing was, there seemed to be a lot of these cheesy little photos of Sarah, who’s an office worker and she couldn’t afford to put much away, but now she can, and things are all rosy. It was all those sort of things, and that’s fine, but at the end of the day it doesn’t matter how much you know you should be able to put away: you can’t always do it. So things aren’t always rosy. It seemed to be one of these little things where they’ve been told about their pension, they’ve read the book and now everything’s A-OK, and it isn’t. It clarifies a few things, and makes it known to you that you definitely need one, but it doesn’t help with the financial state of actually being able to put something away for it.’
(35-49; male employee; Option 2 employer)

These more negative opinions also received strong endorsement from respondent employers, several of whom agreed that the PIP was too long and felt it would be better to produce a much shorter document that could grab attention and, if possible, have real ‘shock’ value.
'It’s far too complicated – they won’t read that. Give them a simple one-pager with a pertinent summary…It needs to be in shock headlines…and it needs to be aimed at the lowest common denominator.’

(Financial Director; large Option 1 employer)

‘Maybe a relatively smaller amount of important information would be useful. I know it’s difficult to condense such important information, but again the group we are dealing with…Whether you could have something more hard-hitting in a shorter format, I don’t know. There has got to be that motivating factor, and when you are 18, I don’t think there is really.’

(Owner; small Option 1 employer)

‘The problem with it is that it’s long. It’s 11 pages long. People look at it and think, “Oh, my God, I’m not going to read that – it’s too big.” You need perhaps an introductory sheet, on the front which is much more punchy which they might then, having read that, think they ought to read the rest of it. At the moment it’s, “Oh, retirement and pensions”.’

(Accounts Manager; small Option 1 employer)

Many employers highlighted their opinion that no one document could be designed to attract young and older employees and meet the widely different needs of a broad target readership. Some employers focused on the need in particular to attract young readers, for whom the PIP, they felt, was not only too long, but also too formal and outside their sphere of reference: as one employer put it, the PIP does not ‘talk the language’ of young employees much more interested in socialising than retirement planning. These employers also pointed out that the employees case studied in the PIP earned higher salaries than all or most of their own employees, in particular of course the younger of their employees.

‘The way to get these things marketed to the people needs to be looked at; pensions are very stuffy, communications is an issue…The way the employee pack was written was too formal. You are trying to access 18-24 year olds and the language used, the colours used, the way it was structured: it doesn’t talk their language…It was too formal and ‘regulationary’.’

(Managing Director; small Option 4 employer)

‘Quite hard to find something that is actually relevant to them. Although you’ve got a cross-section, everyone in here is on a lot more money than any of mine are and I think that immediately puts them off.’

(Owner; small Option 1 employer)
‘I think there are a lot of people with regards to pensions that they hear the word ‘pension’ and it doesn’t matter what you write but they don’t read it, because they think, “I don’t understand that”, and that is the feedback we really get all the time. And also...I think they feel that they are being ripped off because of the stock market performance and the government are trying to offload their responsibilities. I think that giving all that information is brilliant and people will read it, but the underlying factor is that I think that there’s a level of dissatisfaction in general about pensions.’

(HR Manager; large Option 1 employer)

Respondent providers and IFAs also commented on the Employee PIP and its role. They suggested redesign of content and style, both to increase readership and stimulate action among readers. They, too, endorsed the idea of a document that was less ambitious in coverage, shorter and as jargon-free as possible. They stressed above all that the document should be designed to shock and stimulate action through the key message that state provision is certain to remain low and will never fulfil most people’s aspirations for retirement.

‘The government should concentrate on highlighting how little they will get in retirement. It has to be spelt out to people in quite direct and harsh ways just how little they will get. Those hard facts are what you have to hit home to people…I think it didn’t really say a lot. I remember looking at it with my colleagues and saying it was wishy-washy. My own view was if you hadn’t got a pension today, and you weren’t certain you should get one, or how, and whether you could afford one, it wouldn’t do anything.’

(Provider main contact)

A few provider/IFA respondents claimed that while it was a good idea in theory to include contact details for further information in the PIP, employees would not only have difficulty in contacting the organisations listed, but would also be unlikely to receive the individual advice they would be seeking from these organisations.

Despite the wish expressed by employees for the PIP to include some commercial information, providers and IFAs argued that government should not accede to this. In their opinion there is a danger that government could not include commercial information without also appearing to endorse it. In support of this position, one pilot provider recalled that a few pilot employers had mistakenly thought that via the PIP the government was endorsing that provider’s SHP rather than SHP membership in general.

All providers and IFAs cautioned that government should provide generic information and the advice to make financial arrangements for retirement. Most provider and IFA respondents advised against the use in the PIP of examples of return on investing in a private pension. Such examples, they said, could seem poor to employees, if they were not considering the level of return in the context of the number of years that might be spent in retirement. Some IFAs insisted that the way to sell pensions is not
in the first instance to focus on figures, but to focus on the lifestyle individuals want in retirement. This is how they open one-to-one discussions with prospective clients, and they would use this approach in a PIP case study.

‘They have to be very careful that they are not promoting the provider or the adviser. One risk would be the provider or IFA insinuating that they have government backing. One thing we found in the pilot [was that] the employers thought that we were very close to government in doing this, and it’s almost who they are taking the contract out with – is it us, or the DWP?’

(Provider main contact)

‘The only disadvantage is that what can happen is, I make my decision about saving for retirement looking at your wording… For example, when you reach £100 a month in stakeholder… “That gives me £86 a week [in retirement] – bloody hell, is that all it gives me? I’m not interested.” It goes in the bin. “You’ve turned me off. I’ve made my decision.” You can’t come back to these people, once they bin this.’

(IFAs main contact)

‘Because people don’t buy ‘pensions’, but there’s nothing in here [the PIP] that talks about people’s dreams and aspirations. For example, do a case study. Mr and Mrs Jones are X years old, and they live in Kent. They go away two or three times a year, because they’ve always liked their holidays. Their income is £14,000 per year including State Pensions…The way they have been able to achieve this is this: they both started saving for their pensions, six per cent…and then you cap it off at the end by saying they realised when they were in their early 20s that they had to save for their annual holiday. So they realised that they were going to have the longest holiday of their life, once they retired. So they decided to save for that. And that’s what they were saving for – nothing to do with bloody pensions!’

(IFAs main contact)

Respondent providers and IFAs also felt strongly that the PIP on its own, even in a redesigned format, would not be sufficient to stimulate action. Providers cited their own experience of marketing their SHP to employees through scheme literature only. They quoted take-up levels not exceeding two per cent where the scheme was ‘sold’ only via product literature, even where an employer contribution was offered. Although they were commenting on their client base as a whole, therefore including

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53 This is a reference to an example on page three of the Employee PIP: ‘For example, a woman aged 25 saving £100 a month in a stakeholder pension could expect to receive a pension of £86 a week at age 65 and a tax-free lump sum of £31,000. But if the same woman waited till she was 45 before she started to save the same amount, she could only get a weekly stakeholder pension of £30 and a lump sum of £10,000.’
firms that offered higher average salaries than did pilot employers, the low take-up levels achieved when employees received only product literature were a lesson, they said, that the PIP on its own ‘would not work’.

In view of this they counselled against any idea of an automatic, national roll-out of the PIP or anything similar. Rather, they suggested that distribution, if decided upon, might be co-ordinated, so that it went directly to actively interested employees who requested it following a national television and newspaper campaign. Alternatively, they said, distribution should take place in circumstances where either an employer and/or a provider/IFA was involved and sufficiently committed to provide additional inputs. A couple of the pilot partners also expressed a view that redesigned packs would be most effective, if they were distributed together with personal pensions forecasts. In the opinion of one IFA, an unsupported national roll-out would be a ‘large junk mail exercise’ and he estimated that the response to it would be less than one per cent. Another IFA called the idea of national roll-out a ‘waste of paper and money’.

7.4 Summary of findings of two focus groups

Two focus groups were held with employees who read the PIP immediately before the groups commenced. Although the employees were not drawn from pilot employers, recruitment criteria were set to ensure that they had a similar profile.\(^\text{54}\)

Participants of the younger (20-34) and older (35-50) groups alike said they would have been unlikely to have read the PIP voluntarily; the design and content of the PIP was not attention-grabbing. Most participants, across the two groups, cited lack of discretionary income as a barrier to starting a pension. This was a barrier that the PIP would have done nothing to overcome had they received it in the workplace: few would have even skim read it. Older participants admitted that it was easy to keep putting the issue to one side, never finding the ‘right time’ to deal with it. Several also explained that lack of confidence and financial understanding meant that they did not know where to start.

After they had been required to read the PIP, the focus group participants considered it to be relatively easy to read and understand, and all participants particularly liked the case studies, which went some way to making the subject more relevant to the younger participants. In other words, the groups showed that readers found the content of the PIP more useful when made to read it fully and given the opportunity to discuss it. Nevertheless, they still suggested changes to the design and content of the PIP very much in line with suggestions made by

\(^{54}\) Recruitment criteria stipulated that participants should work at firms with at least five employees that offer access to an SHP but make no employer contribution and that their individual annual income should be in the range £10,000 to £24,999.
respondent employees from the pilot firms. In this way the group discussions yielded more detailed understanding of the effectiveness of specific elements of the PIP. Participants’ reactions to the PIP revealed differences based on age and experience which support the point, most strongly made by pilot employers, that the PIP did not meet the requirements of a broad target readership.

### 7.4.1 Reactions to the Employee PIP by younger participants (20-34 year olds)

The PIP engaged younger participants much less than it did older participants. They understood that the PIP was attempting to get them to start saving early on in life for retirement, yet at the same time felt that it preached at them, was too detailed in parts and, with the exception of the case studies, boring.

The PIP gave these participants information that was new to them on private pensions, and they learned that state pension provision was lower than they would have anticipated. Nonetheless, they had very few, if any, points of reference on which to judge the contents of the PIP. The majority of younger participants had given planning for retirement little or no thought before the focus groups, and therefore found it extremely hard to even talk about the subject of pensions, let alone to react to the issues raised in the PIP.

Although the younger participants reacted positively to the use of case studies in the PIP, they struggled to relate to them and felt that the income levels used as examples in the case studies were too high. They made fun of one of the named case studies (Gurpreet), since he had not contributed four per cent of salary in order to take up an employer contribution of 12 per cent.55

Younger participants also wanted to see more specific information concerning savings and potential return: they wanted to be able to plot how much they would get out of a pension, if they started by saving £5 per month and then increased this over time, for example. Some participants were ready to admit that they did not know whether the potential weekly incomes from a pension indicated in the case studies were large or small, although most also said that they were not impressive. They found it difficult to judge financial requirements for retirement.

> ‘There’s a kid there at 25 giving half his money away to a pension. It wouldn’t inspire me to get a pension.’
> (25-30; male employee; focus group participant [referring to the Tony case study])

> ‘When you’re 65, £165 per week is quite a lot; you don’t care about wearing designer clothes!’
> (25-30; male employee; focus group participant [referring to the Tony case study])

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55 For this case study, please see the Employee PIP which can be found in Appendix M (web-based).
The few more financially interested and aware younger participants also complained that the Employee PIP did not make explicit that pensions are only one way to save for retirement, and they would have liked to see consideration of other options such as ISAs or investment in property. Only one participant picked up on the significance of the tax advantages of paying into a pension.

‘It [the PIP] tells them it’s the only way…I don’t think it should do that; pensions aren’t the only way [to save for retirement].’  
(25-30; male employee; focus group participant)

All participants had noticed the State Pension forecast form at the back of the PIP, and all agreed that it was useful to include it. Some said they would be curious to get a forecast, although they doubted it would change their behaviour.

Overall, younger participants felt that the PIP had had little impact on them, even though they were better informed about pensions after reading it. They certainly did not feel inspired by it to start a pension. More worryingly, the PIP had not changed their attitudes towards saving. They saw no ‘warning’ in being advised of the reality of the level of the State Pension; a couple mentioned that they did not expect it to exist by the time they retired. Most were simply not yet ready to fully think through the implications of their own saving decisions, and few, if any, would go on to find out more information as a result of reading the PIP. At the end of the groups as at the start, they found it hard to understand how much money they would need in retirement, or to begin to think about whether pensions provide a good return on investment. They seemed to be the very audience that pilot IFAs stressed need personalised information and an approach that tackled lifestyle and retirement aspirations first, and pensions second.

‘I've read it and it's had no effect on me. It hasn't convinced me in any way, so I don’t think it’s aimed at people like me.’
(25-30; male employee; focus group participant)

7.4.2 Reactions to the Employee PIP by older participants  
(35-50 year olds)

Older participants had some experience of saving for retirement – some had dormant pension schemes – or were at an age at which retirement was a ‘real’ event for them. This meant that the content of the PIP was more meaningful to them, and some recognised that it deserved a wider audience.

‘Pensions are more important than people care to imagine. They need to read something like this.’
(40-44; female employee; focus group participant)

Participants found the PIP clear, straightforward and informative. They understood the message and on the whole felt it related to them. They had a good understanding of the sums of money being discussed in the PIP, and pointed out that the case
studies were useful for comparing the differences between starting to save at one age compared with another. They thought that these examples represented a reasonably good cross-section of society and focused the attention.

The section which many of the older group felt to be most valuable was the signposting page with details of where to obtain further information. This was described as ‘essential’ and ‘the most important page’ in the booklet by participants. The sources of information which generated most interest were the Department for Work and Pensions’ (DWP) Retirement Pension Forecasting Team, the Pension Schemes Registry and the Financial Services Authority (FSA) consumer helpline.

‘At least you know where to go, if you want to go down that road.’

(45-50; female employee; focus group participant [reacting to the signposting section])

Some claimed that the PIP acted as a push to ‘get your act together’, reminding them of what they already knew but had put off doing. Those who had not made any provision for retirement so far, and did not see how they could now save enough, were depressed on reading the PIP; they questioned whether it was not too late to start a pension. These participants would have liked to be able to refer to a table or chart to see how starting to save at different ages impacted on future income. They felt this should be comprehensive, covering alternative levels of income in retirement based on the number of years of contribution, variable levels of contribution and age of retirement. If the conclusion was that they had left it too late to start a pension, could the PIP point to other ways of saving, they asked.

Most participants said they were likely to act after reading the Employee PIP, most by requesting a State Pension forecast and some by making use of the signposting section. They were ready to re-think their own situations. The impact of the PIP on older respondents was mixed, however, in so far as it increased confidence in knowing where to seek help, while also heightening the feeling of denial and depression for some who wondered whether at their age and in their financial circumstances there was anything at all that they could do.

‘What is the ideal age to start a pension? What benefit will it do me now, at my age?’

(45-50; female employee; focus group participant)

The participants also expressed a preference for personalised mailing of the PIP to their home on the back of a nationwide TV campaign.

7.4.3 Suggested improvements to the Employee PIP were in line with those made by pilot employees

A number of potential improvements to the PIP were mentioned by participants of both focus groups, and these suggestions were similar to those made by those respondent employees from pilot firms who had read the PIP in full:
• Above all, participants wanted clear, transparent figures in the PIP: a table demonstrating the income that would be generated after saving different amounts over different periods of time, and, in the case studies, a standard approach or ‘formula’ that likewise revealed the income in retirement these employees would receive after contribution at a particular level had been made over a particular period of time. These mechanisms would allow readers to plot their own circumstances more accurately and make it easier to relate to particular scenarios, they said. Younger participants in particular wanted to see how saving a small amount in the beginning and increasing this over time would pay out.

• Amongst participants there was some confusion over whether the figures quoted in the case studies would be inflation-linked. Confusion on this point caused more than one participant to believe that the amount due in retirement would be almost worthless.

• Participants made detailed criticism of the five case studies and also suggested that more varied and relevant case study material be included in the PIP. Participants’ main criticism was to do with earning levels cited in the case studies; in particular, the lowest full-time salary in the PIP was, at £19,500 a year, considered to be too high by most participants.

• Participants also wanted to see more detail of the lifestyle sacrifices the case studied employees may have had to make to be able to contribute to a pension:

‘If you can justify that £80 a month, then yeah, start. But on £19,500 he’s going to miss that £80 a month.’

(20-24; male employee; focus group participant [referring to the Tony case study])

• Both case studies and other information in the PIP should be related more closely to retirement expectations, participants said, echoing a point made most strongly by pilot IFAs.

• The youngest participants in their early 20s felt the absence of a case study that was relevant to their age group.

• Some participants pointed out that the whole concept of a pension could be better marketed, by comparing the income a pension provides to an ISA, for example. Like surveyed and respondent employees from pilot firms, the focus group participants expressed a desire for commercial information that government cannot provide.

Participants, in particular younger participants, had not known the level of the basic state pension, and unprompted, few participants had picked up on the tax advantages of paying into a pension, even after close reading of the PIP. The consensus amongst participants was that the PIP needed to spell out both of two things: the inadequacy of state pension provision, and the tax benefits of saving into a private pension.
7.5  Summary of findings on the Employee PIP

The evaluation has provided valuable insights into issues associated with the distribution of the PIP and feedback on the stakeholders’ views of the content and design of the pack:

- Even in the pilot, in which employers took part voluntarily, distribution of the PIP was not comprehensive, and it seems that the level of commitment from the employer has an important effect on how well the relatively limited task of organising distribution of printed material is handled. Only 53 per cent of surveyed employees recalled the availability of the PIP at their place of work.

- The most effective approach was distribution by hand, but, obviously, this was not practical in all cases. In large companies this approach was, and could be, used less widely. The task of distribution was more demanding on larger organisations, those with multiple sites, and ones with a high proportion of staff rarely or never on site.

- Strong doubts emerged about the benefit of the PIP’s widespread distribution in its current form and without its being part of a wider and co-ordinated effort involving other means of conveying information.

- A common view amongst respondent employees was that the style and content of the PIP was off-putting; it was simply not inviting in their view, and surveyed employees recorded low levels of recall of its specific content.

- Once employees were made to read the PIP (as in the case of the focus group participants who reported that they would have been unlikely to have read the PIP voluntarily), they tended to be more favourable in their view of it, but the present design seems to have been a barrier to some pilot employees who have therefore picked up a copy, flicked the pages and then filed or thrown it away.

- This assessment was endorsed by employers and providers/IFAs who generally felt the PIP, as designed, was insufficiently hard-hitting. They recommended a document less ambitious in coverage and designed more to shock. If possible, they would prioritise trying to ‘personalise’ the document, perhaps by including an individual pension forecast. In their view the document should place far more emphasis on what they consider to be inadequate state provision.

- It also emerged that reactions differed by age group; the PIP engaged younger participants in the focus groups much less than it did older ones. Employers and providers/IFAs were not surprised by this, and some remarked that they felt it was an impossible task to produce a single document that was relevant to all groups.

- Employers and providers/IFAs were also adamant that distribution of the PIP alone, or something like it, would not be sufficient to stimulate action and that, consequently, it would be wasteful to invest in a national roll-out of such a document. Providers/IFAs would want to see a more targeted approach aimed only at interested employees or distribution in circumstances where follow-up, by presentations and/or one-to-one meetings, was feasible.
8 Presentations and one-to-one meetings

Presentations were held at the 19 employers who implemented Options 2-4, but at two of these there were no attendees. One-to-one meetings were held at six Option 3-4 firms, although employees at only two firms attended these meetings.

Chapter 8 is based largely on qualitative research. It starts, however, by presenting the results of survey data. Survey employees who had not attended a presentation or one-to-one meeting were asked how interested they would have been in doing so.

The chapter goes on to explore the feasibility of holding presentations and one-to-one meetings. It reviews the detailed practical and logistical issues involved in the holding of presentations and one-to-one meetings, as faced by employers acting on a voluntary basis and by providers and Independent Financial Advisers (IFAs) working in a commercial context. It describes the presentations and one-to-one meetings that took place.

Chapter 3 provides data on the attendance at presentations. Chapters 4 to 6 include summaries of the impact of presentations and one-to-one meetings on employees’ behaviour, knowledge and attitudes.

8.1 Potential interest in presentations and one-to-one meetings

8.1.1 Level of interest in presentations

Seventy-five per cent of the surveyed employees who had not attended a presentation expressed some level of interest in doing so during work time: 31 per cent described themselves as ‘very interested’, while a further 44 per cent showed lukewarm interest by describing themselves as ‘fairly interested’. Interest was highest among those aged 25-34, where 85 per cent stated that they were ‘very’ or ‘fairly’ interested in attending a presentation during working hours. Table 8.1 shows the level of interest demonstrated by ‘after’ survey respondents in attending a presentation during working hours.
Table 8.1  Interest in attending a presentation during working hours

<table>
<thead>
<tr>
<th>‘After’ survey employees who did not attend a presentation: column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very interested</td>
</tr>
<tr>
<td>Fairly interested</td>
</tr>
<tr>
<td>Not very interested</td>
</tr>
<tr>
<td>Not interested at all</td>
</tr>
</tbody>
</table>

Base = 300 (‘after’ survey employees who did not attend a presentation).

8.1.2 Variation in level of interest in presentations according to timing

It appears that a sizeable proportion of those surveyed would still be interested in attending a presentation in unpaid time, outside of working hours. Among the employees surveyed, less than one-fifth (18 per cent) recorded a lower level of interest in a presentation held in their own time than one in working time; however, the decline in interest is significantly greater among those in the £15,000 to £19,999 individual annual income band.

Table 8.2 shows the extent to which interest in attending a presentation is affected, if the presentation is scheduled to be held outside working hours.

Table 8.2  Change in the level of interest in attending a presentation if held outside working hours

<table>
<thead>
<tr>
<th>‘After’ survey employees, who did not attend a presentation: column percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>More interested</td>
</tr>
<tr>
<td>Less interested</td>
</tr>
<tr>
<td>Same level of interest</td>
</tr>
</tbody>
</table>

Base = 300 (‘after’ survey employees who did not attend a presentation); £15,000 to £19,999 individual annual income = 52.

The qualitative research uncovered a wide range of reactions from respondent employees with respect to the effort they were willing to make to attend presentations that were held at their workplace. Examples of positive commitment

56 Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.
were a few employees who attended an evening session outside of work hours or attended on their day off, including a worker who brought a child to the presentation. On the other hand, examples were also found of employees who were unwilling during work hours to walk to a nearby site to attend a presentation.

### 8.1.3 Reasons for interest in presentations

Although a sizeable majority of surveyed employees expressed interest in attending a presentation, most of them did not have specific or clear objectives for doing so: 60 per cent of those expressing interest simply cited a wish to obtain general information about pensions and saving for retirement.

‘[I am interested in attending a presentation] to find out information about pensions. I don’t really know what is out there: [I’ve] only heard bad things about pensions. For instance, I would like to compare pensions with high interest saving and I don’t know how pensions are taxed.’

(Under 25; female employee; Option 1 employer)

‘I have not got a clue about pensions. If I got a booklet there would be a lot of jargon. Someone to talk to and explain it would be great.’

(25-34; female employee; Option 1 employer)\(^{57}\)

### 8.1.4 Level of interest in one-to-one meetings

Around one-third of surveyed employees were ‘very interested’ in either information one-to-one meetings (36 per cent) from a provider or advice one-to-one meetings (38 per cent) from an IFA.\(^{58}\) In both cases, a total of 73 per cent expressed some level of interest. Interest in both information and advice one-to-one meetings was highest among those under 35 years of age: 86 per cent of this group expressed an interest in attending an information one-to-one, while 84 per cent expressed interest in attending an advice one-to-one.

Table 8.3 shows the level of interest demonstrated by ‘after’ survey respondents in attending a one-to-one meeting during working hours.

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\(^{57}\) These two verbatims were captured as responses to open-ended questions included in the ‘after’ survey of employees.

\(^{58}\) These questions were not asked of surveyed employees at the two pilot firms where one-to-one meetings were attended.
Table 8.3  Interest in attending a one-to-one meeting during working hours

<table>
<thead>
<tr>
<th></th>
<th>Information one-to-one</th>
<th>Advice one-to-one</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very interested</td>
<td>36</td>
<td>38</td>
</tr>
<tr>
<td>Fairly interested</td>
<td>37</td>
<td>35</td>
</tr>
<tr>
<td>Not very interested</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Not interested at all</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>

Base = 352 (‘after’ survey employees at pilot firms where one-to-one meetings were not held).

8.1.5  Variation in level of interest in one-to-one meetings according to timing

Similar proportions of employees stated that they would be less interested in attending a one-to-one information (18 per cent) or advice (17 per cent) meeting outside working hours. In both cases, this proportion was significantly higher among those in the £15,000 to £19,999 individual annual income band.

Table 8.4 shows the extent to which interest in attending one-to-one information or one-to-one advice meetings is affected if the session is scheduled to be held outside working hours.

Table 8.4  Change in the level of interest in attending a one-to-one meeting if held outside working hours

<table>
<thead>
<tr>
<th></th>
<th>£15,000 to £19,999 individual annual income</th>
<th>£15,000 to £19,999 individual annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>More interested</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Less interested</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td>Same level of interest</td>
<td>78</td>
<td>67</td>
</tr>
</tbody>
</table>

Base = 352 (‘after’ survey employees at pilot firms where one-to-one meetings were not held); £15,000 to £19,999 individual annual income = 64.
8.1.6 Reasons for interest in one-to-one meetings

The key reasons for interest in attending were the same for both information and advice one-to-one meetings, suggesting little difference in the perception of the two offerings. In both cases around a third of all surveyed employees regarded it as an opportunity to improve their knowledge of pensions in general, and a similar proportion cited being able to gain information or advice on their own circumstances as a motivator.

‘[A one-to-one information meeting] would be more personalised, and I could ask questions in a private environment about my own personal circumstances.’

(25-34; male employee; Option 1 employer)

‘To gain knowledge…[it would] make the issues around pensions clearer if someone explained it to you one to one and it would be tailored to my personal needs.’

(35-49; female employee; Option 2 employer)

‘[IFA] would know and if they were independent, they’d have a broader outlook for the best savings and would be independent from steering you to specific providers.’

(50 and over; male employee; Option 1 employer)\(^59\)

8.2 Organising presentations

The final number of presentations held as part of the pilot was considerably lower than had been planned. Eighty-four of the 100 pilot employers had been allocated to Options 2-4, but presentations were delivered at only 19, and two of these attracted no attendees.

The reason mentioned most frequently and as the most important by employers for the failure to proceed with the presentations was ‘employee apathy’. However, the second most frequently mentioned reason was the impact of logistical problems. An important finding of the pilot exercise is that for several types and categories of employer, the task of facilitating a presentation or presentations to be attended by all interested employees is not a trivial undertaking. Examples of the challenges faced were:

\(^59\) These three verbatims were captured as responses to open-ended questions included in the ‘after’ survey of employees.
• Sheer lack of a suitable venue or meeting room on site which could accommodate all staff; some of those used in the pilot were very unsuitable

• The need to schedule multiple presentations, so that all departments could remain covered at all times

• The need to make staff commit well in advance to whether or not they were going to attend, so that duty rosters could be re-organised to accommodate absences

• The difficulty in arranging presentations where staff are spread over multiple sites or are usually off site and only available at base infrequently

Overall, therefore, it cannot be assumed that it is necessarily easy or even feasible for all employers to arrange access to a presentation in working hours for all their staff.

8.2.1 Employee apathy

Employers were unwilling to ‘go through the motions’ to arrange a presentation, if they were confident that their employees were not interested. Various pieces of evidence were cited by employers to substantiate their assessment, including:

• Having polled staff and found no one to be interested

• Failure of staff to opt in to the research process

• Previous experience of poor or no attendance at pensions presentations, for example when the stakeholder pension (SHP) scheme was first established

The employers who failed to hold presentations included some who were very supportive of the pilot, and overall it is clear that the greatest barrier genuinely was apathy on the part of employees, summed up by one employer as follows: ‘I say to them, “We have someone coming in”, and they say, “Don’t bother”.’ Employers cited a wide range of reasons for employee apathy, including:

• Age: staff who were too young or too old/near retirement

• Working status: little interest from part-time staff or those for whom it was a second job

• Lack of disposable income

• Doubts about pensions and providers: seeing pensions as complicated; offering uncertain returns, and subject to mis-selling

One example was a charitable organisation that had been allocated to Option 3 but where the employer declined to allow either a presentation or one-to-one meetings to take place. In this instance the employer cited the experience of setting up the SHP scheme in 2001 when presentations had been held but with very limited success in the face of ‘general apathy’. This experience, combined with the fact that theirs was a multi-site organisation, made the employer decide against implementing Option 3.
Employers who had been allocated to Option 1 tended to share these views; several volunteered that employee apathy would have been a barrier to their arranging presentations, had they been asked to do so.

‘They only work a few hours a week and won’t stay long. They don’t see pensions as relevant.’

(Office Manager; medium Option 1 employer)

‘They are very suspicious of pensions because of everything in the news...It is such an uncertain return.’

(MD; small Option 1 employer)

‘They see stakeholders as a back-handed way of reducing or eliminating the State Pension and are very angry about it.’

(Director; small Option 1 employer)

‘They simply haven’t any spare money at the end of the month. ...We are talking about people on the minimum wage.’

(Practice Manager; small Option 1 employer)

8.2.2 Availability of suitable venues

It might be assumed that all employers would, from time to time, have a need to arrange meetings of all their staff during working hours and, consequently, would have a suitable venue easily available for such an event. The qualitative research conducted as part of the evaluation revealed this not to be the case. Consequently, the problem of finding an appropriate venue was a significant implementation issue in several cases.

Looking only at the 19 cases where presentations were organised, even here in some cases either the venues were not entirely suitable for the presentation and/or finding and organising such a venue involved more than trivial effort. Although some presentations were held in very suitable locations such as a training room, staff room or company board room, many took place in less appropriate surroundings. Examples of the issues faced were presentations held in:

- A specially rented meeting room, meaning that there was pressure on the presenter to finish by a set time as the room had only been booked for a specific period
- A room that was far too large and had poor acoustics
- A room in a nearby public house as the company concerned had no meeting room of its own
- A farmhouse kitchen which was too small to enable the presenter to project the presentation onto a wall
• An overheated and small storage room in which only three chairs were available and it was difficult for some of the attendees to be able to see the presentation
• An occupied office in which one member of staff continued working and only two chairs were available
• A staff canteen in which some people were having lunch rather than ‘attending’ the presentation as such

8.2.3 Facilitating and promoting presentations

Employers who did facilitate the holding of presentations were divided regarding how difficult a task they considered this to be; some felt it had been relatively straightforward but others had found it more demanding. Examples of the issues experienced that had made the task more difficult were:

• Need for careful scheduling to select less busy times, or to hold more than one session to ensure that the office was covered at all times. Three of the 19 employers where presentations were held arranged multiple sessions. One, a large organisation with multiple sites, arranged four sessions on the same day and at the same location but did not hold presentations at all of its sites. Two other organisations held two sessions on the same day and split their staff between the two
• Having to ask staff to commit upfront to attend or not, so that duty rosters could be adjusted accordingly
• Being forced to slot in the presentation as one agenda item at a regular, scheduled meeting, as that is the only time that off-site staff can be brought together

‘[It was] a little bit [disruptive] – not a great deal. It took up a bit of time, but because I had pre-warned them of the day we were doing it, I made provisions for that. Like I say, though, it all goes down to this stress factor and pressure – it’s another thing that you have to deal with.’

(Co-owner; small Option 2 employer)

‘It was quite difficult because we have to fit in with the production schedule, and convince the foreman that it’s worthwhile stopping. The original presentation had to be cancelled at the last minute because when the provider arrived on the day his laptop failed to work. The presentation was rescheduled for a week later although the foreman was not pleased at all.’

(Office Manager; small Option 2 employer)

Nevertheless, once employers had committed to the holding of a presentation, they generally organised them well and made efforts to publicise the event and to encourage a good turnout. Typically, the sessions were arranged for dates and times which were likely to be both less disruptive for the organisation and convenient for employees. They were usually advertised well in advance, often verbally, but also by email or memo, and sometimes reminders were given close to the actual day of the presentation.
Some employers also gave personal endorsements and encouraged staff to attend. Mostly this had a favourable impact and encouraged a higher attendance, although in a few cases there was some resentment at this approach.

It was also the case that, in nearly all instances, the presentations were held during standard working time and employees were paid for the time they spent attending.

8.2.4 Provider/IFA attitudes to holding presentations

Generally providers and IFAs were fully supportive of the pilot and the specific requirement to hold presentations as part of the more intensive Options. Thus, in several cases they deployed more senior presenters than would typically be allocated to firms of the type and size concerned. They also agreed to hold presentations at some employers to whom they would not have allocated such a level of resource outside of the pilot.

In one instance, however, an intermediary did decline to hold a planned presentation in the face of the perceived lack of commercial potential of the organisation concerned. This occurred at a large multi-site company with a largely low-paid manual workforce, most of whom were working shifts and earning close to the minimum wage.

8.3 Organising one-to-one meetings

Almost half (48) of the 100 pilot employers were allocated to Options 3 and 4, meaning that it was proposed to hold one-to-one meetings at these organisations. In the event, only 12 firms attempted to implement Options 3 or 4 by offering one-to-one meetings; at only six firms were these held (i.e. the provider/IFA was on site and prepared to hold them) and at only two were they actually attended.

Three important implementation issues emerged:

- Providers/IFAs were only willing to invest in meetings with genuinely interested employees and where they felt there was a real opportunity for commercial return
- How the meetings were promoted and organised had a critical impact on their success
- Logistical issues such as accommodation and making staff available were also present with one-to-one meetings, although not to the same extent as with presentations
8.3.1 Provider/IFA attitudes to offering and holding one-to-one meetings

Providers and IFAs generally see one-to-one meetings as the most effective type of intervention, yet also one that is very resource-hungry and expensive. As a result, they were generally only prepared to offer them to employees who had already been ‘screened’ to demonstrate that they represented a serious prospect. Typically, this meant only offering one-to-one meetings to presentation attendees. Also – outside the pilot – providers would usually only consider holding one-to-one meetings, if an employer contribution was on offer, as this would increase both the average total contribution level and the take-up rate.

This attitude was summed up by one provider who declined to organise one-to-one meetings at a firm that had been allocated to Option 3, as he felt it was commercially unattractive since the staff were low paid, there was no employer contribution, and he doubted anyone would attend. The circumstances of this firm were interesting and largely favourable. The organisation was a small company with a white-collar workforce which had a supportive management and where the presentation had been well received. However, the presenter declined to conduct one-to-one meetings, as that is a role he would expect to be played by a contracted IFA. He was also concerned specifically because there was no employer contribution.

Nevertheless, one of the presentation attendees indicated that he would have wished to attend a one-to-one meeting and supposed that this would have led him to start a pension ‘sooner rather than later’.

8.3.2 Impact of how one-to-one meetings were promoted and organised

Clear differences in terms of effectiveness emerged according to how the meetings were implemented:

- In six instances, presentation attendees were given the presenter’s telephone number and asked to call to make individual arrangements for a one-to-one meeting if they wanted one. In no instance did an employee do so.

- At four employers where one-to-one meetings were scheduled to take place immediately after the conclusion of the presentation, no one attended; indeed in two of these instances there were no attendees at the planned presentation which was to precede the one-to-one meetings.

- In both cases where meetings were organised for a set date a week or so after the presentation they were well attended – by just over a quarter and just over a half of employees respectively – with most presentation attendees taking up the opportunity of a one-to-one meeting.

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60 See Sections 8.8.1 and 8.8.2 for pen portraits of these two pilot employers.
The pilot demonstrated that the meetings attracted attendance, if they were arranged for employees, and if a gap of a week or so was planned between the presentation and the one-to-one meetings, thereby giving presentation attendees time to consider their financial circumstances and to discuss these with partners.

### 8.3.3 Venues for one-to-one meetings

Where one-to-one meetings were held there were some problems accommodating them, including their being held in offices that were occupied by other staff. This suggests that, as with presentations, sheer physical facilities and logistics may be a genuine barrier for some employers. It was also apparent that this had an impact on the meetings themselves. As one IFA who conducted some one-to-one meetings said, ‘There were certain questions I was trying not to ask, because [administrator] was there.’

### 8.4 Content of presentations and views on these

#### 8.4.1 Content of presentations

All the presentations given by the providers and IFAs used PowerPoint slides. The presentations followed broadly the same formats and tended to cover similar topics.

Most sessions comprised a mainly formal presentation, often with questions taken throughout, followed by a designated question and answer (Q & A) session at the end. Presentation length, including Q & A sessions, varied between 18 and 65 minutes. The typical length was 30 to 40 minutes. Where the presentation was shorter, the employer had typically asked the presenter to ‘keep it brief’, to minimise disruption to the day’s work.

Topic coverage most frequently included the following, with the emphasis more often on the ‘carrot’ (benefits of the SHP) than the ‘stick’ (cost of delay):

- The retirement lifestyle hoped for and retirement date anticipated
- The need to plan for retirement and think about income required, since most people do not make sufficient provision; encouragement to use the form included in the pilot Employee Pensions Information Pack (PIP) to obtain a State Pension forecast; some presenters also mentioned Pension Credit
- The likelihood that state pension provision will not be enough for most people’s aspirations; its current level; the facts that not everyone receives the full amount; increases in average life expectancy mean it is unlikely to improve
- Favourable features of an SHP: payment methods; changing employer; payment holidays; lump sum and regular income; low and capped management fee; tax benefits
- Information on the provider, with emphasis on the strength and security of the organisation
• Investment options: range of funds available; assessing attitude to risk; different risk levels, and the ability to switch between these; a default of ‘lifestyle’ option; performance warning

• Process: how to join; deciding on risk is not complex; web access options, including performance monitoring and an online pensions calculator; easy, shorter application forms

• Cost of delay: the message ‘sooner rather than later’ was emphasised by most presenters through the use of worked examples

8.4.2 Overview of reactions to the presentations

Attendees’ opinions were for the most part very favourable regarding the approach and experience of the presenters. Mostly, audiences engaged with the presentations, although less so overall with ‘difficult’ topics such as investment options. In general, respondent employees stated that their expectations had been exceeded, especially in terms of the amount of factual information provided. The efforts made by presenters to make their comments relevant and to build rapport with the audience were also widely appreciated.

Criticisms of the depth or quality of a presentation were isolated. Where dislikes were expressed by respondent employees, they reflected a preference for presenters to provide a wider overview of retirement-planning options rather than concentrating exclusively on their own SHP product.

Overall, the pilot has demonstrated that providers and IFAs are able to design and deliver high quality, effective and well targeted presentations which attendees are attentive to and assess favourably. However, something of a paradox emerged in that, while respondent employees generally reacted favourably to the presentations as delivered, nevertheless some at least would have preferred something more wide-ranging, providing as much information on the state system and on other means of saving for retirement as on SHP schemes in general, or the presenter’s scheme in particular. Yet, obviously, providing such a more wide-ranging review may not be in the commercial interests of many providers.

8.4.3 Comments on positive aspects of presentations

In the view of respondent attendees, presenters ‘got it right’ when they picked up on issues that had been hard for the audience to follow and, without being patronising, simplified their language accordingly; for instance when they referred to ‘stocks and shares’ rather than continuing to use terms with which the audience were clearly unfamiliar, such as ‘equity’ or the ‘FTSE’. Some presenters commented that they had suppressed from their slide deck some detailed, more technical slides, for instance on fund selection and risk, which they would have used if they had been presenting to audiences on higher salaries and/or they had been able to speak for longer.
Presenters’ addressing retirement as a lifestyle that everyone needs to imagine and plan for was an approach that worked well. Several presenters asked the audience how much they spend on a holiday and then to think of retirement as the longest holiday of their lives, to bring home the message that retirement is a time when people have the leisure time to spend money without necessarily the income to do so.

Some attendees also commented on their appreciation of presenters’ recognition that taking out a pension could constitute an important, and possibly complex, set of decisions for an individual. Reassurance of help to deal with these decisions was welcome.

A few attendees said that the presentation had been more helpful than the Employee PIP, which they had found hard to digest or not felt able to read.

‘[I’d prefer] to have someone telling you [about pensions], as I don’t read a lot. I’m not a big reader… When someone’s there speaking to you, in front of you, you listen more and understand it a bit better.’

(Under 25; male employee; Option 2 employer)

8.4.4 Comments on negative aspects of presentations

Presenters occasionally ‘got it wrong’, in the opinion of attendees, when they made reference to a lifestyle that was foreign to the audience. Examples of this included talking about checking pensions online at home as being as easy as online banking, when members of the audience had never used a personal computer, let alone be able to buy one. Talk of retirement as a time for multiple holidays abroad each year also made a few low paid employees feel uncomfortable. In short, not all presenters were always sensitive to the low salaries of the audience.

‘He wasn’t realistic to what our earnings were; he was taking about contributions that I couldn’t afford. I thought, “What about doing the sums for somebody like me right on the bottom line?”’

(25-34; female employee; Option 2 employer)

Criticisms focused less on presenters and more on the presentation itself and the provider or IFA organisation. Some attendees felt that the ‘pitch’ of the whole presentation was too sales-orientated around one product. Some had been expecting the presentation to deal with a range of retirement-planning options, and had been disappointed that ISAs and property, for instance, had not been covered. Comments along these lines were also made about the two IFA-delivered presentations, which were just as focused on presenting the SHP of a specific provider as were the provider presentations. Several attendees, even though they admitted to learning a lot, were also disappointed and concerned that presentations had not, in their view, stressed sufficiently the potential insecurity and pitfalls of investing in a pension. They felt more open debate on this subject and on the ‘pensions crisis’ as discussed in the press had been needed.
‘He was adequate. He was trying to be open, but at the end of the day he was representing [SHP provider]...I think though that pensions advice should be totally independent.’

(34-49; male employee; Option 2 employer)

‘I know it’s hard to say, “If you put this away, well you’ll get that”, but just more of an insight on exactly what’s happening [would have been good]. I know on the news they were saying people our age will have to work into their 70s and stuff – well, nothing like that was mentioned. They were coming up with these marvellous figures – 60 or 65 – and so you need more of a widespread thing about what’s happening in the future, or what you think is happening in the future, and things like that.’

(35-49; male employee; Option 2 employer)

‘I think it’s good for people to hear about it…The only thing that disappointed me was that he never said the bad points…It was good, but next to that, it’s all right telling us the good points but we need to know the bad points too. That’s why people asked questions.’

(Under 25; male employee; Option 2 employer)

It was also generally accepted by respondent attendees, presenters and employers that presentations alone were insufficient to stimulate action. There was a consensus that they leave unanswered too many questions, especially at the level of what is best or appropriate for the specific individual. Without further contact with a provider or IFA, too much is left to the initiative of employees, who might not have the confidence or ability to pursue SHP membership alone.

8.4.5 Questions asked in or after presentations

The questions attendees asked illustrate variously:

• What they had learned about the State Pension and what else they wanted to know
• Their need for greater understanding of the key characteristics of an SHP
• Their concerns that pensions are not a secure way to save for retirement

Table 8.5 summarises, in shorthand, the questions most frequently asked by attendees.
Table 8.5 Questions most frequently asked by attendees in or after presentations

<table>
<thead>
<tr>
<th>Presentation attendees: questions asked about:</th>
<th>SHP characteristics</th>
<th>Security of private pensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How can you calculate how much pension you will get from the state?</td>
<td>How exactly are SHPs different from other pensions?</td>
<td>They are new products – how can I be sure they are safe?</td>
</tr>
<tr>
<td>How do State Pensions work?</td>
<td>Are they cheaper? Can I access my fund sooner?</td>
<td>Can you lose out on an SHP?</td>
</tr>
<tr>
<td>Why doesn’t everyone get the same?</td>
<td>For how long can you take a payment holiday? What happens if I am out of work?</td>
<td>How do you evaluate one provider over another?</td>
</tr>
<tr>
<td>What is SERPS?1 Should I contract out or back in?</td>
<td>If they are so flexible, why can’t you transfer from any other pension into an SHP? I have a dormant pension – why do I have to start again?</td>
<td>How risky is a pension really? Could my particular choice of funds mean a low pay-out?</td>
</tr>
<tr>
<td>Why can’t the government provide a better pension?</td>
<td>Should I transfer into an SHP?</td>
<td>What about pension scandals – why can’t the government underwrite security?</td>
</tr>
</tbody>
</table>

1 State Earnings-Related Pension Scheme.

8.5 Pen portraits of pilot implementation at two Option 2 employers

Sections 8.5.1 and 8.5.2 are pen portraits that describe two of the presentations held in the pilot. Both companies were small, as were the majority of pilot employers, i.e. they had between five and 49 employees. The portraits demonstrate the impact certain factors, such as promotion and organisation, employee interest, logistics, content and delivery, can have on a presentation.

8.5.1 Presentation at a small Option 2 employer with a predominantly white-collar workforce

This company had a predominantly young and white-collar workforce; under half attended the presentations, most of whom were under 25.

The director had decided to participate in the pilot because he wanted to take a proactive approach to pensions and to ‘explode any myths’ that might have prevented employees from taking out a pension. He therefore took advantage of a presentation that he felt would not have been on offer but for the pilot.

There were implementation issues to be resolved: as a client-facing business, it was not possible for the employees who wished to attend the presentation to do so in a single sitting. By arranging two presentations that took place during normal working hours at times convenient for the attendees, in a suitable office and with no restrictions on their duration, the director felt he had made the best possible provision he could within the circumstances.
The SHP provider was represented by a more senior presenter than would usually be assigned to an organisation with this level of commercial potential. He would have preferred to have given a single presentation, but was sympathetic to the firm’s situation and pleased with the level of assistance he had received from the director. The employer and the respondent employees felt the presenter delivered a high-quality presentation that had been appropriately crafted for and was appreciated by the audience: his delivery was relatively informal, and he made particular effort to present the concept of pensions in a way that attendees would appreciate. By injecting humour, while still tackling the subject in a serious manner and providing practical information in plain English, the presenter held the attention of his audience.

The presentation met the expectations of attendees, respondent employees reported, and succeeded in increasing their awareness and knowledge of pensions issues from a very low base. Two attendees, both under 25, found the presentation very thought-provoking and the self-reported change in their attitudes was most evident. They commented to the presenter that they were thinking of starting a pension and later, in discussion with a member of the evaluation team, one indicated she would need a personal meeting with the presenter to help start a pension ‘sooner rather than later’.

8.5.2 Presentation at a small Option 2 employer with a predominantly blue-collar workforce

Many of the employees at this company are within ten years of retirement, but they report that they have no savings for retirement and are likely to be dependent on the state when they retire. Close to half the employees attended the presentation.

The Managing Director allowed the presentation, which was well advertised several weeks in advance, to be conducted in working hours. Yet, concern that production would be disrupted while employees attended the presentation meant that he requested that it take no longer than 30 minutes.

The venue for the presentation was the staff eating area, and a low level of noise could be heard from the factory downstairs. There was no suitable surface for projection, and the PowerPoint images were not in clear focus; even attendees at the front remarked that they could not see them properly.

Given the time restriction, the presenter’s delivery was somewhat rushed, although he still managed to express himself simply and well, employing little jargon. The presentation was easy to follow without prior in-depth knowledge of pensions.

Engagement with the presentation was poor, however. Attendees listened but tended to react negatively, for example by standing impassively with their arms folded or asking aggressive questions. This can be attributed in part to their stated distrust of pensions, the pensions industry and the government. Further, at least some had been expecting a broader and impartial introduction to the Options for saving and retirement planning; they said that presentation struck them as an out-
and-out sales pitch. Respondent employees were critical, too, that the presentation did not cover in any detail the potential disadvantages of pensions nor did they feel it addressed the issues that older workers face. Some employees expressed disappointment that the firm does not offer an employer contribution which may have given them an incentive to start a pension even at a late stage in life.

8.6 Interest in one-to-one meetings

Respondent employees who had not attended a one-to-one meeting were asked specifically about their interest in one-to-one meetings or commented on their need for one. Interest was almost universally high, with a slight majority indicating a preference for advice rather than information one-to-one meetings. Only a few indicated that a one-to-one meeting would be irrelevant to them, due to their low pay and lack of discretionary income, or without an employer contribution. Isolated concern about the impartiality of even IFAs was also expressed; one respondent, for instance, said a one-to-one meeting would have to be with a ‘totally independent person, maybe a government official or a union guy, or a financial guy who is proven independent’.

Most respondent employees had attended a presentation, and this explains why their interest in one-to-one meetings was higher than that expressed by all surveyed respondents, most of whom had not. The reasons respondent employees gave for their interest in one-to-one meetings were as follows:

- Presentations inevitably generalise
- They would not seriously consider taking out a pension without a one-to-one meeting and a personal pension forecast
- Personalised information is key: they would want to discuss their own financial circumstances and whether a pension or another savings vehicle is ‘right’ for them
- Advice on fund choices would be needed
- Some would wish to discuss SERPS and whether or not to contract out
- The application form as a whole seemed a hard or complex chore for many

It was clear from a number of comments that a good few employees who after the presentation were ‘coming round’ to the need to take out a pension might have done so, if a one-to-one meeting had been arranged for them. Additionally, a couple of respondent employees from Option 1 firms expressed a wish for one-to-one discussion with a pensions expert.
‘I haven’t started one [a pension] because I had not had anybody come and sign me up for one, and I’ve not had the time really because I work all hours. I have not had anybody there saying, “This is how much it is going to cost and we will take this much out of your wages each month, and we will start it from this date”, and all that kind of stuff…To me, it’s great if somebody comes and talks to us about it, but it’s not much use if you can’t do anything about it afterwards.’

(35-49; female employee; Option 1 employer)

‘It’s [presentation] had a good effect because I’m thinking about it now. I know now that I need to do something. It’s just where to go. I’m a bit stuck now really…My head was buzzing by the end of it. I didn’t know how drastic it was going to be…I just need somebody that knows what they’re talking about to point me in the right direction. I am quite worried that I won’t be able to put enough in now.’

(35-49; female employee; Option 2 employer)

8.7 Content of one-to-one meetings and views on these

As one-to-one meetings were only implemented at two employers in the pilot, reactions could only be gathered from a few actual attendees. At both employers, attendees were generally favourable in their opinions regarding the content and conduct of the meetings.

In one example, eight new members joined the SHP scheme. The meetings were organised on a flexible basis; there were no set time slots, but as one finished the next attendee was called and this allowed the provider to vary meeting content and length according to the needs of the individual. A typical meeting lasted just over half an hour and covered compliance requirements, fact finding, recommending solutions, describing the SHP product, assessing risk profile and discussing/selecting appropriate funds, assisting with application paperwork, and explaining processes.

In the other example, the meetings were of a similar format and arranged in the same way. However, in spite of the one per cent contribution on offer at this organisation, the overall implementation of the pilot here did not enjoy quite the same favourable combination of active encouragement from the employer, employee open-mindedness and exemplary levels of commitment by the presenter, and failed to produce any new members by the end of the evaluation period.

IFAs are permitted to offer regulated financial advice across a range of products but for the pilot they were asked to deliver financial advice focused on pensions. In the event, their presentations focused only on the SHP, and the one-to-one meetings they conducted did so too. As a result, it is fair to conclude that those employees who experienced Option 4 in effect experienced something very close to what was on offer in Option 3, although with the difference that Option 3 was conducted by providers and Option 4 by IFAs.
8.8 Pen portraits of pilot implementation at one Option 3 and one Option 4 employer

Sections 8.8.1 and 8.8.2 are pen portraits that cover the two sessions of one-to-one meetings and the preceding presentations that were held and attended, one at an Option 3 employer and the other at an Option 4 employer. Both companies were small, as were the majority of pilot employers, i.e. they had between five and 49 employees.

8.8.1 One-to-one meetings at a small Option 3 employer with a predominantly blue-collar workforce

Staff at this small company are mainly blue-collar, male shop-floor workers in their 30s and 40s.

The owner and management were highly committed to and supportive of the pilot, actively encouraging employees to attend presentations and one-to-one meetings. About one-third of the employees expressed an interest in a presentation; in the light of this level of interest and to provide minimum disruption to the work schedule, the employer chose to schedule two presentations. At the start of each presentation, the owner announced that the company planned to introduce a small employer contribution within the next two years; the presenter identified this offer as an important catalyst for take-up of the SHP scheme.

The presenter was an experienced representative who delivered what he deemed ‘the optimum information process’, an extensive and time-intensive information programme, usually reserved for high-value corporate clients. This included provision of forecasts to all attendees in advance of the presentation which the presenter felt focused their attention and also made a strong contribution to the eventual take-up.

The presentations and one-to-one meetings took place in the staff common room a week apart. This room was suitable for group sessions, but, since other members of staff entered and left the room throughout the day, both the provider and employees felt it offered insufficient privacy for the one-to-one meetings. These did not, therefore, take place in optimal circumstances.

Of the employees who attended the presentation the majority had at some time in the past had a pension, whether it was an occupational or private pension, and they were relatively amenable to the idea of starting an SHP. At the end of each presentation the SHP presenter told attendees that he would return at a specified time and date approximately one week later to conduct one-to-one meetings.

Over two-thirds of the presentation attendees expressed an interest in and attended one-to-one meetings; eight signed up to the stakeholder scheme. The presenter assisted interested employees in the completion of the application form during the one-to-one meetings; he commented that that was not unusual and that employees often liked to have his guidance whilst filling in the form.
8.8.2 One-to-one meetings at a small Option 4 employer with a predominantly blue-collar workforce

This small company employs mostly young male manual workers on low incomes who had never had a pension, and who said they were more inclined to spend than save.

The Managing Director (MD), although personally not inclined to invest in a pension, was supportive of the pilot and encouraged his staff to attend the presentation. He offers a one per cent contribution to the company SHP scheme; he feels a responsibility to ‘invest in the welfare of my staff’.

The MD arranged for the presentation to take place before the beginning of the morning shift to limit disruption to the working day, but employees were paid for their time if they attended. Two-thirds of the employees attended the presentation, and all of the respondent employees confirmed that they had had no objection to coming to work early to attend. The presentation took place in an office in the factory which attendees deemed to be a suitable venue.

At the end of the presentation, the IFA presenter arranged to visit the company again a week later and conduct one-to-one meetings; all but one of the presentation attendees proceeded to have a one-to-one meeting. In this case, the presenter did not supervise the completion of application forms or provide tailored forecasts in advance.

Employees were generally distrustful of the pensions industry, and of pensions providers and IFAs, whom, in the words of one respondent employee, they perceived to be ‘getting rich off the investments [employees] made in stocks and shares’. The IFA presenter took his organisation’s standard approach to presentations and one-to-one meetings, both of which attendees deemed clear and professionally delivered. Furthermore, respondent attendees felt that the pilot had improved their awareness and knowledge of pensions issues. However, this still proved insufficient to overcome their largely negative preconceptions. By the end of the evaluation period none of the employees had joined the SHP, although one respondent employee said he intended to start a pension within the next 12 months.

8.9 Summary of findings on presentations and one-to-one meetings

The evaluation has provided valuable insights into interest in and the issues associated with the organisation and content of presentations and one-to-one meetings. Nevertheless, all of these insights must be viewed against the background that a high proportion of employers who were requested to allow presentations or one-to-one meetings to be organised in the event failed to comply. Sometimes this was a result of logistical problems or lack of commitment on their part but more generally reflected their certainty that their staff would not be interested.
Looking first at presentations:

• The organisation of presentations aimed at all staff was not considered a minor task by many employers, including some who were very supportive of the pilot. Making arrangements so that staff can be available could require a lot of work and finding a suitable venue was sometimes a problem.

• Employers often faced a major barrier in the form of high levels of employee apathy; this resulted, variously, in some otherwise committed employers deciding that it was not worth bothering and, in a couple, of presentations being organised but then attracting no attendees.

• Overall, asking employers outside the pilot to hold presentations could be viewed as quite burdensome by many of them and presentations would only reach an uncertain proportion of employees.

• There would also be an issue of how often such presentations should be repeated, given that sometimes lack of interest in a presentation stemmed from the fact that one had been held ‘within living memory’ at the establishment of the stakeholder scheme.

• Providers/IFAs are also unlikely to wish to hold presentations on a widespread basis at organisations such as those in the pilot, as they do not believe, in most cases, that the effort would be justified by the return.

• On a more positive point, attendance levels, at least in small companies, were generally quite good, although in many cases this reflected encouragement from the employer.

• Also encouraging was the fact that despite the inherent difficulty of interesting staff on the topic of pensions, the evidence from the pilot was that providers and IFAs in general were able to communicate well with their target audiences.

• One aspect of the coverage of the presentations did attract some negative comment. There was a feeling from some respondent attendees that the focus was too narrow, concentrating on SHPs only; there was a demand for a more wide-ranging review of broader options for making provision for retirement.

• Around one-third of surveyed employees who had not attended a presentation said they would be ‘very interested’ in doing so. Only 18 per cent of surveyed employees claimed they would be less interested, if these were held outside working hours.

• Although there was interest in presentations, surveyed employees tended not to have very specific objectives in wanting to attend; they just wanted generally to increase what many acknowledged was very low or non-existent knowledge about pensions, both State Pensions and private pensions.
Turning to one-to-one meetings:

- An emerging finding was that timing of meetings in relation to the presentation appeared to have some effect on interest and attendance. Offering meetings a week or so after the presentation seemed to work, while scheduling them for immediately after the presentation did not.

- One-to-one meetings can be very effective, but they are not bound to be successful in all cases and for all audiences. Providers/IFAs endorse them as the most successful approach, but also say that they have their limitations and are not an automatic ‘magic bullet’.

- Although organising one-to-one meetings is somewhat less burdensome on employers than organising presentations, there are still logistical issues to address.

- The greatest barrier, however, to the promotion of one-to-one meetings to all employees would come from providers and IFAs who would not be willing to offer and conduct them on a blanket basis without direct remuneration for what they would often perceive as a futile activity.

- They report they would want to invest this level of resource and effort only on pre-screened employees whom they consider to represent real prospects to join the SHP scheme (for example, those having shown the interest to attend a presentation voluntarily).

- Where one-to-one meetings were not held (and attended) as part of the pilot, surveyed employees recorded quite high levels of interest in them; regardless of whether information or advice meetings were being discussed, slightly over one-third said they would be ‘very interested’ in attending.

- Yet, as with presentations, employees only had very general reasons for being interested in attending and might not do so in practice.

The findings on presentations and one-to-one meetings, however, reinforce a key paradox that was highlighted by the providers and IFAs who participated in the evaluation. The intensive approach of combining written information and a presentation and then one-to-one meetings has the potential to have a real impact in a way that less intensive Options appear not to do. Yet the commercial potential offered by the target universe is too limited to justify such a comprehensive approach on the part of providers/IFAs. They further believe that the great majority of employers are insufficiently motivated to put in the amount of effort such an approach would require from them to be fully effective.
9 Employee perspectives

The views of employees with respect to the impact of the pilot have been covered primarily in Chapters 4, 5 and 6, while their opinions of the individual pilot interventions are provided in Chapters 7 and 8.

This chapter explores employees’ views and opinions on some different but very relevant topics with respect to the feasibility and likely success of interventions such as those reviewed in the evaluation.

It begins by examining two necessary precursors. Firstly, is the workplace acceptable as a venue for the distribution and receipt of information on pensions and income in retirement? Secondly, to what extent are those involved in the implementation trusted: in particular, government as the publisher of the pilot Employee Pensions Information Pack (PIP), employers as the facilitators and implied endorsers of the pilot, and the stakeholder pension (SHP) providers and Independent Financial Advisers (IFAs) themselves?

Finally, it is a recurrent theme in the comments from providers and IFAs that while they endorse the distribution of literature and the holding of presentations and one-to-one meetings, nevertheless they believe strongly that such interventions will only truly be viable for them in a context where employer contributions are being offered. Therefore, the chapter ends with a review of the opinions voiced by employees during the evaluation on the twin topics of employer and employee contributions.

9.1 Attitude to the workplace as a venue for pensions information

The workplace received a clear endorsement from employees for positive and negative reasons as a suitable venue for providing pensions information.

On the positive side, it was felt to be the most appropriate location, since:

- It was where employees’ income was generated
- It was convenient
Generally speaking, employers were trusted as facilitators

Many employees liked the opportunity to participate and learn along with their peers

A more negative endorsement of the workplace was also received along the lines of ‘for want of anything better’, as, generally, surveyed and respondent employees in the evaluation were unable to identify a better or more suitable location.

In the ‘after’ survey, over three-quarters (79 per cent) of surveyed employees found the workplace either a ‘highly suitable’ or ‘suitable’ location for the distribution of information on pensions, although only 27 per cent described it as ‘highly suitable’.

One important variation to emerge, however, was that views were appreciably more favourable amongst employees from small companies than from those from large companies. It also emerged that those who experienced the pilot at all were significantly more favourable in their view of the workplace as a venue than those who did not. Details of these differences, and the overall data, are shown in Table 9.1.

Table 9.1 Suitability of the workplace as a venue for pension information (‘after’ survey)

<table>
<thead>
<tr>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small companies</td>
<td>Large companies</td>
</tr>
<tr>
<td>Highly suitable</td>
<td>31</td>
</tr>
<tr>
<td>Somewhat suitable</td>
<td>54</td>
</tr>
<tr>
<td>Somewhat unsuitable</td>
<td>9</td>
</tr>
<tr>
<td>Highly unsuitable</td>
<td>7</td>
</tr>
</tbody>
</table>

Base = 293 (‘before and after’ survey employees); Small companies = 144; Large companies = 76; Any experience of pilot = 147; No experience of pilot = 146. See Appendix A (web-based) for further details.

The arguments put in favour of the workplace concentrated on convenience, the overcoming of inertia, and the benefits of being able to learn with and from others and to compare notes and ideas.

‘I think it’s probably the best place to talk to people about pensions. You talk with your colleagues about how much you are saving and how much you are putting away for your pension, so in that respect it’s a good thing. I can’t think of another way to do it apart from your own home. But even then it’s better in a group because other people can ask questions that you haven’t thought about. So I think a group situation is probably better.’

(35-49; male employee; Option 3 employer)
'It gives you more reassurance. One tends to be sceptical of salesmen or material sent by post, and more trusting if information comes from the employer.'

(50 and over; female employee; Option 2 employer)

'I would prefer [to receive] it at work definitely, because you are there everyday and if it’s up on the notice board or in the newsletter, you’ll see it when you are on your tea breaks and that.'

(35-49; female employee; Option 1 employer)

Arguments against the workplace tended to be concerned primarily with issues concerning confidentiality and/or the need or wish to involve a spouse or partner in the discussions.

'I think it’s a very good starting point…but perhaps when you get down to the personal level, people can have the option – do you want someone to come round to your house and discuss this about your particular case, or are you happy to do it one-to-one in the corner of the canteen?'

(35-49; male employee; Option 1 employer)

'I would like the time to think, and consult my husband, before deciding to do anything like go to a session on pensions…I would like the option to have the session at home, although I would be a bit concerned that I would feel pressured there.'

(35-49; female employee; Option 1 employer)

9.2 The issue of trust

Important issues for the evaluation are the extent to which employees trust the government as a source and provider of information on pensions, and whether the involvement of employers in the process is viewed in a positive or negative light. As providers and IFAs are the main players in the delivery of Options 2-4, employee attitudes towards the financial services industry are also important.

9.2.1 Level of trust in the government

A clear majority of surveyed employees indicated some level of trust in the government as a source of printed information on pensions and retirement planning, although the endorsement was somewhat lukewarm. Among all ‘after’ surveyed employees only 11 per cent stated that they trusted the government ‘a great deal’, but a further 60 per cent said they had ‘some’ trust in it. More negative comments came from 23 per cent who said they trusted government ‘a little’ and seven per cent who had ‘no’ trust in government.61

61 The percentages do not sum to 100 due to rounding.
On balance, therefore, the government was accepted as an information source. It was also the case that the majority of surveyed employees from the ‘after’ survey were unable to identify a more trustworthy source. Overall 70 per cent indicated that they could not think of a more trustworthy source than the government, 13 per cent were unsure, and only 17 per cent stated positively that there were sources they would trust more. This last group were asked to identify potential sources of information on pensions that they trusted more than the government; the most frequently mentioned possibilities were IFAs, an independent body established for the purpose, individual providers, and banks or building societies.

The fact that government was broadly accepted and welcomed as an information source was also endorsed in comments from respondent employees who participated in the qualitative research.62

‘You would have more confidence than if it were given to you by a private company. You would always have the impression that it was one-sided and that somebody was going to gain from it.’

(35-49; male employee; Option 2 employer)

‘They’re the government, aren’t they? They’re supposed to run the country – I’d believe them rather than some feller saying, “Here you are, buy some of these shares!”’

(Under 25; female employee; Option 2 employer)

9.2.2 Impact of the involvement of employers

The involvement of employers in the process was seen as positive by most respondent employees, who tended to indicate that they would pay more attention to information, such as that provided by the government, and trust it more, if it had the implied endorsement of their employer. It was also sometimes assumed that employers would have vetted beforehand any information they allowed to be distributed, and any organisation they invited in would have had to meet certain standards. One example of this was a respondent employee who was initially concerned that the PIP might not actually be from the government as it claimed, but who was reassured because it had been distributed by the employer.

‘If it just came through the post, I wouldn’t believe them these days, because there are that many con people about saying they’re doing this, that and the other for the government, and it’s terrible; you don’t trust anything these days, but I trust everything that [employer] gives me.’

(50 and over; female employee; Option 2 employer)

62 Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.
‘I trust it more than if someone was just handing them out on the street, because [Director] has obviously looked into it as well before handing them out.’

(Under 25; female employee; Option 2 employer)

The positive impact of employer involvement was not universal, however, and there were some respondent employees who were neutral or even negative specifically because the employer was involved. In the latter case, this tended to be because they felt the employer was poorly informed in the area of pensions.

‘I’d say initially I did trust it more, but I have only been there nine months and I’ve come to realise that I know more than [employer] probably do…I am disappointed that the employers are not giving me any advice or guidance, and this has affected my trust in the company, and in information they pass on to me.’

(35-49; male employee; Option 3 employer)

‘I wouldn’t trust it more or less either way. Just because my employer gave it to me I wouldn’t take it as gospel or anything.’

(Under 25; male employee; Option 2 employer)

9.2.3 Attitudes to providers and IFAs

Some respondent employees emerged as cynical about, and untrusting of, the financial services industry. They reported that two main considerations were driving this: the poor performance of pensions in recent times with the associated allegations of mis-selling, and a conviction that any information or product offer would be driven by profit motive rather than by the aim to meet the true needs of the customer.

‘I don’t think I can tell you what I think about pensions over the phone! Not a lot! I used to be a great believer but I’m very, very disappointed.’

(50 and over; female employee; Option 2 employer)

‘I do think at the end of the day the private companies want your money, and I would have thought that the provider would have been on commission.’

(35-49; male employee; Option 3 employer)

‘I don’t trust people like banks and building societies, because I always think there has got to be something in it for them. They wouldn’t be offering me a deal unless they had a better one.’

(35-49, female employee; Option 1 employer)
These negative assessments were not, however, universal, and some respondent employees indicated that they would trust financial services providers for reasons such as confidence in the trustworthiness of their own bank or building society, a belief that major players have to protect their reputation, and the strength of the regulatory environment.

‘I would trust a big company because they would have to put their name to it.’
(Under 25; female employee; Option 1 employer)

‘I would trust information from my bank.’
(Under 25; female employee; Option 2 employer)

It also emerged during the evaluation, however, that those respondent employees who attended presentations were typically impressed with the approach, knowledge and attitude of the individual presenters and this, too, tended somewhat to reduce levels of concern about the organisations they were representing.

9.3 Attitudes to, and potential impact of, employer contributions

Surveyed employees commented on whether or not they felt their own employer should be required to contribute to their pension and also on the impact they expected a decision by their employer to introduce (or increase) a contribution would have on their own pension contribution behaviour.

9.3.1 Attitudes to employer contributions

Almost two-thirds (65 per cent) of surveyed employees in the ‘after’ survey agreed that their employer should be required to contribute to a private/occupational pension for them. There were few variations between subgroups, but differences did emerge by company size, by delivered Option and also according to experience of the pilot interventions:

- Among surveyed employees from small companies there was more recognition that requiring a contribution could prove to be too much of an economic burden and might even lead to job losses or lower pay levels. Consequently, of the surveyed employees from small companies only 54 per cent agreed that employers should have to contribute, compared with 77 per cent among those from medium and large companies. Comments from respondent employees supported the survey findings. Respondents from large organisations believed their employers could afford to contribute, while doubts were expressed about whether employers’ having to contribute was appropriate for smaller companies and voluntary sector organisations.
Employee perspectives

‘I think [employer contributions are] a very good idea as long as they can afford to do it, and the larger companies can, rather than the smaller, more independent companies. These days it’s hard enough for them anyway.’

(Under 25; female employee; Option 2 employer)

‘It all comes to the economics of the company. A strong company making strong profits can afford to put more into it. With a small company that’s teetering around the breadline, you either get it in your wages...or you don’t get it, and they’ll be paying it into one of these schemes for you. So either way you’re not going to have a great advantage from it.’

(35-49; male employee; Option 2 employer)

- Those surveyed employees who had not experienced the pilot at all were noticeably more favourable towards employers’ having to contribute, with 72 per cent agreeing, compared with only 59 per cent of those who had experienced one or more of the pilot interventions. Similarly, of the surveyed employees who had not attended a presentation, 68 per cent were supportive of employer contributions, compared with only 51 per cent of those who had attended one. These findings may imply that those who have considered the issues in more depth are more likely to move beyond a perhaps simplistic assumption that an employer contribution is somehow ‘free’ money with no adverse consequences either for the employer or employees’ wage or employment prospects

- Sixty-eight per cent of surveyed employees from Option 1 employers were in favour of a requirement on employers to contribute, compared to only 54 per cent at Option 2-4 employers

The two main arguments put forward in favour of an employer contribution revolved around the feelings that:

- An employer contribution was a fair and due reward for work undertaken for the company
- Without such a (usually matching) contribution, there would be insufficient incentive for employees to contribute, and poorly paid staff would never be able to build up a viable pension fund on their own

‘I think they should be putting money into the pension...That’s where we work and what we’ve given them, and for the work we’ve done for them over the years, I think they should contribute back to us.’

(35-49; female employee; Option 1 employer)

‘I think they should have to contribute towards it, if I am making the effort to spend my money towards it – I don’t know if they could get it off the tax or something. Because unless you are on a good amount of money, you can’t save a good amount of money.’

(35-49; male employee; Option 3 employer)
A common view amongst respondent employees was also that employers, in particular smaller firms, should be assisted by government to make a contribution through mechanisms such as tax rebates.

9.3.2 Potential impact of introducing or increasing an employer contribution

All surveyed employees who participated in the ‘after’ survey were asked, as appropriate, how their behaviour might change, were their employer to introduce a contribution or to increase an existing one.

Fifty-nine surveyed employees claimed that they either already received, or were currently eligible for, an employer’s contribution. Among this group, 54 per cent said that an increase in that contribution would mean they would start contributing themselves, while a further 17 per cent said they would respond by increasing their existing employee contribution. Therefore, overall, 71 per cent of those claiming to be eligible for an employer contribution indicated that were it to be increased this would act as a catalyst for additional employee contributions. The remaining surveyed employees comprised 14 per cent who predicted no change and 15 per cent who did not know how they would react; no surveyed employees predicted that they would respond by reducing their own contributions.

Turning to the much larger group of 298 surveyed employees from companies with no employer contribution, here also the results suggested that introducing an employer contribution might have a strong catalytic effect. From this group, 59 per cent said the introduction of an employer contribution would encourage them to start investing themselves and a further 21 per cent indicated they would increase contributions, making a total of 80 per cent of these surveyed employees from whom new contributions would be generated. The remaining surveyed employees split between 11 per cent who would make no change and eight per cent who did not know how they would respond.63

There were some significant differences by age and income level. The proportion of these surveyed employees who said they would start contributions was higher for the 25 to 34 age group (69 per cent) but lower for those aged 35 to 49 (50 per cent). There was also an interesting pattern by individual annual income. Those earning less than £10,000 per annum were more likely to be unsure how they would respond (15 per cent did not know what they would do compared with eight per cent overall) while those earning £10,000 to £14,999 were more likely to start contributing (67 per cent against the average of 59 per cent). Finally, those earning £15,000 to £19,999 were in turn more likely to increase pre-existing contributions (35 per cent compared with 21 per cent for the total sample).

No differences in responses emerged, however, between those who had engaged with the pilot and those who had not.

63 The percentages do not sum to 100 due to rounding.
9.3.3 External evidence of the impact of employer contributions


Two interesting patterns emerge. First of all, there is a pattern related to company size among those companies either not contributing or contributing less than three per cent. The proportion of schemes having attracted no members in this group falls from 78 per cent of those with five to 49 employees to 46 per cent of those with 50 to 249 employees and to 38 per cent of those with 250 or more employees. Thus, it seems that entirely independently of the level of employer contribution the take-up of scheme membership is greater in large rather than small firms.

Secondly, there is some evidence to support surveyed employees’ contention that they would be more likely to join an SHP, if an employer contribution were available. EPP 2003 data, as summarised in Table 9.2, show an increase in average scheme membership (as a proportion of all employees) in line with the presence and increasing size of employer contributions.

**Table 9.2 Proportion of employees joining their SHP scheme at varying levels of employer contributions (EPP 2003)**

<table>
<thead>
<tr>
<th>Level of employer contribution</th>
<th>Proportion of employees in membership: row percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>28</td>
</tr>
<tr>
<td>0.1 to 2.99 per cent</td>
<td>46</td>
</tr>
<tr>
<td>3 to 3.99 per cent</td>
<td>52</td>
</tr>
<tr>
<td>4 to 4.99 per cent</td>
<td>54</td>
</tr>
<tr>
<td>5 to 6.99 per cent</td>
<td>51</td>
</tr>
<tr>
<td>7 to 9.99 per cent</td>
<td>61</td>
</tr>
<tr>
<td>10 per cent and above</td>
<td>69</td>
</tr>
</tbody>
</table>

9.4 Attitudes to employee contributions

The quantitative ‘after’ survey revealed that surveyed employees were split down the middle on the issue of whether they should be required to contribute to their own pension.

In response to the question ‘do you think that you should be required by law to contribute to a private or occupational pension?’ 50 per cent of surveyed employees agreed that they should. There were a limited number of statistically significant
differences:

- As with the issue of employer contributions, there was a sizeable variation by company size. In small companies only 43 per cent agreed that employees should have to contribute, compared with 58 per cent at medium and large companies.

- Perhaps not surprisingly, agreement was less amongst those who did not already have a pension; amongst those without a pension before the pilot only 43 per cent agreed with employees’ being required to contribute.

9.5 Summary of employee perspectives

The precursors for the pilot that employees consider the workplace an acceptable venue, and that those involved in providing or distributing information be trusted, were partially met:

- Surveyed employees were predominantly supportive of receiving information in the workplace, and it was commonly viewed by them as convenient and a logical ‘venue’.

- Government emerged as generally trusted as a provider of information by surveyed and respondent employees, albeit that the endorsement was lukewarm rather than enthusiastic.

- Also, generally speaking, the involvement of employers was beneficial in that most surveyed and respondent employees were more likely to trust information, if they perceived it to be endorsed by their employer.

- Providers and IFAs, as representatives of the financial services industry, are considered somewhat warily by some employees, but this view was counter-balanced by the generally favourable reactions that presenters received from attendees.

Surveyed employees were predominantly in favour of a requirement on employers to contribute, but interestingly they did have some concerns especially in respect of small companies. There was recognition that their profitability might be too low to sustain contributions which might, therefore, jeopardise either pay increases or employment.

Half of surveyed employees indicated support for the idea that they should have to contribute themselves. Although levels of support varied between subgroups, even among those not currently making any pension provision more than a third said they were favourable.
10 Employer perspectives

This chapter summarises the views of pilot employers and other employers who withdrew from it.

The chapter starts with some key background: employers’ own views on pensions and their current role in respect of pensions administration. It then examines their views on making pension contributions for employees and their responsibility to encourage pension take-up, before reporting on their assessment of the pilot interventions, the issues they faced in implementing these, and the impact overall of the pilot. It ends with a review of the pilot Employer Pensions Information Pack (Employer PIP) as assessed by employers.

10.1 Employer respondents: their current role in respect of pensions administration and their personal views on pensions

Three broad types of senior employer representative were involved in organising the pilot and participated in the evaluation: owners/Managing Directors (MDs), finance department staff and administrators.

10.1.1 Current role in respect of pensions administration

Employer representatives in all three categories described pensions as a ‘very small’ or ‘small’ part of their overall responsibilities, since in most cases the firm’s stakeholder pension (SHP) scheme had either no or very few members. Jobs were limited to giving SHP provider literature and provider/Independent Financial Adviser (IFA) contact details to new employees, taking courtesy calls from the provider or IFA, and organising salary deductions for members. Contact with providers was rare – typically once or twice a year – but more frequent with IFAs who were providing other services, including accountancy for example, to pilot employers.

Employers generally were comfortable with their responsibilities and mostly understood the limitations by which they had to abide, particularly in respect of not being permitted to offer advice to staff. A couple of finance staff confirmed that they
had met with the situation of employees’ expecting them to give pensions advice.

The owners/MDs of the smallest firms were the least comfortable of the employer representatives with their ‘pensions role’. Their concerns included being worried about the need to ‘get it right’ when they also felt that they lacked relevant knowledge. They also perceived a ‘no win’ paradox: a waste of effort and time if no one is interested,64 but a very demanding and time-consuming process which they themselves would need to manage, should SHP take-up be high.

10.1.2 Employers’ own views on pensions

Most employer contacts had active pension schemes, and most of those who did not had dormant pension provision.

Some recognised that pensions are ‘necessary’ or ‘important’, but a majority expressed their disillusion with providing for retirement in this way. As providers and IFAs warned, and as a few of the employer respondents acknowledged, their negativity would not make them the best endorsers of pension provision to their staff. Negative comments focused around:

- Bad experiences of ‘losing money’ on pensions
- The insecurity of private pensions, including comments that the SHP product was no better than any other pension scheme
- The preference to invest in property:

‘Personally I think I would probably be safer putting the money under my mattress. I had a pension with [a non-pilot pensions provider whose members suffered losses], so I have a very tainted view of the world.’

(General Manager; small Option 1 employer)

‘I think the whole industry is very confusing. I think the stakeholder pension is rubbish and that is why no one is interested in joining it…I think the whole industry needs a shake-up…The employer does not have to contribute to them [SHPs], which is why people aren’t interested and there had been a lot of bad publicity about pension companies’ going bust over the last couple of years. So people aren’t putting their money into them because they are worried they will lose it.’

(Office Service Manager; medium Option 1 employer)

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64 Some of the employers who withdrew from the pilot expressed frustration that they had to spend time and effort setting up SHP despite the fact that, as they had suspected all along, no one was going to join the scheme.
‘When I speak to my peers, the belief is that the property market will provide. You are better investing your money in a buy-to-let scheme, or buying a domestic property, if the value is going up by £20,000 a year. You are going to earn more money out of that in 40 years than your money sitting in a pension fund.’

(Owner; small Option 4 employer)

Not uncommonly, respondent employers expressed the views that state pension provision is inadequate, and that the state system is unfair and in need of reform.

‘I think the whole government system is in a mess. There is a lot of money paid out falsely, and there won’t be enough money for those that have worked their whole lives, because funds are given to those that don’t work. The tax payers’ funds are not managed properly, so I don’t just think of it as a problem with pensions, but with the whole system. And my staff view stakeholders in the same way. There are no guarantees that pensions are going to be worth anything at the end…First we are told that there isn’t enough money for the State Pension, then we are told, “Your private pension might not be worth anything either”.’

(Manager; small Option 1 employer)

These employers argued that a state-run pension, with guaranteed minimum pension levels, into which individuals could contribute, would be a better and securer option than those offered by the private sector.

‘If you want me to talk about the private sector, I’ll be screaming from the highest of highs…Please, please, please, let’s set up a State Pension that we can input into with a realistic rate and realistic security…just so we can feel secure…I’m totally dismayed at the moment…very, very confused and worried; don’t know where we’re going to in the future…I’m totally disillusioned with the private sector and I do not trust it in any way, shape or form. I’d rather invest into a State Pension any day because at the end of the day you know the government’s going to be there.’

(Treasurer; small Option 2 employer)

‘But in my opinion you would get a far better response from a government IFA rather than using independent firms, because there are too many commercial interests at stake…If it was a government department where the cost element was limited, they would be far more successful – if it was advertised as a government pension scheme, because people don’t believe the government will go broke. The government are trying to drive something forward, but relying on independent firms to do it.’

(Owner; small Option 4 employer)
10.2  Employer contributions and the employer’s role in encouraging staff to plan for retirement

10.2.1  Employer opinions on making contributions

Only four of the 100 pilot employers offer a matching contribution (of under three per cent) to the SHP to all staff:

- One firm offers a one per cent contribution of annual salary that has been taken up by no employees
- Another offers a one to two per cent contribution that has also attracted no members to the SHP
- A third offers a contribution of up to two per cent which is taken up by six of its 20 employees
- The fourth firm offers a contribution of under three per cent which is taken up by one out of seven employees

A fifth employer announced during the pilot that he intended to make a ‘small contribution’ within the next two years.

Only a small minority of the pilot employers not currently offering a contribution was supportive of the view that they should do so, and none of those currently contributing felt they could increase it. This, of course, is largely a self-fulfilling scenario, since employers making contributions of three per cent or greater were ineligible for the pilot. Interest, therefore, lies in whether there is any sign that this group of low or non-contributors recognises any reason to change its behaviour.

Employer views on contributions were of a wide spectrum:

- At one extreme, a few employers were simply of the view that a contribution is out of the question. They would not contribute voluntarily, commenting variously that it is employees’ own responsibility to sort out their finances for retirement, that they ‘get a fair hourly wage’ and that ‘it’s the government’s job to sort this out’

- A few respondent employers were also genuinely concerned that they would only be able to afford contributions, if they had to make these, by not replacing some staff or even by making redundancies. Those who had not considered contributions, but were not necessarily averse to the idea, included voluntary sector organisations of the view that their status as charities precluded them from being able to offer contributions. Some others who had considered contributions but rejected the idea on cost grounds claimed to be open to persuasion from competitor behaviour, IFAs and employees. A few employers acknowledged that an employer contribution would probably trigger memberships and be a useful staff retention tool, if it was large enough

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65 The employer in this case would not confirm the exact rate of contribution offered.
At the other extreme, the few employers currently making or considering/planning to make an employer contribution typically said they wanted ‘to invest in staff welfare’ or show themselves to be a ‘caring employer’. A couple of employers acknowledged that their IFA had indeed persuaded them to offer a contribution:

‘Once we’d sold the benefits [of offering a contribution] to the employer, it was just a case of “When can we get the guys together?”’

(IFA main contact)

Some respondent employers felt that their employees would prefer a pay rise to pension contributions. Indeed, one large employer had tested this theory a few years before the pilot, and his staff had voted almost unanimously for a pay rise.

10.2.2 Employers’ recognition of a responsibility and role to encourage pension take-up by their employees

There was no consensus amongst employers on their role to encourage retirement provision in general or pension provision in particular.

The more common responses were either accepting a role to provide printed information but nothing more, or being willing also to encourage employees to consider their retirement planning and to act. Some employers had talked to staff individually about pensions or had mentioned the SHP at staff meetings and encouraged employees to consider it seriously.

There were also minorities located at the extreme ends of the spectrum, however. One group of employers totally rejected any involvement at all; outside the pilot they would only want to do the ‘regulatory minimum’ and not even distribute written information on a voluntary basis. At the other end of the scale, there was a group that was, and had, for some time, been proactive in trying to at least get their staff interested in the question of their income in retirement. The actions that exemplified their proactivity included:

- Arranging for more than one provider to talk to employees
- Arranging presentations from a provider for staff who joined the firm after initial set-up of the SHP
- Paying for an IFA to give a talk on retirement planning

Employers who were willing to encourage staff to consider pensions and retirement planning typically felt that increasing awareness that the firm offered an SHP would be good for staff recruitment and retention. Around one in three of the respondent employers, all from small organisations, had made particular effort during the pilot to speak to as many of their staff as possible, either one-to-one or in small groups, about the pilot and about retirement planning.
‘I think we should actively encourage people to take up their own pensions arrangements. Because of my position within the company, people come to me about certain issues and this is another topic I can cover.’

(Manager Director; small Option 3 employer)

A few employers, however, were also concerned that their encouraging employees to join the firm’s SHP would lead to employees’ asking for an employer contribution.

‘It’s a double-edged sword, really, because if you’re encouraging staff to take out a pension, the encouragement would be that the employer contributes, and that would help to retain them. It may be in the fullness of time that staff will be coming to us and saying, “We want a contributory pension scheme”, and we will have to change our minds. It may be that pressure will come from that side if the government starts saying that people have to save towards retirement. It may be that it will have detrimental effect on us keeping staff, if we don’t contribute towards the pension for them.’

(Finance Director; small Option 2 employer)

10.2.3 What drives employers’ opinions, and how these opinions segment employers into four groups

Sections 10.2.1 and 10.2.2 sum up the range of views that employers expressed on making contributions and on the role they see for themselves in encouraging employees to plan for retirement. Their views on both topics appeared to be influenced by a complex interaction between four factors:

- **Company size**: larger firms are more likely to have the resources to administer the SHP and cover associated costs, whereas for the smallest, any additional burden on finances and time can be too much

- **Industry sector**: this determines whether or not staff recruitment and retention is an issue, and often whether or not pay levels are such that pension contributions could be preferred to pay increases

- **Employers’ knowledge and confidence** in dealing with pensions and the related administration; the better informed and confident they are, the more willing they are to encourage retirement planning

- **Employers’ personal attitude** to the role of the employer, and to whether or not they have a responsibility to intervene in this area on behalf of their employees

The following quotations exemplify the **four sets of employers** that reactions based on these factors produce those:

- Who are totally opposed to employer contributions and are also either opposed to or reluctant to distribute written information on pensions
‘We shouldn’t have to provide stakeholders. People are old enough to vote and drink, and they should be old enough to sort out their pensions…The workplace is a place to work. We don’t hand out information on mortgages, which are far more relevant to everyone. Yes – for Ford or Toyota, who have a personnel dept and someone who deals with pensions. But small businesses have enough trouble just keeping up with changes in legislation.’

(Partner; small Option 1 employer)

• Who are unwilling to offer contributions voluntarily, but are open to persuasion and would comply with a requirement both to make contributions and to distribute information

‘From my side of things [an employer contribution] is one of those things that I’d like to add on, but it’s finding the right time to do it…In an ideal world, in a cash-rich world, you’d let everybody join in and you’d match contributions and things like that…[On why he thinks distributing pensions information in the workplace is a positive thing:] There’s certainly enough bad press about them [pensions], or rather, there isn’t enough good press about pensions. They [employees] do need to be made aware that it is their responsibility at the end of the day to do something about it.’

(Partner; small Option 2 employer)

• Who are willing to facilitate the provision of pensions information, including presentations, and to encourage employees to plan for retirement, yet they have not considered making an employer contribution nor do they think they could afford to

‘I’m quite happy about it [providing information], but I just think [employees] should be doing something about it. But since we are not in a position to make contributions to it, it is down to them really at the end of the day. I talk to them and say they should be looking at this seriously, but a 20 year old doesn’t see it that way, unfortunately.’

(Director; small Option 1 employer)

• Providing or planning a contribution or genuinely open to considering it, who also encourage employees to plan for retirement and are prepared to provide pensions information, including presentations

‘They [pensions] are something that I do see as being quite beneficial. There does seem to have been quite a lot of negative talk about it [pensions]. But as a company we are likely to push forward with them in the next two years, with a view that we will likely support the contribution. I see it as something that helps the long-term viewpoint between the company and the staff.’

(Owner; small Option 3 employer)
10.3 Employers’ views on the design and impact of the pilot

The workplace received an endorsement from respondent employers as an appropriate venue for providing pension information, not least because they could suggest no real alternative, but also because they recognised as obvious the link between pensions and the workplace.

The few respondent employers who were both favourable to distributing information and open to the idea of making an employer contribution thought the workplace ‘ideal’, while even those opposed to distributing information felt bound to agree that it was ‘better than nothing’. A minority, however, acknowledged a ‘them and us’ attitude between employees and employer that might make the workplace a less effective venue for the dissemination of information to employees.

Notwithstanding their commitment to the pilot and the hope of most that it would lead to employees’ making informed choices about retirement and an increase in SHP membership, most respondent employers had been sceptical about the impact the pilot could have, and most were not surprised that the impact at the level of changing employees’ savings behaviour had been low. Most were in agreement with the views of the employers who withdrew from the pilot: pensions information does not tackle the underlying causes of employee apathy that are low pay, lack of discretionary income, a distrust of private pensions and a belief that state provision should be reformed so as to be sufficient. That said, they recognised that personal interaction with employees had more chance of success than written information, and they agreed with providers/IFAs that presentations would be insufficient to increase SHP membership: one-to-one meetings would be needed for that. The pilot Employee PIP they criticised as too long and not sufficiently hard-hitting.

Some employers faced real logistical problems in implementing the pilot. It was a combination of employee apathy, in some instances their own lack of interest, and these logistical issues, that led some employers to withdraw from the pilot and many pilot employers to implement an Option lower than that to which they had been allocated. Logistical issues covered multiple sites; staff mostly or often off site; shift and part-time working, and cramped, dirty or non-existent space in which to hold presentations. These issues affected both distribution of the PIP, which was not universally successful and appeared to be least so at large firms, and the arrangement of presentations.

In employers’ efforts to arrange presentations, another factor was also seen to be at play, namely that most firms cannot free all staff at one time. They may be service industries, for instance a hotel or a financial services company, that require client-facing staff, or manufacturers that cannot for cost and/or technical reasons completely shut down production. Three of the 19 firms where presentations were held reacted to this situation by arranging multiple presentations that were given by very supportive providers. Most employers arranged presentations for a time that
was or should have been convenient for most employees or, after they had canvassed interest, for most of the employees they knew to be interested in attending. Even then, a few employees could not attend because they were simply too busy on the day, while a few appeared to miss out because the presentation coincided with annual or sick leave. Several employers acknowledged that it would have been a ‘logistical nightmare’ and a financial impossibility to hold a sufficient number of presentations to ensure that all employees could attend; indeed, they would not have attempted to do this, nor did they think that so much effort could be expected of them.

10.4 The Employer PIP

Distribution of the Employer PIP, ‘Guiding your employees through the pensions maze’, was common to all pilot Options. The Employer PIP contains an 11-page colour brochure divided into the following sections:\textsuperscript{66}

- \textit{About this guide}: this section seeks to answer the question \textit{Why should an employer bother to get involved with pensions?}

- \textit{What employers who offer stakeholder pensions or group personal pensions can say to their employees about pensions} and \textit{What employers who offer occupational pensions can say to their employees about pensions}: these sections include two case studies that describe the stakeholder arrangements offered by two firms, each of which make an employer contribution (five per cent and unspecified respectively)

- \textit{Your questions answered}

- \textit{Sources of help for you and your employees}: contact details for several government sources for further information are provided, and readers are referred to the Employee PIP, a copy of which is contained within the Employer PIP, as a further source of information to help answer employees’ questions

The purpose of the PIP was explained in a covering letter from the Secretary of State for Work and Pensions.

The pack also contained a template letter introducing the Employee PIP to employees which pilot employers could utilise, should they wish to distribute the Employee PIP with personalised covering letters; only one respondent employer, from a small Option 1 firm, indicated having done so.

\textsuperscript{66} A copy of the pilot Employer PIP is included as Appendix N (web-based).
10.4.1 Government as the source of the Employer PIP

Most respondent employers placed more trust in government as the source of the Employer PIP because the government is non-commercial and independent of the pensions industry, but this preference was typically expressed without much enthusiasm. A few who were suspicious of the government’s promotion of pensions at a time when state pension provision was in their opinion ‘in crisis’ and government had demonstrated itself to be a poor ‘money-manager’ expressed their views with some vehemence. A few would have preferred a general information pack from an independent source; most cited an IFA, but the Financial Ombudsman was also mentioned.

‘If it’s coming from the DWP then you take it as gospel, because it is a government department. And anything they tell me, I can pass on, confident that I am passing on facts. There is something wrong if a government department is wrong – but then, it has been known to happen.’

(Owner; small Option 2 employer)

‘No, I don’t trust the government at all. They are just trying to cover their backs at the moment. They have gone into an absolute panic because they have realised that they haven’t got enough money. We are working to pay our bills, and the government is extracting a third of our money to pay for people that aren’t working, and my opinion is, it’s not on.’

(Office Manager; small Option 2 employer)

10.4.2 Employers’ assessment of the Employer PIP

Both recall of the Employer PIP, and the perceived need for it, were low amongst most respondent employers. A few employers had not noticed that the package of copies of the Employee PIP they had received from DWP had included an employer pack too. Little need for it was recognised, as employers tended either to feel that they were already knowledgeable enough, or that they had little or no requirement for information because they simply handed over any questions or issues to their provider or IFA.

Against this background it is not surprising that typically the Employer PIP was either only skim read or filed without review at all.

The few who did review it generally felt that the Employer PIP was useful, well laid out, and easy to read; the section outlining what employers can and cannot do in respect of pensions was a useful reminder, and they tended also to like the listing of information sources and the form for individuals to request a State Pension forecast.

Possible enhancements identified by respondent employers included:

• Greater emphasis and explanation of the tax benefits of employer contributions

• Practical advice on how to encourage low-income staff to plan for retirement and consider joining the SHP scheme
There was agreement, however, across all sizes of employer that its usefulness and relevance was greater for small firms; larger organisations may have Human Resources (HR) or other staff specifically trained to deal with pensions. In tandem with this view, the sole focus of the Employer PIP should be the SHP, it was felt; the smaller the firm the less likely it was that it would have a group personal pension (GPP) or other occupational scheme.

10.4.3 Views of six employers who agreed to read the pack fully

Some pilot employers who had not or barely read the Employer PIP on first receipt attributed this in part to lack of confidence in dealing with pensions, thereby revealing the dilemma that the Employer PIP appeared to be read least by those employers whom the Department for Work and Pensions (DWP) would most want it to reach.

Six respondent employers agreed to a request to read the Employer PIP fully. They were clear that the Employer PIP does not grab the attention of or enthuse its target audience. They, too, felt that it needed to be shorter and to focus on the state system and on SHPs, but also that it should reference alternative methods of saving for retirement. They stressed that it should cover the additional State Pension, since employees do ask them about the State Earnings-Related Pension Scheme (SERPS).  

They also felt that a revised Employer PIP would be of most use to employers at the time they were setting up the SHP scheme, and that it should therefore include information on how to arrange and promote an SHP and contact details for SHP providers; there was no suggestion from employers that a government publication is not able to include ‘commercial’ information.

Although the Employer PIP contained little that was new to the employers, they acknowledged that reading it closely had had at least some impact on their attitude to dealing with pensions:

- Most were of the view that the pack had reinforced their responsibilities and reminded them to raise the issue of financial planning for retirement with employees on a regular basis. It was the view of an HR manager from a large firm that the Employer PIP ‘exemplifies best practice’

- They appreciated that the Employer PIP clarified the difference between providing information and giving advice; this had not been clear to two of the respondent employers, and one recognised that he may ‘have crossed the line in the past’ by telling employees that they ‘should join’ the firm’s SHP scheme

- It had also increased the confidence to deal with pensions of a couple of the employers

SERPS is the additional or state second pension. Pilot employers who made this point say that their employees only use the term SERPS.
The employers considered most useful in the Employer PIP:

- Its reinforcement of the message that employers should encourage employees to plan for retirement, but should not give them advice
- The sources of further information
- The State Pensions forecast form for employees

They also thought the case studies in the employer and Employee PIP interesting, but generally had issue with the particular examples used as not relevant to their own companies in terms of wage levels, working status and the ability of the employer to offer a contribution. Accordingly, they suggested that case studies in a revised version of the Employer PIP should address the following points:

- How should employers go about encouraging interest in retirement planning amongst staff on low pay, when no employer contribution is offered?
- Employers with part-time or short-term workers may also struggle to interest employees in retirement planning; the Employer PIP should also clarify an employer’s obligations to part-time and contract staff
- The case studies should also cover firms with staff on wages lower than those cited in the Employee PIP case studies

A booklet was the preferred format for the Employer PIP, but these respondent employers also indicated as useful an electronic version that could also include more website links in the sources of information for accessing more detailed information on issues raised by either the pack or by employees. The advantages of an electronic copy were variously described as follows:

- The employer contact from a large firm would post it on the company Intranet
- It could not be lost
- It could be updated, and accessed by employers at their own convenience

10.5 Summary of employer perspectives

The evaluation provided useful insights into the roles pilot employers currently fulfil and can see for themselves:

- All employer representatives – MD/owners, finance staff and administrators – agreed that pensions represented a small part of their overall role. They were also generally comfortable with it, and most of them were confident that they accurately understood what they were and were not permitted to do in respect of the difference between providing information and advice
- Most of the employers had private pension provision of their own but, despite this, were generally disillusioned about pensions and their performance. Some providers/IFAs were concerned that these negative attitudes could be conveyed to their staff and serve to make them negative also
• Only four of the 100 participating employers currently offered an employer contribution for all staff and a fifth employer intended to do so. There was a wide spectrum of views on whether or not employers should have to make contributions. Some respondent employers were totally opposed to contributions, and only a minority was in favour of making a contribution at all. Interestingly, some employers did indicate that they might be persuaded to introduce contributions, if their competitors were to do so, meaning that a major barrier to them was fear of competitive disadvantage. It was also the case for some that fear of stimulating demand for an employer contribution was a barrier to their being willing to become involved.

• Nor was there consensus as to the appropriate role and responsibility for employers in respect of providing information; again some recognised an obligation or commitment, while at the other end of the spectrum some were aggressively negative to becoming involved.

The views of respondent employers on the pilot were also illuminating:

• Overall, employers were generally supportive of the workplace as a venue for providing information, although they were the least enthusiastic of the three stakeholders.

• However, they were sceptical that simply providing information would have much impact, and many were of the opinion that information on its own would not be enough because it would not tackle issues such as lack of disposable income and mistrust of private pensions.

• Employers also concurred with providers/IFAs in being, overall, somewhat negative about the Employee PIP; they agreed that it needed to be shorter, less ambitious in its coverage and more hard-hitting.

• They further agreed that, on its own, the PIP would have little impact; indeed, many held similar views even about presentations, feeling that one-to-one meetings would be needed to make an impact at the level of stimulating new memberships.

• Most employers paid little attention to the Employer PIP that was circulated to all of them. Some felt that it did not contain anything they did not know while others tended to feel they had no requirement for it because they would simply refer any questions or issues to their SHP provider.
11 Provider and IFA perspectives

This chapter presents the views of the small group of participating stakeholder pension (SHP) providers and Independent Financial Advisers (IFAs). It includes comments from main contacts responsible for the pilot within their organisation and the individuals who delivered presentations.

It is important to stress that the views of providers and IFAs reported in this chapter, and indeed throughout the report, are those only of the intermediaries who participated in the pilot and were willing to participate in the evaluation. This caution applies in particular to their views on industry-wide trends, as reported in Section 11.1. In total, senior main contacts from ten of the 12 pilot partners were interviewed: all five providers and five of the seven IFAs. Twelve local provider/IFA contacts, 11 of whom delivered presentations and/or one-to-one meetings, also participated in the evaluation.

The chapter starts by reviewing how the participating providers and IFAs are set up to service the SHP market and explores the level of contact they have with the type of employer targeted in the pilot. The chapter also summarises providers’ and IFAs’ assessment of the pilot interventions and the issues they faced in implementing these. It ends with a review of the pilot Employer Pensions Information Pack (Employer PIP) as assessed by providers and IFAs.

11.1 The SHP market and the importance of employer contributions in how providers and IFAs treat clients

11.1.1 Participating providers’ and IFAs’ views on today’s SHP market

All the main contact respondents remain committed to the SHP as a product area, and a majority – in particular the IFAs – still spend a good percentage of their time promoting and selling SHPs.
'I never sell them [employees] anything other than a stakeholder, if a personal pension’s what they’re after.’

(IFA main contact)

‘My remit is just to secure business in whatever format we can, but we have always promoted SHPs since they came in in 2001, rather than promote higher charge products. Over the course of the day I would say 40 to 50 per cent of my time [would be devoted to SHPs].’

(IFA main contact)

The consensus amongst provider and IFA respondents is that many providers in the UK have strong administrative and information technology systems in place to service the SHP market. These would allow providers to market and sell SHPs at low margins, if the volume of business were large. Results have, however, been somewhat disappointing to them, largely, respondents believe, because most employers do not offer contributions into their own schemes. Respondent providers acknowledged that they themselves are cutting back service levels to firms where prospects are low. They are now spending less time on SHP business than they had in 2001-2002, since in their opinion the SHP product has not ‘taken off’. In addition, they are targeting larger firms where there is an employer contribution on offer.

Respondents believe that across the industry, providers are beginning to move more towards indirect sales of SHPs and also that stakeholder pensions continue to be ‘good business’ for some IFAs. IFA firms where pensions constitute a major part of core business are similar to providers in that they focus on clients where the employer makes a pensions contribution for employees. Respondents added, however, that other IFA firms that sell SHPs as an ancillary service will be less concerned about whether the employer contributes.

Provider and IFA respondents were unanimous, however, in their belief that SHP membership would only really increase amongst the pilot’s target population, if employers were to contribute much more widely.

11.1.2 Levels of contact with and service to employers

The majority of SHPs that the providers who participated in the pilot administer are shell schemes and/or ones without an employer contribution and with few members. The reverse is true for the IFAs who took part in the pilot: they administer far fewer SHP schemes, and more of these than not benefit from an employer contribution, although not always at a level high enough to generate a large membership.

It also emerged that the participating providers often had low levels of contact with their clients for designated SHPs, since most are shell schemes. They are also a step removed from individual employers who have joined umbrella SHP schemes which they manage for organisations such as the Trades Union Congress (TUC) or the British Chamber of Commerce.
The IFAs who assisted with the pilot have smaller client bases than do providers and tend to know their clients well, because they are selling other services too, for instance accountancy services or pensions to senior managers such as small self-administered schemes (SSASs). They may be able to persuade some of their clients to offer an employer contribution, or they will only take on a new client who approaches them to set up an SHP if that employer is willing to offer a contribution or pay a set-up fee.

Until recently, participating providers and IFAs both put effort into promoting SHP schemes where there is no employer contribution, although these schemes account for a very small proportion of their SHP income streams: IFAs who commented gave figures of ‘two per cent’ and ‘under one per cent’, while providers who commented said ‘extremely low’ and ‘under five per cent’.

Where prospects for membership and contributions are low, the pilot providers are cutting back on service levels. They now typically limit contact with such employers to courtesy calls, perhaps on only an annual basis; they are deploying less experienced staff, and some providers are encouraging employers to communicate with them over the internet to save time and reduce costs. As presentations and one-to-one meetings are ‘resource-hungry’, some providers offer dedicated call centres and helplines, preferring to deal with queries from non-contributing employers in this way. Increasingly, these providers are reluctant to offer presentations even at scheme set-up, if no or very few employees are likely to join the scheme. Alternatively, while maintaining a flexible approach, they may require a minimum of ten to fifteen attendees.

‘What we’ve tried to do is to encourage employers to use the Internet to maintain a stakeholder, because it’s more cost-effective.’

(Provider main contact)

Where there is no employer contribution but the company wishes to hold a presentation, ‘employers have to chase us’, one provider said. Another provider commented that if a non-contributing employer approached them, it would be ‘a question of paperwork’, meaning they would send the employees the necessary forms to join the SHP, but would not offer presentations and one-to-one meetings straight away.

‘I always think if I’ve got a client that’s making a contribution…presentations are worth doing…It’s not worth doing when you’re being used as a patsy and there’s no contribution…You pretty well know that because there’s no contribution, nobody’s going to join.’

(Provider presenter)
11.1.3 Views on employer contributions

Pilot providers and IFAs alike regard whether the employer contributes and, if so, at what level, as the key indicator of likely good to high take-up of the SHP. It is also the key influence on the level of effort they are willing to make when an employer asks them to set up an SHP, although industry and salary levels are also useful indicators of take-up.

Consequently, there was a very strong view amongst pilot providers in particular, and amongst pilot IFAs too, that employer contributions were effectively essential for stakeholder schemes to be viable for them. It was their view that, if participation rates for stakeholder pensions are to expand, sufficient contributions will not be forthcoming on a voluntary basis.

‘We still have small group pensions where there are only five employees and no contribution, and whilst we don’t ignore the smaller employers, we would concentrate more on those employers that had a higher net worth.’

(Provider main contact)

‘The majority of employers are unwilling to put in a contribution. As a result, people are not interested in talking to the provider about a stakeholder.’

(IFA main contact)

Some pilot providers claim that take-up can be as high as 95 per cent, if a good employer contribution is offered and they follow up this offer with a presentation and one-to-one meetings; a lower level of take-up will result if one-to-one meetings are not provided. Therefore the service that pilot providers and IFAs offer to contributing employers ordinarily includes:

- Presentation
- SHP literature for attendees
- Arrangement of one-to-one meetings, including personalised illustrations

11.2 Providers’ and IFAs’ assessment of the prospects of rolling out pensions information and advice in the workplace on a national scale

The pilot providers and IFAs perceive the environment in which the pilot and evaluation were conducted to be particularly challenging for them for several reasons:

- In general, they believe the cap on charges on stakeholder products to be very tight, leaving little or no scope for committing resources to selling activities that risk yielding only minimal returns
• They feel that the market for SHPs and employee benefits more widely is very competitive, again restricting scope for ‘nice to have’ marketing activities which may not cover their costs

• To maximise the return on their efforts, to date they have mainly concentrated on larger employers, usually those with 50 and over staff, and those where an employer contribution is being offered; this in turn tends to mean that the employer is more supportive, and both take-up rates and contribution yields are higher. Moving into smaller organisations where contributions are not generally offered means operating in an environment where the chances of success are lower and the potential gains far less

There are some differences in perspective, however, between the participating providers and IFAs. The providers tended to be more negative about committing selling efforts to smaller employers and to those not offering a contribution, and it was a common view amongst them that they were not geared up to support such organisations. While the pilot IFAs also preferred to work with employers who were making a contribution, some of them at least were more prepared to target smaller companies.

IFAs, participants agreed, were also more likely and able to offer a wide range of products and to cross-sell, so that they might not be reliant solely on the SHP commission yield to fund their marketing costs. Also, they can meet the need for advice as well as for information, and thereby offer a more comprehensive service.

Overall, however, both providers and IFAs who took part in the evaluation emphasised that, where an employer contribution was not available, attempts to increase the provision of information and advice to employees require real efforts from organisations like theirs and they would have to be paid for through one or more of:

• Higher product charges, although this would impact on employee sign-up

• Employers’ paying for services such as presentations or one-to-one meetings, although they do not see that as happening voluntarily. They commented that some pension providers and IFAs in the UK already charge employers an SHP set-up fee

• By government, either directly via subsidies for information and advice services or indirectly through greater tax incentives, for employers and/or employees, for SHP contributions:

‘...As far as I’m aware, that’s [tax breaks] the only thing that could cajole an employer into action. Because everything else isn’t worth his while. I’m thinking of a particular sort of employer here. There are a few who will be very paternalistic and will want to look after their staff – but they’re generally much bigger and can afford it. And they know that they wouldn’t keep their staff, if they didn’t offer them some benefit.’

(IFA main contact)
‘Tax incentives are the best way if they [the government] are going to give money. As much as I would like them to give me money as an IFA to go out and give presentations I can’t see it happening, but one of the best ways to allocate money to this is through the tax rate so they can control it. My view is that if basic rate tax is at 22 per cent and higher rate is at 40 per cent, if the cost neutral position is 30 to 32 per cent, then a basic rate tax payer getting an extra ten per cent tax relief on his contributions would encourage people at the lower end to make pension provision. OK, it would go away from providing forty per cent tax to the higher rate tax payer, but the higher rate tax payer who is more financially astute is probably still going to do his pension contribution if he gets 30 or 32 per cent. It might put the odd one off, but not many.’

(IFA main contact)

Without such additional funding being provided then, outside of the pilot process, neither pilot providers nor IFAs are likely to be prepared to offer the information and advice services envisaged in the different pilot Options to the target audience, i.e. mostly low paid employees of small firms where the employer offers no or little pensions contribution.

‘We won’t set up any stakeholder schemes now unless we’re set up on a fee basis with employers. And that’s half the problem. Most of them won’t pay a fee. As a result of that, we’re not proactive.’

(IFA main contact)

11.3 Providers’ and IFAs’ views on the design and impact of the pilot

Providers and IFAs who took part in the pilot were the most enthusiastic of the three stakeholders in endorsing the workplace as a venue for the provision of information on pensions, but, as ever, this was with the caveat that they would require their costs to be covered in one way or another. They think the workplace is a convenient and comfortable one for employees, and that employers’ encouragement of retirement planning is a boost to scheme take-up; at the same time, however, they warn that an employer with a negative personal attitude towards pensions can in effect dissuade employees from joining.

‘It’s a non-threatening environment – easy to attend a presentation.’

(Provider presenter)

‘The whole industry’s moving away from traditional occupational schemes, but the workplace is still the most appropriate place.’

(Provider presenter)

Pilot providers and IFAs thought that employees were in denial on the issue of pensions, and that mis-selling scandals had tainted the image of pensions and lowered the trust employees have in the pensions industry. Persuading such
employees, many of whom were on low wages, to invest in a pension was an uphill struggle, they said. Consequently, they think government has a major role to play in alerting employees to levels of state pension provision generally, and to the pension they themselves will receive from the state. This in turn should, in their view, make some employees reconsider retirement financial planning, including private pension cover.

‘I think it has got to include information on the individual’s current pension situation, in other words what they are expecting to get from the state, and realistically what value they will bring to them in retirement. The problem is it may not be politically sound to tell someone on £30,000 a year that they will be on £4,000 a year in retirement. It is the only way of getting people to take notice, which may not be politically sound, just how minor the state pension provision is to the vast majority of people.’

(IFA main contact)

‘Hopefully people listen more to information than they do reading it. The problem is there were groups of employees that couldn’t afford to make a contribution. I am a great fan of presentations. But there is still the underlying problem that if they can’t afford to [pay into a pension] a presentation doesn’t solve that problem.’

(Provider main contact)

The government is considered to be a more trustworthy source for pension information, respondent providers and IFAs said; information provided by government would largely be viewed as objective and unbiased by employees and employers alike.

‘Basically, we are not seen as trustworthy, even for giving out information.’

(Provider contact)

Participating providers and IFAs admitted some hesitation, however, in advising very low-earners to take out a pension, especially if savings in a pension would simply deny individuals a similar level of Pension Credit. They were strongly of the view that government must be realistic that employees on the lowest levels of income do not have any discretionary income. In their view, government needs to decide what to do for this section of the workforce.

‘Those on very low income need a better State Pension. They simply cannot afford to contribute, and it is a waste of time to try to persuade them to.’

(Provider main contact)

Several respondents also suggested that the work of government in publicising the state pension system and the need for private provision should start in school and Higher Education.
'People aren’t aware enough until it’s too late. There was some talk of providing financial services lessons in schools – that might be a good idea. Then when you get to the employee stage, you already know what you need to do and you might not even need presentations.’

(Provider main contact)

Providers and IFAs who participated in the pilot were largely committed to it. They had had input into its design, and the more intensive Options 3 and 4 partly mirror the service they provide for clients that they consider to be good prospects.

Notwithstanding their commitment, most respondent providers and IFAs had been sceptical about the impact the pilot could have, and none was surprised that there had been little change at the level of employees’ savings behaviour. There was some recognition on the part of one or two providers that their presentations may have been pitched too high for the pilot target audience and required additional customisation, but in the main, they felt that presentations had been delivered well and sensitively. Nevertheless, providers noted a general lack of interest or engagement in comparison with their usual audiences.

‘The presenters willingly participated because we all thought it was beneficial to do the research, but I think they pretty much knew we weren’t going to get anything out of it…The problem we had was that we were targeting shell schemes we had targeted before...It was a bit like flogging a dead horse really…maybe there is a case for pitching differently to smaller companies, because the larger companies of 50 plus tend to be a bit more keen to provide employee benefits.’

(Provider main contact)

Overall, pilot providers and IFAs agreed that a national roll-out of any pilot Option would yield little in terms of SHP membership, unless employers contributed to the schemes. They also emphasised that their involvement and commitment to such a roll-out would require their costs to be covered either by employer contributions’ helping to generate viable overall contribution flows or in another way such as by fees or subsidies.

11.3.1 Option 1: the Employee PIP

Providers and IFAs who commented were clear in their overall assessment that distribution of written information on its own, such as the pilot Employee PIP, would be insufficient to stimulate action and would effectively be a wasted effort, unless it was followed through with other activity. To illustrate their point, a couple of providers estimated their usual success rate from in-house literature distribution only at around one to two per cent, and these figures included firms where an employer contribution is offered.

This was not to say pilot providers and IFAs saw no merit in the Employee PIP; they thought the provision of standardised government information could be a good way to at least partly counter employees’ distrust of the pensions industry. The PIP
could be a useful springboard for providers and IFAs to promote SHPs, but they advised against a national roll-out in favour of a national advertising campaign. On the back of this interested employees could request a copy of the PIP from the Department for Work and Pensions (DWP), and providers and IFAs could hand out copies with their own literature.

They agreed with employers that the Employee PIP would need major redesign, arguing that it should be shorter, designed to shock and should focus more on low state cover and on retirement lifestyle planning as the way to make employees start to realise they need private pension provision. It was also suggested that DWP and the Financial Services Authority (FSA) should work together to minimise the ‘stodgy legalese’ in the PIP.

11.3.2 Options 2 to 4: presentations and one-to-one meetings

Overall, providers and IFAs who took part in the evaluation agreed that pilot employers who were offered presentations and one-to-one meetings had been offered the ‘ideal’ combination of interventions, and one that is generally successful where employers contribute into employees’ pensions.

All providers and IFAs who commented saw some value in presentations. Respondent providers in particular commented that presentations can constitute a useful ‘screening process’, especially at larger firms where wholesale arrangement of one-to-one meetings may be impractical and cost-inefficient. Presentations, in their view, raise awareness levels amongst employees, and give them the opportunity to absorb information and a platform from which to discuss their finances with partners, before deciding whether or not to join the SHP or to request a one-to-one meeting.

‘Presentations do work. They give people the chance to ask questions, get them thinking about the issues, and interest grows. The good thing about presentations also is that afterwards employees then do talk to each other about it – continue the whole discussion further…At any scheme where there is an employer contribution we encourage a staff presentation, because we know that can improve take-up and can increase contributions an employee puts in.’

(Provider main contact)

The consensus, however, was that one-to-one meetings translate into SHP memberships more often than presentations do.

‘I personally think you need a one-to-one, because I don’t think you can sell pensions on a direct offer basis. People are still wary of pensions. They think it’s a very complicated product and they want the reassurance that they’re doing the right thing.’

(Provider main contact)
'If ten people attend a presentation, they’re all different; they’ve all got different hopes and aspirations. They might all want to retire comfortably, but if you ask them to write on a bit of paper how much they want in retirement, then probably all ten come up with different figures and have a different understanding. But you can quantify that when they have a one-to-one.’

(IFA main contact)

’[You need] the presentations to dispense the general information and then the one-to-one to deal with the specifics. The impact tends to come from the one-to-ones.’

(IFA main contact)

Some pilot providers and IFAs put in a good deal of effort to arrange the presentations that were part of allocated Options 2 to 4. Only in a few cases, and then typically as a result of poor communication from a pilot employer, did they decide not to hold a presentation. A couple of IFAs, however, did admit to ‘giving up’ sooner rather than later, because the pilot was stretching their resources and they were unwilling to chase employers. In all cases these were employers with shell SHPs with whom the IFAs did not have very well established relationships.

For the most part, however, participating providers and IFAs ascribed the failure to implement presentations (and one-to-one meetings on the back of these) to a mixture of employee disinterest, often on the basis of lack of discretionary income, and logistical issues faced by the employer, including multiple sites and shift working. In isolated cases, providers recognised that employer disinterest had led to the non-arrangement or cancellation of presentations.

‘The main reason was that they were cancelled by the employer, sometimes just the day before, because no employees were going to attend. So employee apathy rather than employer unwillingness [was the reason].’

(Provider main contact)

‘I went in to have a chat with them at their staff meeting to see if there was going to be any interest in doing a presentation…Some of [the employees] are single parents, and I think the average wage was about ten or 12 grand. Affordability was a huge question, and although they were interested in talking about it, really the lack of interest was due to the lack of affordability. It was in a poorer side of our town, geographically, and we had one person who, after we were in the staff room, wanted to talk to us anyway. But the rest of them were very young, some of them were single mums…so that was the reason for that, really.’

(IFA main contact)
‘I think in all cases they were all good employers; it just came down to the willingness to interrupt the working day to do this sort of thing. By the time you have taken 50 people away to attend a presentation, you have lost a lot of working hours. After they had agreed to participate and as much as I know them as employers they lost faith, because they failed to see that they would get any interest from their employees.’

(IFA main contact)

‘We had those [employers] that, although they were keen to invest in the pilot, they didn’t have the facilities to hold presentations and they weren’t able to book out time or hire another venue. One was a workshop and even though they have ten or 15 people working there they don’t have a canteen; it’s just a workshop...I felt like I was pestering the employers after a while, ‘cos I was phoning them up every week for an update to see if they were able, and they were never dismissive. They said they would go back to their employees...but employee apathy was very prevalent.’

(Provider main contact)

Providers also faced isolated reluctance from employers on the grounds of claimed distrust of providers’ motives. In these instances, as one provider commented, employers wanted to know ‘what the provider gets out of it’.

‘Not the usual reaction my staff would face. Usually they deal with employers that want to join a scheme and hence are welcoming of the offer of presentations.’

(Provider main contact)

‘It was extremely difficult. It was difficult to get over the mistrust as well. It was like, even though we said to them, “It’s a pilot; we’re running it with the DWP; it would help them find out the best ways of encouraging people to take up pensions”, there was still a “What’s in it for you?” type of attitude.’

(Provider main contact)

11.4 Providers’ and IFAs’ views on employee contributions

A few of the respondent providers and IFAs touched briefly on the issue of employees’ being required to contribute. They thought employee pension contributions could come to be seen as an obligation similar to that of income tax: one that employees would not question. Some providers and IFAs suggested that the government would, however, have to tackle the issue of minimum guaranteed levels of pension, if employees had to pay into pensions. It was also suggested that some employees, after they had been made aware of current state pension provision, would be less averse to compulsory contributions if the rate of tax relief they received was increased.
'Compulsion is maybe the only way...No one refuses to pay their NI contributions, do they? No one refuses to fill their car up with petrol because they don’t want the government to get 80 per cent of it in tax, do they? People would accept it in the end. It would become normal.'

(Provider contact)

'The major incentive would obviously be compulsion, but that is not on the agenda as we speak. If, for example, tax relief were increased for the lower paid, that would act as an incentive for both the provider and the employer stroke employee to move things on.'

(Provider main contact)

11.5 The Employer PIP

Respondent providers and IFAs generally endorsed the idea of the government’s rolling out the Employer PIP nationally, although they shared the view of respondent employers that the pack was less relevant to larger firms with Human Resources (HR) staff and occupational schemes. Amongst smaller firms they felt employers who offered no contribution were the priority target. These providers and IFAs also said that since ‘a large number’ of these employers are yet to fulfil their legal requirements by designating an SHP product for their staff, a proportion of packs, even if opened, would not be read.

'I think it is another major step forward, and I think it is going to be a regular thing. It’s ideal.'

(Provider main contact)

'I can’t see many 250-plus employers not having a pension scheme these days. What the pilot did was highlight that the smaller employers are where the problems lie. The larger employers are more socially responsible.'

(Provider main contact)

'For the smaller employers, yes. In my opinion the larger employers are more responsible. It perhaps wouldn’t hurt to let them [small employers] have a brochure. If they haven’t got a pension scheme, they get the pack and they may do something about it. I’m not convinced it will have a huge amount of success. The only way to do so is to introduce compulsion.'

(Provider main contact)

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68 See Section 10.4 for a description of the content of the Employer PIP.
Providers and IFAs alike thought that the *what you can and cannot do* sections of the Employer PIP would be useful in raising an awareness amongst employers of a moral obligation to encourage their staff to plan for retirement. The Employer PIP should, they argued, push strongly to employers the current tax breaks available. Even so, both sets of pilot partners were similarly keen to point out that the pack alone, even with some refocus of content, would not be enough to persuade employers to contribute to the firm’s SHP.

> ‘I think there has been a lot of fear that employers couldn’t actually talk about pensions to their staff. So it’s useful in that it tried to allay those fears. But did anyone read it?’

(Provider main contact)

Pilot partners further felt that the Employer PIP should also explain that SHPs are not difficult or time-consuming for employers to administer. They were concerned that the Employer PIP was a little *‘too wordy’* and that the *Your questions answered* section contained so many questions that some employers might find it intimidating. Some also suggested that the document include more specific detail on the state pension system, so that employers could cite to employees facts and figures that would make them realise that the state provision will be less than many expect it to be.

> ‘It almost raised more questions because of some of the answers and the way they had been given. The employer may start to get worried that he is getting into something here that could get him into trouble later on. What the employer will be looking at is will this take up a lot of his time. And he may think, “Crikey, if all the questions are in the book, will the employees want answers to these, will I have to go through all these with them, and how often? Surely I have a provider or an IFA to do that?”’

(Provider main contact)

> ‘I think it’s very, very important that they [government] lay it on the line as it is...There is a shortfall expected…and give them a page of explanation.’

(IFA main contact)

Providers and IFAs alike were concerned that the Employer PIP could be overlooked amid the high volume of paper-based information employers receive from government on a variety of issues. They therefore urged that government should advertise the Employer PIP via a national television campaign and/or via information sent to members by organisations such as the British Chamber of Commerce or the Federation of Small Businesses. IFAs and providers would then be able to reference the Employer PIP when they next contacted employers.
‘They get so much information from different departments of government anyway… I’ve only ever come across a couple of clients who’ve read a Key Features document, yet they’ve all had them… Why should they read something that they haven’t even connected with yet?’

(IFA main contact)

11.6 Summary of pilot provider and IFA perspectives

The evaluation provided useful insights into the relationships the providers and IFAs who participated have with the target population of employers and the motivations and barriers they identify vis-à-vis serving this market:

- Pilot providers are geared up to service the SHP market and committed to it, although poor up-take and a decline in the growth of sales have led to their curtailing levels of service except to those clients where there is maximum potential for a return

- In response, pilot partners believe some providers in the UK are beginning to exercise a preference for SHP sales through the indirect channel IFAs provide

- IFAs tend to know their clients well which means that they have been successful in persuading some to contribute to their SHP, but, in particular amongst those IFAs whose businesses are not centred on pensions, they will content themselves with providing a designated SHP as an ancillary service alongside more lucrative sales

- If a potential client is interested in setting up an SHP but not in other services, and is not offering staff an employer contribution, the IFAs who took part in the pilot may well expect to be able to charge a set-up fee

- Respondent providers and IFAs argued that the market for providing SHPs is consequently moving in a direction, whereby little, if any, pressure will be placed on non-contributing employers to contribute, and set-up fees may dissuade existing or new companies that have not yet established schemes from doing so

- Provider and IFA respondents generally believed that SHP membership would only increase significantly, if many more employers were to offer contributions. They view employer contributions as essential both to generate take-up amongst employees and for their marketing and administration of SHPs to be commercially viable; they believe this is particularly the case where wage levels are low

- The provider and IFA respondents are supportive of employers’ being required to contribute and do not anticipate that sufficient contributions will be forthcoming on a voluntary basis

- In the absence of an employer contribution, they would only be prepared to give a high level of service, including presentations and one-to-one meetings, to employers such as those targeted in the pilot, if their costs were covered by government subsidy or other means
The views of participating providers and IFAs on the design of the pilot suggest they would make changes:

- They are enthusiastic endorsers of the workplace and would support a programme that included literature such as the Employee PIP, a presentation and a one-to-one meeting, while stressing that it is the one-to-one meeting that is key to take-up level.

- They would redesign the Employee PIP. In their view, it should be shorter and its key message should be that state provision will fall short of the expectations and aspirations of most people. They would also want its distribution to be on the back of a national advertising campaign. The PIP should then help to increase pensions knowledge and generate a more open attitude towards pensions which providers and IFAs could use as a springboard in selling SHP membership.

- But the pilot providers and IFAs would still only see value in a roll-out of the pilot, albeit it with some rescoping, if employers were contributing on a much wider basis. In that scenario they could see a role for themselves advising potential new joiners and existing members who may not be contributing an adequate amount.

- Yet, they are realistic that even a high level of service from them will only have marginal impact where employees are low paid, nor would they necessarily want to advise the lowest paid employees to take out a pension, if by doing so they were in danger simply of cancelling means-tested benefits.

- They also highlighted the importance of the attitude and support of employers; if they are positive towards pensions, this makes employees more receptive, but, equally, employer negativity can send very strong messages to their staff which will make it very difficult to sign up members.
12 Conclusions

This chapter summarises the main themes emerging from the findings of the evaluation and what has been learnt from conducting the pilot. The main findings of the evaluation are reviewed in the Summary.

Chapter 12 is structured as follows:

• A background section that sets the scene for the pilot and the evaluation and draws implications from the experience of establishing them

• An overview of the key findings and messages to emerge from the pilot itself (but not a reprise of the more detailed main findings covered in the Summary)

• A review of the findings as they relate to the original objectives of the evaluation

• A discussion of remaining questions, themes and issues which it was not possible to explore in detail in this piece of research

• A concluding summary

12.1 Background

12.1.1 Objectives and context

The objective of the pilot was to explore the feasibility and impact/effectiveness of four selected means of delivering pensions information and advice to employees via the workplace through printed information, presentations and one-to-one meetings. Key questions were:

• If information was offered, would it be taken and would it have an impact either in the short-term, by generating action to prepare for income in retirement, or by increasing the potential for such action in the longer term by changing employees’ knowledge and/or attitudes?

• How practical and feasible was it to achieve the objective of successfully disseminating information to employees via the workplace using the methods selected?
A vital piece of context to bear in mind throughout is that the specific target group for this pilot was a particularly demanding one. The pilot covered only employers who offered either no or only a small contribution of below three per cent of salary to their employees’ stakeholder pensions (SHPs). It was recognised from the outset that in comparison with employers making more generous contributions this group was likely to be a more difficult one with which to engage. It would also be less commercially attractive to the SHP providers and Independent Financial Advisers (IFAs) who would be needed to deliver the more intensive Options.

12.1.2 The process of establishing the pilot

The process of establishing the pilot and its associated evaluation provided important insights even before the pilot interventions themselves commenced.

Firstly, the Department for Work and Pensions (DWP) was particularly appreciative of those partner providers and IFAs who agreed to assist with the pilot despite the widely held view in the industry, as reported by these pilot partners, that this target group of employers was unlikely to provide a commercially acceptable return. The partner providers and IFAs in fact experienced even more difficulty than anticipated when they endeavoured to recruit employers from amongst their client base to join the pilot. Eventually over 4,000 employers were contacted to yield the achieved target of 100 who implemented the pilot. Analysis of this outcome revealed important issues:

- It became apparent that the frequency and level of contact between providers and their clients were variable and often quite low. This meant that providers sometimes lacked sufficient data to determine employers’ eligibility for the pilot.

- Most employers who were approached expressed a clear lack of interest in participating. In some cases this was due to disinterest in pensions generally or unwillingness to take on any extra tasks or ‘red tape’. However, easily the most widely given reason was their expectation that levels of apathy amongst their employees were such that any activities of the type proposed in the pilot would prove futile.

The pessimism of the employers was echoed in the further process of recruiting employees to participate in the evaluation. Less than ten per cent of employees at the 100 participating employers opted in to the evaluation process. Although the requirement to use an ‘opt-in’ approach, driven by data protection considerations, had been expected to result in a relatively limited participation rate, this outcome was lower than expected. Qualitative discussions with employees as part of a small number of opt-in visits that were held during the evaluation recruitment phase revealed clearly that a major contributor to employees’ decisions not to participate

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69 One exception to the eligibility criterion on employer contribution was allowed. See Section 1.2.1 for details.
was their lack of interest in or even antipathy towards, pensions as a topic. The
employers had highlighted ‘employee apathy’, and the evaluation recruitment
process confirmed it.

Not all those employees who participated in the evaluation took part in, or
experienced, the individual interventions that formed part of the pilot. In fact,
among the surveyed employees exactly half experienced the pilot directly by either
reading or skim reading literature (the pilot Employee Pensions Information Pack
(PIP) and/or the SHP provider literature) and/or attending a presentation or one-to-
one meeting. The surveyed employees who did not experience the pilot had either
deliberately chosen not to read the PIP or the SHP provider literature or attend a
presentation, or were unaware that the pilot interventions had been implemented
at their workplace.

12.1.3 Lessons from establishing the pilot

Consequently, the process of establishing the pilot and its evaluation yields an
important caveat and a key initial insight.

The caveat is that, even more strongly than was realised at the initial design stage of
the evaluation, it is not possible to extrapolate its findings to either of:

• Other employees at participating employers, that is employees who did not
  opt in to the evaluation

• Employees at similar employers who had not been part of the pilot

The key reasons for this are:

• It is not possible to extrapolate behaviour from a voluntary pilot to how individuals
  might behave in a more general context

• The participation rates, for employers to the pilot and employees to the evaluation,
  were sufficiently low that there can be no certainty that the participants are
  either properly representative of the total universe of similar employers or of all
  employees at the pilot employers

Consequently, while the research provides a very clear picture of the impact of the
pilot amongst those employees who took part in the evaluation, we can in no way be
certain that such findings would be replicated more widely amongst similar groups;
its findings must be viewed in this light.

The key initial insight yielded by the set-up process was to highlight the importance
of the widespread lack of interest in, and in some cases hostility towards, pensions
as a subject among both employers and employees. Inevitably, this meant that to
change behaviour through the provision of information alone was likely to be a stiff
challenge.
12.2 Key findings from the evaluation of the pilot

The most fundamental single finding is that the pilot as implemented had no significant impact on saving in a pension during the period of the evaluation.

Other key conclusions are:

- Even in the favourable circumstances of a pilot, and despite statements from employers that they did not consider its distribution burdensome, the level and pattern of recall of the availability of the PIP by surveyed employees suggests that its distribution was far from complete.\(^{70}\) Were employers more generally to be asked to distribute something similar it cannot be assumed that distribution would be comprehensive.

- The outcome of failure on the part of so many pilot employers to implement Options requiring either presentations or one-to-one meetings suggests that effective delivery of pensions-related information through these means is far from easy at employers like these. This reflects elements of employee apathy, legitimate logistical or commercial problems, and some employer apathy as well. Consequently, presentations and one-to-one meetings are unlikely to be successfully implemented in other than a small minority of employers from the target group.

- Even motivated or interested employees generally needed their participation in the pilot to be made very simple for them or they would rapidly fall by the wayside. Achieving good participation rates and therefore the potential for impact on behaviour, knowledge or attitudes tended to need everything to go right: a combination of a supportive employer and well planned and promoted interventions that did not rely on the initiative of the employee. If the experience of the pilot is a guide, it is unrealistic to expect such successful implementations to be achieved on a widespread basis across the target group of employers.

- Since the pilot was delivered in very different environments and with many subtle differences in implementation, it is not possible definitively to pinpoint specific aspects that will contribute more or less to success; indeed the preceding point suggests that multiple favourable aspects need to be present for real success and impact to be possible. However, examples of particular aspects that seemed beneficial were a positive employer attitude; distributing personalised pension forecasts to employees; assistance in completing application forms for one-to-one meeting attendees, and a presenter able to build good rapport and to tailor his or her presentation to the specific needs, background and age of the audience.

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\(^{70}\) See Section 3.3.1 on recall of the availability of the PIP for details of the evidence that its distribution was not complete at all employers.
• There was evidence also that employees seemed to be more open to the pilot interventions, if they already had favourable prior experience and/or knowledge about pensions. The pilot did not exclusively ‘preach to the converted’, but there was an element of this. It also emerged that where a workforce contained a proportion of employees who were embittered by their previous experience of pensions that could serve to make the task of the presenter almost impossible.

• Employees who experienced the pilot generally were appreciative of the range and level of information it offered. However, it also emerged that there are some information requirements, typically linked to employees’ wish for certainty with regard to what their contributions will yield, that cannot be provided or sponsored by government as they are fundamentally commercial in nature. For example, the provision of league table information and endorsement of ‘best buys’ were identified as of particular interest.

Although there was no impact by the pilot at the level of saving by way of pension during the evaluation period, some lesser effects did emerge:

• The PIP did have some impact, at least at the level of changing the amount of thought given to preparing for retirement, amongst that minority who took time to more than skim read it.

• There was evidence of some further impact. There was some increased knowledge about the tax relief available for pension contributions; some employees claimed they were retaining the PIP for future reference (although it has to be questioned whether, in practice, they will do so), and distributing the PIP did generate requests for individual pensions forecasts from a minority of PIP readers.

• Nevertheless, this kind of printed information is unlikely on its own significantly to increase knowledge or change behaviour among this target group.

It is difficult to escape the conclusion, however, that the overall impact of the pilot was limited in relation to the level of effort expended to deliver it by participating providers/IFAs and employers.

Analysis at the level of the different Options concluded that:

• The pilot was dominated by examples of Option 1, not by design but because in so many cases it proved impossible to proceed with the more intensive Options that had been planned. The evaluation did reveal a few significant changes in knowledge or attitudes amongst the very small proportion of employees who opted in to the evaluation, were then aware of the availability of the PIP and decided to take it and give some realistic time to reading it. The key implications, however, appear to be that such information documents, if distributed generally across the target group, will still only impact on a small minority of employees and even amongst them will not be sufficient to generate any meaningful action on their own.
• The assessment of Option 2 has to be led by the number of employers who declined, for whatever reasons, to hold presentations and by the very real logistical problems faced by some of those who did proceed with them. Overall, the presentations that were held were generally, but not exclusively, well received, and most attendees who participated in the evaluation tended to prefer them to simply reading literature. Yet presentations also proved insufficient to generate action despite the greater level of resource and effort they require.

• Option 3 and 4 employees who participated in the evaluation in the event experienced very similar pilot implementations. This was so because the presentations and one-to-one meetings delivered by IFAs as part of Option 4 were as focused on the firm’s SHP as were those given by providers in Option 3, and the IFA interventions did not in practice extend to wider pensions-focused financial advice as they might have done. The experience of both these Options was that they may have the potential to succeed if they are implemented to a very high standard. One instance where eight new members joined appeared to demonstrate that. Nonetheless, that example also involved the promise of a future employer contribution and we cannot know the extent to which that contributed to the success of the implementation. Also, the fundamental commercial problem remains that the prospective yield from the specific type of employers targeted by the pilot is considered by providers/IFAs to be too low to justify the resource-intensive approaches that Options 3 and 4 represent. In summary, real effort may work but under present circumstances is unlikely to pay for itself.

12.3 Findings as they relate to the original objectives of the evaluation

12.3.1 Is the focus on the workplace endorsed by the outcome of the evaluation?

It was the opinion of providers/IFAs, employers and employees alike that, in theory, the workplace could be a good location for the provision of information in respect of pensions and income in retirement. Advantages identified were:

• All of the stakeholders in the evaluation thought the workplace was a suitable location for pensions information and were unable to identify a better alternative.

• It is potentially an efficient way to reach a large number of employees, and peer pressure amongst them may enhance the impact and effectiveness of different interventions.

• In particular, arranging efforts through the workplace ought to make it possible to co-ordinate interventions and to ensure that follow-through occurs.
In theory, therefore, the workplace appears to have sufficient potential advantages to justify giving serious consideration to how to utilise it. However, the limited short-term impact by the pilot has demonstrated that there are very real barriers in practice to doing so.

12.3.2 What was learned about the approach and design of the pilot interventions?

The design of the different Options closely reflected some of the methods and approaches often used currently by participating providers and IFAs when promoting stakeholder pensions.

The ‘building blocks’ used (distribution of literature, presentations and one-to-one meetings) were seen as logical ones, and were welcomed by providers/IFAs, employers and employees alike. None of the stakeholders either suggested substantial new types of intervention or proposed dropping any of them.

A strong contrast did emerge, however, between how they were implemented in the pilot and the views, certainly of the providers/IFAs and to a lesser extent of the employers, of what should have been done. In the opinion of most participating providers and IFAs, the approach of combining a presentation, literature, a one-to-one meeting, an employer’s contribution, and the co-operation of a supportive employer, is what is required to generate SHP memberships on a commercially viable scale. Indeed, they went further than this and suggested that to do less might be a waste of effort as the ‘tipping point’ for these employees would not be reached and impact would fall short of generating action.

In contrast, although not designed in that way, the pilot turned out to comprise overwhelmingly Option 1 implementations where only the PIP was distributed, as that either proved more palatable and/or feasible to many employers or represented what they felt could be justified in the face of perceived or actual employee apathy. The outcome in terms of impact endorsed the views of providers/IFAs that distribution of literature alone will have a negligible effect on retirement savings behaviour for this group of employees.

12.3.3 What was learned about the pilot Pensions Information Packs?

The detailed picture to emerge from the evaluation specifically regarding the Employee PIP is complex.

Firstly, the current document does appear to have had some impact on knowledge and attitudes, at least on the limited proportion who more than skim read it and despite the fact that it came in for criticism for its style and content.

Providers and IFAs indicated they would welcome the wider distribution of something like the PIP. They feel that the presence of an information pack that is a government-endorsed, standardised and objective starting-point can only be beneficial and supportive of their efforts.
Employers too, although often somewhat cynical about whether the PIP would be read, nevertheless were not opposed to its distribution.

Employees as well were not opposed to the PIP and did not mistrust this kind of pensions information provided by government. They generally liked the concept of objective information from government and at least amongst those who said they recalled the availability of the PIP, most responded by reading or skim reading it.

Nevertheless, comments on the design of the PIP suggested that the following improvements could be made:

- The challenge of trying to address all audiences and age groups in a single document may be too difficult, and consideration might be given to producing more than one version. Reactions to the present version among employees differed by age group, with older readers being more favourable than younger ones.

- The case studies in the PIP made the information more accessible, but at the same time they made the document less relevant to some employees who were put off by the fact that the case studies were focusing on individuals with higher income levels than their own.

- There were also some employees who thought the PIP was too narrow in focus and should also cover savings options other than pensions.

- Consideration might be given to other changes in the style and design of the document; there was a feeling from some employees, strongly echoed by employers and providers/IFAs, that the PIP is too long, looks too official and is insufficiently inviting.

- Employers and providers/IFAs felt strongly that there was a need for the PIP to be changed into something much shorter and with much more impact. They felt this could be achieved in two ways. Firstly, it should contain a very strong message, emphasising the level of the State Pension and bringing home in very stark terms the need for additional provision by the individual. Secondly, if at all possible, it should be personalised, perhaps via the inclusion of a personal pension forecast to further emphasise the message.

It was also proposed that distribution of the PIP, or a variant of it, should be co-ordinated with follow-up actions by IFAs and providers, and not used in isolation.

Overall the pilot Employer PIP fared less well than its employee counterpart in the evaluation. This may, in part, reflect the simple fact that many employers failed to notice it, as it was delivered alongside the employee version and looked very similar to it. Amongst those who did recognise it, few paid it much attention. Those who did unfortunately tended to divide between some who felt somewhat knowledgeable and therefore considered the information it provided to be simplistic and others with less knowledge who intended to rely on their provider or IFA rather than try to learn and absorb information themselves.
12.3.4 What was learned about the presentations?

The presentations which were held were generally well attended and well received. In a few instances, however, attendees were less impressed with them and a small minority even found themselves more uncertain or fatalistic after attending than before. There also appeared to be significant interest in presentations amongst surveyed employees who had not attended presentations: around one third indicated strong interest in attending one during working hours. However, this finding needs to be balanced against pilot experience, which demonstrated that the majority of employers were only willing to distribute written material and were unable or unwilling for various reasons to facilitate the holding of presentations.

Although presentations covered well the ground intended for them, it emerged that some employees at least would like to see something more wide-ranging that would enable them also to understand what they can expect from the state pension system and assess the best choice for them between pensions and other means of saving for retirement.

It also emerged quite strongly that employers and providers/IFAs in some cases had quite important practical barriers to overcome to hold presentations.

Firstly, for many of the participating employers, the requirement to make a presentation available to all employees is not necessarily easy or even feasible, especially for those facing logistical issues such as a lack of suitable venue, multiple sites or many staff located or working off site. Therefore, the likelihood is that some employers, if asked to organise such presentations, regardless of their own circumstances and level of staff interest, would not react positively because of the perceived effort and disruption caused. This problem could be exacerbated among those employers who would consider it to be a futile process unlikely to have any impact.

Providers/IFAs are also unlikely to wish to hold presentations on a widespread basis at organisations like those represented in the pilot, as the pilot providers/IFAs did not believe, in most cases, that the effort would be justified by the return.

12.3.5 What was learned about the one-to-one meetings?

One-to-one meetings were offered or held in only a limited number of cases, many fewer than originally planned. Actual or perceived (by the employer) disinterest on the part of employees was the most frequent reason given for planned one-to-one meetings not to be offered. Also, because one-to-one meetings were only to be offered after a presentation a decision not to proceed with an Option 3 or 4 presentation also had the effect of ruling out the proposed one-to-one meetings.

Although few one-to-one meetings were offered, there did appear to be a correlation between how they were organised and whether they were attended. It seems one-to-one meetings would be most likely to achieve high attendance levels,
if they were organised in advance for a fixed day and held on site, thereby requiring as little initiative as possible from employees and allowing them time for reflection after the presentation.

Once the meetings were held, whether or not attendees were assisted in completing the SHP application form seemed to be important in determining impact of the meetings in generating members.

The frequently mentioned wish of employees in the evaluation to consider alternatives to pensions suggests that advice meetings are likely to be preferred to ones restricted to providing information.

However, the frequency with which one-to-one meetings failed to be offered and/or attended as planned in the pilot warns that it would be unrealistic to expect them to be held widely outside the context of the pilot.

12.3.6 What were views on employer and employee contributions?

The evaluation touched briefly on reactions to the possibility of requiring either employers or employees to contribute.

Participating providers/IFAs basically feel employer contributions are essential for them to be interested and involved in a scheme.

Employees, although predominantly in favour, do have some concerns about possible knock-on effects on wages or employment, especially employees from small organisations. However, the great majority of surveyed employees stated that the introduction of an employer contribution or an increase in the one currently offered would act as a catalyst to them either to join the stakeholder scheme or to increase contributions themselves. The extent to which this would actually happen in practice is, of course, uncertain.

In the pilot itself at the few employers already offering admittedly small contributions employee membership rates were still very limited, and the Employers’ Pension Provision survey 2003 (EPP 2003) data71 also demonstrate that membership rates only become substantial where there are sizeable employer contributions.

Only a very small proportion of pilot employers were in favour of being required to contribute to their employees’ pensions and the level of opposition to requiring high levels of contributions would be strong. One reason for this is that few respondent employers believed recruitment and retention benefits would result from an employer contribution.

71 See Table 9.2.
Half of all the surveyed employees said they were willing to consider the scenario where they were required to make employee contributions, and even in groups where there was strongest opposition, such as those under 25, still more than a third were favourable. Again, however, it must be questioned whether this would turn out to be the case in practice.

12.3.7 Can the different stakeholders be motivated in practice?

Whether the workplace-based approach can be made effective in practice depends heavily on the attitudes and capabilities of each of the three stakeholders.

The position of the providers/IFAs who participated in the evaluation is arguably the most straightforward. From their perspective, the workplace offers an efficient channel to reach their target market. The question for them is simply one of balancing the costs involved against the potential commercial return. In their opinion, these costs are high relative to what many of them see as low returns given the level of the cap on stakeholder charges and the limited disposable income of many employees in this target audience. As a result, even in the pilot context, they were unwilling, for example, to distribute their literature to more than a minority of employees and sometimes felt unable to pursue plans for one-to-one meetings which, although considered their most effective tool, are also the most expensive.

Their favoured solution to the problem is also straightforward. Ideally they will only want to be operating where there is an employer contribution which is sufficient to ensure, both directly and by encouraging employee take-up and contribution, that a viable commercial return can be earned. Where employer contributions are not being made, providers/IFAs would either decline to become involved with employers such as those targeted in the pilot (whose employees are often on low incomes) or they would insist on their costs being covered directly by the employer or via government subsidy.

The pilot employers were drawn from what is a difficult but important group, namely those who are either simply meeting their legal obligations on pensions or doing a little more by offering a small employer contribution (of less than three per cent of salary). However, the participants were volunteers and therefore likely to be above average from that group in their responsiveness, given their very willingness to participate in the pilot. This suggests that it will be an uphill task to obtain engagement and assistance from employers of this type generally on a voluntary basis. Options suggested by respondent providers/IFAs and employers to encourage greater employer engagement include:

- Direct subsidies for some of the costs incurred in information provision, especially if providers/IFAs will only be prepared to offer presentations on a fee-paid basis
- Further tax incentives for the employer to encourage employer, and possibly employee, contributions
As already noted, the degree of self-selection among the surveyed employees raises difficulties in any attempt to extrapolate from the evaluation findings to wider conclusions. It seems likely that many individuals who chose to participate in the evaluation will be more rather than less interested in the subject of pensions and income in retirement, and that needs to be factored in to any conclusions that are drawn.

Without doubt this evaluation has made very clear just how difficult a task is faced in trying to get these employees to engage with their provision for income in retirement. It is an issue with which surveyed and respondent employees\textsuperscript{72} on the whole did not want to engage. Pensions are a product in which many of them are not interested and in which they have little or no faith. Additionally, their lack of knowledge is striking, meaning that most simply do not know what their prospects for income in retirement are likely to be.

Consequently, obtaining their involvement will always be difficult and as a result, if provision of information in the workplace is pursued, it will be essential to make things as easy as possible for them. Literature will need to be eye-catching, accessible in style and content, and easily available. Information and advice will need to come to them via presentations and one-to-one meetings and not rely on their initiative.

If documents like the Employee PIP are to be used, then it certainly seems necessary to make them more accessible and relevant. Further, if possible, the information provided should be more wide-ranging and not promote retirement provision only by way of pensions.

\subsection*{12.4 Further questions, themes and issues}

The pilot was designed to test four specific approaches to the provision of information and advice. In the event, the unwillingness and difficulties faced in implementing the more intensive Options, those involving presentations and one-to-one meetings, mean that too few examples of these, and participants in them, could be included in the evaluation process. It could therefore be argued that truly definitive answers or insights cannot be drawn from this evaluation so far as the likely effectiveness of those more intensive Options are concerned, although the overall consistency and logic of the findings do seem to point in clear directions.

The one instance of an implementation that resulted in multiple new SHP memberships was atypical in that the future promise of an employer’s contribution was present (along with other positive factors). This pilot study deliberately only covered employers where no (or relatively low) employer contributions were being offered.

\textsuperscript{72} Respondent employees participated in the qualitative depth interview research, whereas surveyed employees participated in the quantitative survey research; most respondent employees were from firms that implemented Options 2 to 4.
Yet surveyed employees tended to claim that the offer of an employer contribution could play an important role in encouraging them to contribute. We cannot say whether this expressed intention would translate into practice without exploring the effects of information provision among employers where higher employer contribution levels are on offer.

It is further the case that the evaluation has, of necessity, been directed towards the short-term impact and effectiveness of the pilot interventions. We are not able to conclude whether or not the workplace information would have had an impact over a longer timescale. Some surveyed and respondent employees claimed that they were intending to act later on the basis of the information provided in the pilot. However, providers and IFAs who participated were doubtful this would be the case, as in their experience if action is not taken shortly after exposure to information it tends not to be taken at all.

Finally, it was a somewhat surprising result that a sizeable minority of surveyed employees indicated they might support arrangements whereby they were required to make contributions; it seems this is an area where further investigation could be helpful.

12.5 Overall summary

The evaluation, and the views of the stakeholders that it has uncovered, suggests that the workplace is accepted in principle as an appropriate venue for the provision of pensions-related information.

But the evaluation has equally demonstrated how difficult a task in practice is faced in using the workplace among employers who offer no or low pension contributions. Such are the low levels of pre-existing knowledge among employees, and their overwhelming lack of interest in the issue of income in retirement, that even the successful provision of information via the Options piloted will only rarely be sufficient to produce short-term action. Nor, typically, will it have other than very limited impact on knowledge or attitudes. Then there are all the very real practical barriers to providing that information that have been highlighted. These include:

- Doubts over how comprehensive literature distribution would be in practice
- The disinclination of many employers to facilitate the holding of presentations or one-to-one meetings
- Real logistical barriers faced in the holding of such presentations or one-to-one meetings even by those employers willing to do so
- The lack of interest amongst employees and their unwillingness to engage with any information provision unless it is made extremely easy for them to do so
- The clear view of the pilot providers and IFAs that only an employer contribution will provide a viable commercial return on the marketing and sales effort they would need to commit to participate in the delivery of that information
Overall, the results of the evaluation suggest that providing pensions information through the workplace amongst this particular group of employees in a manner that affects behaviour will at best be a long and difficult process. Further, it is one which will be likely to have a small effect, unless it is pursued intensively with high and possibly unachievable levels of employer and provider/IFA commitment.

It is also the case that this specific pilot and evaluation had a particular focus in terms of the type of employers included and the timescale covered. Further and wider research may be beneficial to provide rounded guidance as to the realistic role for, and methods of implementation of, providing pensions information and advice in the workplace.
Providing pensions information and advice in the workplace where there is little or no employer contribution:

Methodology and research instruments

John Leston, Margaret Watmough and Mark Samuel with Kate Downer, Rosanna Hogben and Victoria Lavender

A report of research carried out by RS Consulting on behalf of the Department for Work and Pensions
The Employer and Employee Pensions Information Packs were devised for use only in connection with the pilot. These packs were developed for the purposes of the research by the Department for Work and Pensions (DWP) with input from a consortium of experts led by representatives of the Association of British Insurers. Nothing in the Pensions Information Packs or in the report represents government policy, financial advice or any endorsement by the government of any financial product or method of saving.

You should seek professional advice before making any financial decision. The DWP accepts no responsibility for any loss or damage that may arise from a decision taken on the basis of information in this report.

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.
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Appendices
Introduction

These appendices are made up of an outline of the methodology for the evaluation of a pilot conducted by the Department for Work and Pensions’ (DWP) to explore the effectiveness of four different ways of providing pensions information advice in the workplace. Copies of all the research instruments used for the pilot are also provided.

The contents of the appendices are as follows:

- Appendix A summarises the methodological approaches that were applied in the evaluation of the pilot; it outlines the timetable for the pilot, as well as the analysis techniques adopted and the limitations of the evaluation.
- Appendix B, an annex taken from the DWP’s original invitation to tender, explains why DWP considered but rejected conducting a Randomised Control Trial (RCT) alongside the pilot.
- Appendices C and D contain the ‘before’ and ‘after’ survey questionnaires respectively.
- Appendices E to L comprise the topic guides used in the qualitative research.
- Appendices M and N contain the versions of the pilot Pensions Information Packs, made available to employees and employers respectively.
Appendix A
Methodology

This appendix summarises the methodological approaches that were applied in the evaluation of a Department for Work and Pensions’ (DWP) pilot. The findings of the evaluation are published in the report, ‘Providing pensions information and advice in the workplace where there is little or no employer contribution. Pilot evaluation findings based on survey and qualitative research’.

The target population for the pilot was restricted to employers who had more than five employees, offered a stakeholder pension (SHP) scheme and were either making no employer contribution or one that was less than three per cent of salary. One exception was allowed: employers making contributions of three per cent or more were still eligible, provided they did so for less than 20 per cent of staff across all pension schemes or arrangements they offered.

One hundred employers who met these criteria participated in the pilot, having in each case been recruited to it by their own SHP provider or Independent Financial Adviser (IFA) who had themselves agreed to assist DWP with the pilot. The employers took part by agreeing to the implementation of one of four different Options in respect of the provision of pensions information and advice in the workplace. These Options were:

- Option 1 comprised the distribution of literature. All employees were to receive a pilot Pensions Information Pack (Employee PIP) developed for the purposes of the pilot by DWP with input from a consortium led by the Association of British Insurers. This was an 11-page colour booklet that also contained a form for people to request a State Pension forecast from DWP. There was also a pilot version of the pack designed for employers (Employer PIP). It was also intended that all employees should receive a copy of the relevant SHP literature from their provider or IFA.

1 See Section A.3.1.

2 A copy of the Employee PIP, ‘Saving for retirement: helping you through the pensions maze’, is included as Appendix M.

3 A copy of the Employer PIP, ‘What an employer can do: guiding your employees through the pensions maze’, is also included as Appendix N.
Appendices – Methodology

- Option 2 comprised distribution of literature (as per Option 1), and the opportunity for all employees to attend a presentation about pensions and saving for retirement from the employer’s designated SHP provider

- Option 3 comprised distribution of literature (as per Option 1), the presentation and the opportunity to have a one-to-one pensions information session with a representative of the SHP provider

- Option 4 was similar to Option 3. However, it was implemented by an IFA rather than an SHP provider. This meant that the one-to-one meetings on offer were with an IFA who could give regulated pensions-focused financial advice and was not restricted to offering only information

All 100 employers are represented in the evaluation by one or a combination of on-site observation, survey employee interviews, qualitative employee depth interviews, employer depth interview, presenter depth interview or provider/IFA main contact depth interview and administrative data analysis.

Survey research includes surveyed employees from 67 firms. Qualitative research includes observations, and interviews with employees, employer contacts and presenters for 35 firms.

A.1 Components of the evaluation and overview

The evaluation was composed of three main elements:

- Quantitative research: two surveys of employees recruited from the 100 pilot employers, one conducted before the pilot and one conducted afterwards

- Administrative data on numbers of scheme members and contribution levels before and after the pilot: these were supplied by the pension providers and IFAs who had set up SHP schemes with the pilot employers

- Qualitative research, including depth interviews with employees, employers, local providers/IFAs who manage the SHP schemes of pilot employers, and the main or head office provider and IFA contacts who had supported DWP in the design and implementation of the pilot

Section A.2 sets out the timetable for the evaluation.

Section A.3 describes the processes used to recruit providers/IFAs and employers to the pilot and employees to the evaluation, and reviews the implications of these processes for the robustness of the evaluation.

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The administrative data provided by providers and IFAs were anonymous: no employee was identified by name; the data provision complied with the Data Protection Act.
Sections A.4 to A.6 describe the purpose and coverage of each of the three main elements of the evaluation.

Section A.7 draws on all of Sections A.2 to A.6, in summarising the limitations of the evaluation; it is important to stress that the design of the pilot from the outset necessarily restricted the ability to extrapolate survey findings to wider universes.

### A.2 Timetable for the pilot and the evaluation

DWP staff began planning the pilot in Summer 2003. They recruited SHP providers and IFAs to the pilot and set the criteria for employer recruitment for the providers and IFAs to follow. Table A.1 sets out the timetable for the pilot and the evaluation, from DWP’s planning stages through to the final analysis and reporting.

**Table A.1 Pilot and evaluation timetable**

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<thead>
<tr>
<th>Stages of the pilot and evaluation</th>
<th>Timetable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot planning and employer recruitment</td>
<td>Summer 2003 – Summer 2004</td>
</tr>
<tr>
<td>Employee recruitment through an opt-in</td>
<td>May 2004 – Mid-August 2004</td>
</tr>
<tr>
<td>‘Before’ survey of employees</td>
<td>Mid-July 2004 – End August 2004</td>
</tr>
<tr>
<td>Distribution of the Employee PIP and Employer PIP</td>
<td>End July 2004 – End November 2004</td>
</tr>
<tr>
<td>Presentations and one-to-one meetings: delivered and observed</td>
<td>Mid-October 2004 – Mid-December 2004</td>
</tr>
<tr>
<td>Qualitative interviews with employees, employers and local provider and IFA contacts</td>
<td>Mid-October 2004 – End January 2005</td>
</tr>
<tr>
<td>Qualitative interviews with provider and IFA main contacts</td>
<td>Mid-March 2005 – Mid-April 2005</td>
</tr>
</tbody>
</table>

In May 2004, RS Consulting’s evaluation team began contacting employers to verify contact names and addresses and exact employee numbers, so that recruitment of employees to the evaluation could commence. Recruitment opt-in packs were mailed to the majority of employers for distribution to employees through May to early July 2004; packs were sent from mid July to mid August 2004 to a few employers who either had been difficult to get hold of or were late recruits to the pilot.

The ‘before’ survey of employees who had opted in to the evaluation was conducted from mid July to the end of August 2004. The pilot began in late July 2004, when the first batches of PIPs were sent by DWP to a few pilot firms from which all employees who had opted in had already interviewed in the ‘before’ survey.

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5 Interim presentations of evaluation findings were made to DWP on 6 October 2004, 14 March 2005, 31 March 2005 and 20 April 2005.

6 The opt-in process for employee recruitment is explained in Section A.3.3.
Plans to both co-ordinate distribution of the Employee PIP with delivery of the other pilot interventions – presentations and one-to-one meetings – and to allow all employees the same number of lapsed weeks (circa six) between completion of the pilot at their workplace and the ‘after’ survey proved to be too ambitious under the circumstances. Some employers withdrew from the pilot; some were excluded as ineligible, and many delivered a lower Option, not involving presentations and/or one-to-one meetings, than the one to which they had been allocated, often after serious consideration of, and an attempt to deliver, the more intensive Option. Logistical difficulties and business issues meant that a few of the presentations that did take place were subject to rescheduling. DWP staff were involved in manifold discussions with providers and IFAs through whom and with whom they arranged a timetable for the delivery of the pilot interventions at each firm. Detailed timetabling and implementation of the pilot interventions lasted from the end of July to mid-December 2004, although the pilot had been completed at most firms by mid-October (Option 1) to mid November (Options 2-4).

Presentations and one-to-one meetings were delivered at the end of this period, from mid-October to mid-November, running in a few cases to mid-December. Qualitative interviews began within a couple of days of individual presentations, as employees, employers and the local provider or IFA presenter were asked for their views on the presentation and/or one-to-one meetings as delivered at that firm.

Staggering the ‘after’ survey from six weeks after completion of the pilot at the first firm to six weeks are completion at the last firm was impractical, and the decision was taken to hold the ‘after’ survey six weeks after the pilot had been completed at all firms.

**A.3 Recruitment and the limitations it placed on the evaluation**

In designing the evaluation it was recognised from the outset that its objectives would necessarily be limited to identifying changes in the knowledge, attitudes and behaviour of the employees who participated in the evaluation. The recruitment processes for the providers/IFAs, the pilot employers and the employees who participated in the research all placed limitations on the data.

**A.3.1 Recruitment of providers and IFAs**

DWP approached a number of providers and IFAs to explore whether their client base of employers contained a good representation of the target population and to ascertain if they were willing to assist with the pilot. Five providers and seven IFAs agreed to assist DWP in this demanding exercise. As the presentations and one-to-one meetings that were part of Options 2-4 were to be conducted at employers by the provider or IFA that had recruited that employer to the pilot, the potential to include in the pilot a random selection of employers from the UK universe of eligible employers suffered its first restriction: employers who had set up an SHP with a provider or via an IFA other than the twelve pilot partners could not be included in the pilot.
Around 95,000 SHP schemes are registered with the twelve providers/IFAs who participated in the pilot. Data from the Employers’ Pension Provision survey 2003 (EPP 2003), as shown in Table A.2, indicate that these are drawn from a total estimated universe of 407,000 schemes, 301,000 of which – see the rows highlighted in the table – are either shell schemes or schemes with members but an employer contribution of less than three per cent and therefore would meet the criteria for inclusion in the pilot.

Table A.2 GB employers with more than five employees by contribution rate to least generous scheme and workforce membership rates (EPP 2003)

<table>
<thead>
<tr>
<th>Employer contribution to least adequate scheme</th>
<th>Total scheme membership as a % of workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;20%</td>
</tr>
<tr>
<td>0%</td>
<td>93,500</td>
</tr>
<tr>
<td>0.1% - 2.99%</td>
<td>1,000</td>
</tr>
<tr>
<td>3% - 3.99%</td>
<td>1,500</td>
</tr>
<tr>
<td>4% - 4.99%</td>
<td>500</td>
</tr>
<tr>
<td>5% - 6.99%</td>
<td>3,000</td>
</tr>
<tr>
<td>7% to 9.99%</td>
<td>500</td>
</tr>
<tr>
<td>10% or more</td>
<td>2,000</td>
</tr>
<tr>
<td>Shell SHP</td>
<td>163,500</td>
</tr>
<tr>
<td>Money amount</td>
<td>9,500</td>
</tr>
<tr>
<td>Missing</td>
<td>2,500</td>
</tr>
<tr>
<td>Total</td>
<td>277,500</td>
</tr>
</tbody>
</table>

7 The source of the 95,000 figure are the qualitative interviews held with all five provider and five out of seven IFA main contacts as part of the evaluation. The five IFAs spoke for only about 200 of the 95,000 SHP schemes, and the 95,000 total would be little altered if it included data from two IFAs who did not participate in evaluation interviews. The five providers operate across the UK, but one contact provided an estimate only for a particular region.

8 A shell scheme is one that has been established and is available to employees but which does not have any members.

9 EPP 2003 notes are: ‘(1) Membership rates relate to the number of active members as a proportion of the total workforce rather than the pool of employees eligible to join the scheme. Where there is multiple provision employees may be members of different schemes. (2) Shell stakeholder schemes have been given their own category as we cannot identify the associated level of employer contribution, although in the large majority of cases this is believed to be 0%.’
A.3.2 Recruitment of employers to the pilot

As detailed in Section 2.1.1 of the report, providers and IFAs contacted an initial sample of over 4,000 employers which through their records they had identified as eligible for the pilot, meaning that they had five or more employees, had offered an SHP scheme and were either making no employer contribution or one that was less than three per cent of salary. Most of the employers contacted were unwilling to participate; some were in fact ineligible, and at some, because it was not possible to speak to an appropriate senior member of staff, no definitive yes/no answer was given to the request to participate in the pilot. It is nevertheless clear that those who agreed to participate at all were very much in the minority, and potentially likely to be more supportive of information provision in the workplace than the total universe of firms currently providing no or a low employer contribution.

Recruitment efforts produced a sample of 143 employers to whom DWP was able to allocate pilot Options. After further exclusion of ineligible firms and the withdrawal of some, the 143 reduced in number to the 100 employers who participated in the pilot: they were indeed a ‘coalition of the willing’, even though, as Table A.3 shows, many did deliver an Option lower than that allocated.

Table A.3 Options allocated to and delivered by the 100 pilot companies

<table>
<thead>
<tr>
<th>Allocated Option</th>
<th>Number of employers</th>
<th>Delivered Option</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Option 1</td>
</tr>
<tr>
<td>Option 1</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Option 2</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Option 3</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td>Option 4</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>81</td>
</tr>
</tbody>
</table>

In its original thinking DWP had wished to follow ‘ideal’ random selection processes on two levels: random selection of employers and random allocation of selected employers to pilot Options. Providers and IFAs were not able to provide a sufficiently large pool of eligible and willing employers, from whom DWP could select on a random basis a ‘pool’ of employers for the pilot. Nor could DWP allocate Options 1 – 3 at random amongst the sample of employers provided, since no provider wished to implement only Options 2-3; one provider for internal reasons was only able to

10 One exception was allowed: employers making contributions of three per cent or more were still eligible provided they did so for less than 20 per cent of staff across all pension schemes or arrangements they offered.

11 These 100 employers were spread across England and Wales, Scotland and Northern Ireland, and represented a wide range of industries.
recruit employers for Option 1, and many employers were unwilling to follow through on implementation of the more intensive Options, even if for valid reasons that included employee apathy and logistical difficulties.

As DWP anticipated early in its planning and before the evaluation began, employer recruitment issues would clearly affect the robustness of the evaluation findings.

A.3.3 Recruitment of employees to the evaluation

The employees who gave us the opportunity to measure any change in their views and actions ‘before’ and ‘after’ the implementation of the pilot were also self-selected.

Owing to Data Protection Act considerations, employee recruitment for the evaluation had to be undertaken on an ‘opt-in’ rather than an ‘opt-out’ basis. Specifically, data protection regulations meant that employers could not pass on contact details relating to their employees either to DWP or the evaluation team at RS Consulting, without the individual employees’ informed consent for them to do so. Consequently, it was necessary to adopt an opt-in approach.

The opt-in process used was administered through employers. Employers were sent a number of survey opt-in packs equal to 110 per cent of their workforce, so that spare packs were available, and were asked to distribute a pack to each employee. The pack explained the purpose of the pilot and the evaluation, invited employees to participate in the two surveys and requested employees interested in participating to provide their contact details either by calling a dedicated freephone number or by returning a response card in a prepaid envelope.

Out of the 100 pilot employers’ 4,454 employees, 408 provided contact details, making for an apparent evaluation opt-in rate prior to the ‘before’ survey of nine per cent. Opt-ins arrived slowly, and researchers visited six of the 100 pilot employers, to gain an understanding of the low opt-in rate. These visits revealed on the one hand high levels of employee apathy and denial in the area of pensions such that employees had no interest in either the pilot or the evaluation, but on the other hand that the survey opt-in packs were not finding their way to a large minority of employees in these six firms. We also know that one large employer with 600 employees only took receipt of 100 opt-in packs. It was not possible to quantify

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12 This pilot employer has three sites; it delivered Option 2. Its main site, which includes administrative offices and a human resources/training centre, has 250 employees; the other two sites have 350 employees between them. For logistical reasons the employer was willing to distribute the survey opt-in pack and the Employee PIP at the main site only. Since a large proportion of employees are foreign nationals with a low standard of English language comprehension, the employer restricted the number of opt-in packs he wished to distribute to 100. Hence, in this case, employees who had the opportunity to opt in to the research exercise were first selected by the employer. The employer later agreed to receipt of 180 copies of the Employee PIP; these were distributed at pilot presentations and to staff attending training sessions in the week after the presentations.
how many employees did not have access to the opt-in pack. Consequently, the true
opt-in proportion for those who did receive it could not be calculated; however, by
definition, it exceeded the nine per cent figure which was measured as a proportion
of all employees regardless of whether they actually received the opt-in pack.

The ‘before’ survey concluded with a request that employees could be re-contacted
for further interviews after the pilot; all agreed to the request. This mechanism
provided sample not only for the ‘after’ survey but also for the qualitative interviews
with employees.

A second wave of survey recruitment was also undertaken: DWP included an opt-in
card in the Employee PIP, so that employees who had not yet opted in could still do
so for the ‘after’ survey. RS Consulting executives, on site to observe most of the
presentations that were delivered at Option 2-4 pilot employers, distributed opt-in
cards to presentation attendees, giving these employees a potential third opportunity
to participate in the evaluation. Employees first recruited to the evaluation via these
on-site observation visits opted in both to a depth interview and to the ‘after’ survey.

A total of 102 employees opted in for the ‘after’ survey: a majority used the opt-in
card in the PIP; some employees who were late returning the response card from the
survey opt-in pack also count amongst the 102.

Of the total 510 employees who opted in to the evaluation, 376 employees
participated in the ‘before’ survey of whom 293 also participated in the ‘after’
survey, and a further 69 participated only in the ‘after’ survey, making a total of 362
employees who participated in the ‘after’ survey. Data from the interviews with the
83 of the 376 ‘before’ employees who did not complete the ‘after’ survey have not
been used in reporting the evaluation findings, since these concentrate on the
impact of the pilot and views on the interventions.13

As Table A.4 summarises, the total of 510 employees who opted in to participate in
the surveys were employees at a total of 70 of the 100 pilot employers. The
evaluation reports findings from interviews with 362 employees; they came from 67
of the 70 employers.

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13 These were, however, used by the research team in designing the ‘after’
questionnaire. They also provide additional useful data for DWP.
Table A.4  Employers where employees opted in and completed the surveys

<table>
<thead>
<tr>
<th>Number of employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot employers</td>
</tr>
<tr>
<td>Employers where employees (408) opted in for the two surveys</td>
</tr>
<tr>
<td>Employers where employees (102) opted in only for the ‘after’ survey</td>
</tr>
<tr>
<td>Employers where employees (510) opted in for either both surveys or only the ‘after’ survey</td>
</tr>
<tr>
<td>Employers where employees (362) completed both surveys or only the ‘after’ survey</td>
</tr>
</tbody>
</table>

Since no employee depth interviews were conducted at firms where no employees had participated in one or both surveys, employees from 67 firms overall participated in the evaluation.

A.3.4  Incentives offered to employees

To encourage their involvement in the evaluation, small financial incentives were offered to employees for the completion of interviews; the level of incentive was related to the length of the interview. Incentives were considered necessary for this project, because the sample of employees could not be ‘topped up’ from employers outside the pilot.

No single employee completed four interviews and the majority of those participating in the evaluation completed two. Clearly, the incentives may have skewed the profile of those deciding to take part and could have influenced decisions as to whether or not to participate in different interventions, such as reading the PIP or attending a presentation.

Anecdotal data, however, collected both from the opt-in visits and from the qualitative depth interviews with employers, indicate that only a small minority of employees was interested in neither the pilot nor the evaluation but tempted by the incentives to participate in the evaluation. One employer, for instance, felt that a couple of his older employees who were ‘too old to start a pension’ had taken part in the evaluation ‘just to receive the money’. For the most part, the incentives did the job they were intended to do: to keep committed to the evaluation employees who had completed a ‘before’ interview, and whose participation also in the ‘after’ survey was key to the impact assessment design.

A.4  Two surveys of employees

The surveys were conducted by telephone by Critical Research. Although the number of employees opting in was very low, the achieved response rates were excellent:

- 445 employees, or 87 per cent of those opting in, completed interviews, including the 83 employees, whose responses could not be used in the current report because these respondents did not complete the ‘after’ survey.
• 362 employees, or 71 per cent of those opting in, completed interviews that have been used in reporting the evaluation findings in the current report

Employees who had opted in to the evaluation but did not participate in the survey research either could not be contacted, despite up to ten attempts by Critical Research, or they said that participation to the survey timetable was not convenient.

### A.4.1 Purpose and coverage of the surveys

A number of factors were instrumental in shaping the coverage of survey research:

- Most employees who participated in the ‘before’ survey were from Option 1 firms due to the number of employers who failed to deliver the more intensive Options to which they had originally been allocated

- The low rate of employee opt-in to the survey research led to a decision to expand the qualitative research, focusing mainly on the firms where presentations and one-to-one meetings, the defining elements of Options 2-4, were delivered

- From qualitative research conducted ahead of the ‘after’ survey it was clear that the Employee PIP had not been distributed to all employees – it was therefore likely that not all employees who took part in the ‘after’ survey would have read it

The design of the surveys addressed these issues. They did more than originally anticipated, namely to measure changes in surveyed employees’ awareness, attitudes and behaviour after they had experienced the pilot and to gain understanding of the employees’ views on the pilot. The ‘after’ survey also set out to:

- Gauge respondents’ interest in a presentation and one-to-one meeting, if they had not been offered or attended one

- Explore reactions to the Employee PIP, the main element of Option 1, much more than reactions to the other interventions, since these were captured in the qualitative research

- Explore interest in the concept of the PIP amongst those who had not read it

Table A.5 describes the coverage of the two surveys. Looking first at the ‘before’ survey:

- It collected data on employees’ pensions and retirement planning awareness, attitudes and arrangements and their demographics. Demographics were collected in the ‘after’ survey only for those surveyed employees who had not participated in the ‘before’ survey

- Sections A-D collected some data that were used to inform and tighten the design of the question sets in the ‘after’ survey; as a result Section C of the ‘after’ survey is a shorter version of Sections C-D of the ‘before’ survey

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14 The two survey questionnaires are included as Appendices C and D.
• The ‘before’ survey also included baseline measures of the impact of the pilot, for example thought given to making arrangements for income in retirement, confidence to make decisions on pensions, perceived need for knowledge and advice and, in Section E, attitudes to pensions and retirement.

Now summarising the ‘after’ survey:
• The longer ‘after’ survey questionnaire contains two additional question sets: on participation levels (Sections E-H) and on views on and impact of the pilot including questions on compulsory employer and employee contributions (Sections I-K).

• Sections E-F cover printed materials distributed as part of the pilot. Section E asks employees to recall whether the Employee PIP was available at their place of work, and, if so, whether they got a copy, and whether they then read, kept and shared the PIP. Section F asks similar, but not as detailed, questions about SHP provider literature.

• Sections G-H cover presentations and one-to-one meetings. Section G establishes whether respondents from the firms where presentations were held were aware of the presentation and whether they attended it, and asks all respondents other than those who attended one why they would or would not be interested in attending a presentation either in or outside their normal working hours. Since one-to-one meetings were held and attended at only two of the 100 pilot firms – both of which are covered in the qualitative research – Section H excluded respondents from these two firms and focused on establishing levels of potential interest in information and advice one-to-one meetings.

• Section I focuses on the Employee PIP. It establishes the level of recall of specific content amongst those who read the PIP, and asks them to rate the usefulness of the topics they recall. All other respondents are asked to rate topic usefulness on a hypothetical basis. All respondents are asked how much trust they place in printed information on pensions provided by government.

• Section J is in two parts. The first part asks respondents to measure the impact of the pilot on their knowledge, confidence and attitudes; self-reporting on these issues was difficult for some respondents and when compared with their responses to more ‘factual’ and perhaps less ‘leading’ questions seemed to overstate the impact of the pilot. As a result, data from the self-reporting questions on impact have been used sparingly in the report and reliance has been placed more on making comparisons between the answers given to identical questions included in both the ‘before’ and ‘after’ surveys. The second part of Section J asks respondents which actions they have taken in the last six months, and what firm plans they have for action in the next six months in the areas of pensions and other planning for income in retirement.

• Section K examines the suitability of the workplace for the distribution of information on pensions and establishes surveyed employees’ views on compulsory employer and employee contributions.
Table A.5  Coverage of the ‘before’ and ‘after’ surveys

<table>
<thead>
<tr>
<th>Sections of each questionnaire</th>
<th>‘Before’</th>
<th>‘After’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thought, confidence and knowledge in the area of pensions and retirement planning</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Retirement expectations</td>
<td>B</td>
<td>B</td>
</tr>
<tr>
<td>Pensions provision</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Current saving behaviour</td>
<td>D</td>
<td>C</td>
</tr>
<tr>
<td>Attitudes to pensions and retirement</td>
<td>E</td>
<td>D</td>
</tr>
<tr>
<td>Participation in the pilot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee PIP</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>Provider SHP literature</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>Presentations</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>One-to-one meetings</td>
<td>H</td>
<td></td>
</tr>
<tr>
<td>Views on and impact of the pilot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee PIP: usefulness of the content</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>Overall impact of the pilot including actions planned for the next six months</td>
<td>J</td>
<td></td>
</tr>
<tr>
<td>The workplace and compulsory employer and employee contributions</td>
<td>K</td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td></td>
<td>F/L</td>
</tr>
</tbody>
</table>

A.4.2  Reporting using two main bases

Both surveys were completed by the same 293 employees, while another 69 employees only participated in the ‘after’ survey. Findings in this report use two total bases of surveyed employees: the 293 base of surveyed employees who completed both surveys and the 362 base of surveyed employees who completed the ‘after’ survey. Table A.6 highlights which of the two main bases was used in reporting survey findings.

Table A.6  Two main bases used in reporting survey data

<table>
<thead>
<tr>
<th>Base used</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Before and after’ (293) or ‘after’ (362)</td>
<td></td>
</tr>
<tr>
<td>Recall of and experience of the pilot interventions</td>
<td>293</td>
</tr>
<tr>
<td>Impact of the pilot on behaviour, knowledge and attitudes</td>
<td>293</td>
</tr>
<tr>
<td>Reactions to the Employee PIP (readers and non-readers)</td>
<td>362</td>
</tr>
<tr>
<td>Reactions to presentations and one-to-one meetings (attendees and non-attendees)</td>
<td>362</td>
</tr>
<tr>
<td>Views on the workplace</td>
<td>293</td>
</tr>
<tr>
<td>Views on compulsory contributions</td>
<td>362</td>
</tr>
</tbody>
</table>
Deliberate over-recruitment of presentation attendees to the evaluation meant that a disproportionately high number of ‘after-only’ surveyed employees came from Option 2-4 firms. For this reason, recall and impact of the pilot and views on the suitability of the workplace were reported using the ‘before and after’ base of 293.

A.4.3 Demographics and other analysis breaks

Findings in this report use the two total bases of surveyed employees described in Section A.4.2. Table A.7 gives, for these total bases, demographic splits and other breakdowns that were examined in analysing results. In most cases, samples of below 50 have not been included in the report, and they are shown in Table A.7 in square brackets []. One exception has been made, however, and some results from the ‘before and after’ sample of participants from Options 2-4 employers (base = 43) have been commented upon where they are statistically significant.

Table A.7 Survey employees’ demographics and other analysis breaks

<table>
<thead>
<tr>
<th>Sub-bases: number of surveyed employees</th>
<th>‘Before and after’ (total 293)</th>
<th>‘After’ (total 362)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>54</td>
<td>62</td>
</tr>
<tr>
<td>25-34</td>
<td>88</td>
<td>105</td>
</tr>
<tr>
<td>35-49</td>
<td>101</td>
<td>132</td>
</tr>
<tr>
<td>50 and over</td>
<td>50</td>
<td>63</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>147</td>
<td>181</td>
</tr>
<tr>
<td>Women</td>
<td>146</td>
<td>181</td>
</tr>
<tr>
<td><strong>Individual annual income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below £10,000</td>
<td>58</td>
<td>73</td>
</tr>
<tr>
<td>£10,000 to £14,999</td>
<td>101</td>
<td>122</td>
</tr>
<tr>
<td>£15,000 to £19,999</td>
<td>56</td>
<td>65</td>
</tr>
<tr>
<td>£20,000 to £29,000</td>
<td>[45]</td>
<td>63</td>
</tr>
<tr>
<td>£30,000 and above</td>
<td>[32]</td>
<td>[37]</td>
</tr>
<tr>
<td><strong>Household annual income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below £20,000</td>
<td>89</td>
<td>106</td>
</tr>
<tr>
<td>£20,000 to £29,000</td>
<td>92</td>
<td>107</td>
</tr>
<tr>
<td>£30,000 to £39,000</td>
<td>[48]</td>
<td>60</td>
</tr>
<tr>
<td>£40,000 to £59,000</td>
<td>[33]</td>
<td>[48]</td>
</tr>
<tr>
<td>£60,000 and above</td>
<td>[22]</td>
<td>[29]</td>
</tr>
<tr>
<td>£40,000 and above</td>
<td>55</td>
<td>77</td>
</tr>
</tbody>
</table>

Continued
Table A.7  Continued

<table>
<thead>
<tr>
<th>Sub-bases: number of surveyed employees</th>
<th>Before and after (total 293)</th>
<th>After (total 362)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living arrangements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Living on own</td>
<td>54</td>
<td>62</td>
</tr>
<tr>
<td>Married</td>
<td>127</td>
<td>158</td>
</tr>
<tr>
<td>Cohabiting</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>Other</td>
<td>52</td>
<td>67</td>
</tr>
<tr>
<td><strong>Company size</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small (5-49 employees)</td>
<td>144</td>
<td>190</td>
</tr>
<tr>
<td>Medium (50-249 employees)</td>
<td>73</td>
<td>87</td>
</tr>
<tr>
<td>Large (250+ employees)</td>
<td>76</td>
<td>85</td>
</tr>
<tr>
<td><strong>Delivered Option</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option 1</td>
<td>250</td>
<td>283</td>
</tr>
<tr>
<td>Option 2-4 (i.e. Option 2, 3 or 4)</td>
<td>[43]</td>
<td>79</td>
</tr>
<tr>
<td><strong>Presentation attendance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attended</td>
<td>[29]</td>
<td>59</td>
</tr>
<tr>
<td>Did not attend</td>
<td>264</td>
<td>303</td>
</tr>
<tr>
<td><strong>Other experience of the pilot</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>146</td>
<td>156</td>
</tr>
<tr>
<td>Any</td>
<td>147</td>
<td>206</td>
</tr>
<tr>
<td>Only skim read the Employee PIP</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td>Only read all or part of the PIP fully</td>
<td>50</td>
<td>67</td>
</tr>
<tr>
<td>Read all or part of the PIP fully</td>
<td>64</td>
<td>91</td>
</tr>
<tr>
<td>Read all or part of the PIP fully and/or attended a presentation</td>
<td>79</td>
<td>126</td>
</tr>
<tr>
<td>PIP reader (i.e. at least skim read the PIP)</td>
<td>130</td>
<td>181</td>
</tr>
<tr>
<td>PIP non-reader</td>
<td>163</td>
<td>181</td>
</tr>
<tr>
<td><strong>Pension provision before the pilot</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(any active and/or dormant scheme, i.e. SHP or other)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>169</td>
<td>169</td>
</tr>
<tr>
<td>No</td>
<td>124</td>
<td>124</td>
</tr>
<tr>
<td><strong>Active pension scheme before pilot</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any active (i.e. SHP or other)</td>
<td>91</td>
<td>91</td>
</tr>
<tr>
<td>No</td>
<td>202</td>
<td>202</td>
</tr>
<tr>
<td><strong>Retirement provision before the pilot</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(pension provision and/or other long-term savings specifically for retirement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any pensions or savings</td>
<td>192</td>
<td>192</td>
</tr>
<tr>
<td>No pensions or savings</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

1 The group ‘Read all or part of the PIP fully’ includes everyone who had read the PIP to that extent, regardless of whether or not they had also attended a presentation or one-to-one meeting. The group ‘Only read all or part of the PIP fully’ excludes employees who had also attended a presentation or one-to-one meeting.
A.4.4 SPSS analysis

In addition to the production of comprehensive data tabulations using a fixed ‘banner’ by which the results for all questions were analysed to identify differences between subbases – including, but not limited to, those shown in Table A.7 – further analysis was also undertaken in SPSS (Statistical and Presentational System Software, previously Statistical Package for Social Sciences). In the analysis of the evaluation SPSS was employed to enable more complex subbases to be constructed, and data filtered, to explore individual questions or topics in greater detail.

A.4.5 Mean score calculations

Differences between subgroups in either the ‘before’ or ‘after’ survey have sometimes been measured by comparing a ‘mean score’ derived by aggregating the responses of all surveyed employees who answered the question. The mean scores were calculated by allocating numeric values to the relevant semantic scale used in the question; an example is where surveyed employees were asked to choose between ‘Strongly agree’ (given a value of 4), ‘Agree’ (value: 3), ‘Disagree’ (value: 2) and ‘Strongly disagree’ (value: 1). A similar approach has been employed when measuring the degree of change that occurred between the two surveys in that it is the mean scores in the two surveys that have been compared.

In both cases, the difference in the mean scores has been tested for statistical significance. Where the ‘mean score’ has been used as the basis for statistical testing, the note ‘See Appendix A on Methodology for further details’ is written beneath all tables in the report where this applies. Tables A.8 to A.19 provide full details of the relevant mean scores for each of the tables concerned in the report.15

Table A.8 Mean scores for Table 6.1: Agreement with the statement ‘I do not know where to get information about planning for retirement’

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: mean scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Before’</td>
<td>‘After’</td>
</tr>
<tr>
<td>Mean score</td>
<td>2.71</td>
</tr>
<tr>
<td></td>
<td>2.53</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘Agree strongly’ = 4; ‘Agree’ = 3; ‘Disagree’ = 2; and ‘Disagree strongly’ = 1

15 Mean score data given in italics in Tables A.12 and A.16 are not statistically different. Please see Section 1.6.3 of DWP Research Report 294.
Table A.9  Mean scores for Table 7.1: Amount of thought given to making arrangements for income in retirement (‘before’ survey)

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: mean scores</th>
<th>Total</th>
<th>Experience of the pilot: any</th>
<th>Experience of pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td>1.94</td>
<td>2.07</td>
<td>1.81</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘A lot of thought’ = 3; ‘Some thought’ = 2; ‘Very little thought’ = 1; and ‘Not thought about it at all’ = 0

Table A.10  Mean scores for Table 7.2: Amount of thought given to making arrangements for income in retirement (‘after’ survey)

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: mean scores</th>
<th>Total</th>
<th>Experience of the pilot: any</th>
<th>Experience of pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td>2.04</td>
<td>2.16</td>
<td>1.92</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘A lot of thought’ = 3; ‘Some thought’ = 2; ‘Very little thought’ = 1; and ‘Not thought about it at all’ = 0

Table A.11  Mean scores for Table 7.3: Change in amount of thought given to making arrangements for income in retirement (‘after’ survey)

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: mean scores</th>
<th>Total</th>
<th>Read all or part of the PIP fully</th>
<th>Read all or part of the PIP fully and/or attended a presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score ‘before’</td>
<td>1.94</td>
<td>2.14</td>
<td>2.08</td>
</tr>
<tr>
<td>Mean score ‘after’</td>
<td>2.04</td>
<td>2.34</td>
<td>2.30</td>
</tr>
<tr>
<td>Change</td>
<td>0.10</td>
<td>0.20</td>
<td>0.22</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘A lot of thought’ = 3; ‘Some thought’ = 2; ‘Very little thought’ = 1; and ‘Not thought about it at all’ = 0
### Table A.12  Mean scores for Table 7.4: Proportion feeling ‘very’ or ‘fairly’ confident in their overall ability to make decisions about pensions

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: mean scores</th>
<th>Total</th>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
<th>Read all or part of the PIP fully</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score confident ‘before’</td>
<td></td>
<td>1.48</td>
<td>1.55</td>
<td>1.55</td>
<td>1.55</td>
</tr>
<tr>
<td>Mean score confident ‘after’</td>
<td></td>
<td>1.56</td>
<td>1.66</td>
<td>1.81</td>
<td></td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘Very confident’ = 3; ‘Fairly confident’ = 2; ‘Not very confident’ = 1; and ‘Not at all confident’ = 0

### Table A.13  Mean scores for Table 7.5: Amount of confidence in overall ability to make decisions about pensions (‘after’ survey)

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: mean scores</th>
<th>Total</th>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
<th>PIP readers</th>
<th>PIP non-readers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td></td>
<td>1.56</td>
<td>1.66</td>
<td>1.46</td>
<td>1.66</td>
<td>1.48</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘Very confident’ = 3; ‘Fairly confident’ = 2; ‘Not very confident’ = 1; and ‘Not at all confident’ = 0

### Table A.14  Mean scores for Table 7.8: Agreement with the statement ‘I do not know what my State Pension is likely to be when I retire’ (‘after’ survey)

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: mean scores</th>
<th>Total</th>
<th>Experience of the pilot: any</th>
<th>Experience of the pilot: none</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td></td>
<td>3.26</td>
<td>3.13</td>
<td>3.40</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘Agree strongly’ = 4; ‘Agree’ = 3; ‘Disagree’ = 2; and ‘Disagree strongly’ = 1
Table A.15  Mean scores for Table 7.10: Agreement with the statement ‘I would rather make sure I have a good standard of living today than put money aside for retirement’

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: mean scores</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td>‘Before’</td>
<td>‘After’</td>
</tr>
<tr>
<td></td>
<td>Mean score calculation is based on: ‘Agree strongly’ = 4; ‘Agree’ = 3; ‘Disagree’ = 2; and ‘Disagree strongly’ = 1</td>
<td>2.45 2.58</td>
</tr>
</tbody>
</table>

Table A.16  Mean scores for Table 7.11: Proportion ‘strongly agreeing’ or ‘agreeing’ with the statement ‘I would rather have a good standard of living today than save for retirement’

<table>
<thead>
<tr>
<th></th>
<th>‘Before and after’ survey employees: mean scores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Mean score ‘before’</td>
<td>2.45</td>
</tr>
<tr>
<td>Mean score ‘after’</td>
<td>2.58</td>
</tr>
</tbody>
</table>

Table A.17  Mean scores for Table 8.2: Usefulness of the Employee PIP

<table>
<thead>
<tr>
<th></th>
<th>‘After’ survey employees who at least skim read the PIP (PIP readers): mean scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Mean score calculation is based on: ‘Very useful’ = 3; ‘Quite useful’ = 2; ‘Not very useful’ = 1; and ‘Not at all useful’ = 0</td>
</tr>
</tbody>
</table>
Table A.18  Mean scores for Table 8.3: Usefulness of the Employee PIP as a concept

<table>
<thead>
<tr>
<th>‘After’ survey employees who did not read the PIP (PIP non-readers): mean scores</th>
<th>PIP non-readers planning action in the next 6 to 9 months in the ‘before’ survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td>2.39</td>
</tr>
<tr>
<td></td>
<td>2.50</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘Very useful’ = 3; ‘Quite useful’ = 2; ‘Not very useful’ = 1; and ‘Not at all useful’ = 0

Table A.19  Mean scores for Table 10.1: Suitability of the workplace as a venue for pension information (‘after’ survey)

<table>
<thead>
<tr>
<th>‘Before and after’ survey employees: mean scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Mean score</td>
</tr>
</tbody>
</table>

The mean score calculation is based on: ‘Highly suitable’ = 4; ‘Somewhat suitable’ = 3; ‘Somewhat unsuitable’ = 2; and ‘Highly unsuitable’ = 1

A.4.6 Statistical testing of findings: paired sample t-test and independent sample t-test

Although no claims are being made that the results of the survey can be extrapolated to a wider universe, nevertheless rigorous statistical tests have been applied to the data to ensure that relationships and key differences highlighted throughout the report are real, significant and not due to chance for the survey evaluation sample.

Essentially, results are not commented upon unless they show differences that are statistically significant at the 95 per cent confidence level, i.e. there is only one chance in twenty that the result is not real. However, the use of a ‘before’ and ‘after’ approach with an identical sample has impacted on the choice of appropriate statistical tests to deploy and different approaches have been employed for the analysis of mean scores and percentages.

Statistical analysis of differences in the mean scores between the ‘before’ and ‘after’ surveys was able to use the paired sample t-test which is appropriate for ‘dependent’ samples. Samples are ‘dependent’ if the membership is the same, as is the case for the ‘before’ and ‘after’ comparisons based on the sample of 293 surveyed employees.
The paired sample t-test takes advantage of one specific type of design in which an important source of ‘within-group variation’ (or so-called error) can be easily identified and excluded from the analysis. Specifically, if two groups of observations (that are to be compared) are based on the same sample of subjects who were tested twice, then a considerable part of the within-group variation in both groups of scores can be attributed to the initial individual differences between subjects. As the same sample is being tested twice, then the initial variation can easily be identified and then ‘subtracted’ from the estimate of change between the two tests.

Specifically, instead of treating each group separately, and analysing raw scores, only the differences between the two measures (e.g. ‘before’ and ‘after’) are looked at for each respondent. By subtracting the first score from the second for each respondent and then analysing only those ‘pure (paired) differences’, the entire part of the variation in the data set that results from unequal base levels of individual respondents is excluded. This is precisely what is being done in the t-test for dependent samples, and, as compared with the t-test for independent samples, it always produces ‘better’ results, i.e. it is always more sensitive.

As the paired t-test, when used correctly, is more powerful than the independent sample t-test this means that the Type II error ( = β) (keeping the null-hypothesis, while the alternative hypothesis is true) will be smaller for the paired sample t-test than the independent sample t-test. Or in other words, the power of the test (=1-β) will be larger.

The theoretical assumptions of the t-test for independent samples also apply to the dependent samples test. That is, the paired differences should be normally distributed. The fulfilment of this assumption could be questioned as the majority of the survey data is ordinal. The ‘Central Limit Theorem’ (CLT) can, however, be applied; this says that mean scores based on a sample of at least 30 approximately follow a normal distribution.

Unfortunately, the t-test for dependent samples can only be used for mean scores and not percentages such as, for example, what percentage of the sample met a particular criterion in the ‘before’ and ‘after’ surveys. There is no similar test available for comparing percentages. Therefore, the independent sample t-test has had to be used to compare percentages. This results in a more conservative approach than the paired sample t-test but, as stated, there is no alternative. It should be noted, however, that any significant difference based on an independent sample t-test will always generate a significant difference when using the paired sample t-test. This means that the significant differences found in percentages between the ‘before’ and ‘after’ surveys will be very robust.

Where statistically significant differences between subgroups within the same sample, i.e. the ‘before’ survey or the ‘after’ survey, have been reported these have, of course, been based on the standard independent sample t-test for both mean scores and percentages.
A.5 Administrative data

A.5.1 The role of administrative data in the evaluation

The purposes of administrative data, sought from providers/IFAs for the SHP schemes they had set up for 100 pilot employers, were:

- To measure the number of SHP memberships at pilot employers before and after the pilot, as an indicator of the impact of the pilot on all employees at pilot employers, not just on the employees who participated in the evaluation
- Similarly, to measure the level of contributions into the SHP schemes
- Thirdly, to provide a ‘reality check’ on intentions reported in the ‘after’ survey to start or increase contributions to an SHP

Data were sought for one month before the pilot (July 2004) and one month after (January 2005).

Collecting data for a two to three month period before and after the pilot would have facilitated a more robust check on changes in membership and contributions, but timetabling the pilot interventions, in particular the presentations, into early Winter 2004 capped the period for which ‘after’ data could be collected to a single month. Providers and IFAs counselled, however, that employees tend to start a pension shortly after receiving pensions information or do not start one at all.

A.5.2 Collection process, and data requested

After preliminary consultation with pilot providers and IFAs to ascertain which data they could be reasonably expected to provide, RS Consulting designed data entry spreadsheets for the providers/IFAs to complete. The collection was conducted in two waves: one for ‘before’ and one for ‘after’ data. Providers and IFAs obtained approval from pilot employers to pass on anonymised data for use in the evaluation.

Two main strands of data were requested as part of the administration data exercise:

- Employer data
- Employee data

Aggregated employer data alone would reveal the number of SHP members amongst employees at pilot employers and the overall value of contributions into SHPs for each of July 2004 and January 2005. Data employer by employer were required to reveal how many of the 100 schemes were designated shell schemes both ‘before’ and ‘after’.

---

16 Providers and IFAs needed between four to eight weeks after a month end before they could compile and provide data for a given month. A full set of ‘after’ administrative data were only available for analysis at the end of March 2005. Analysis of admin data was included in a final full presentation of evaluation findings given to DWP on 20 April 2005.
Total contributions can give a misleading picture, if, for instance, a few higher paid employees pay contributions well above the average amount. Employee-level data—all anonymous—were requested to enable the research team to see into and correctly interpret ‘before’ and ‘after’ aggregated data and shifts in these.

Figures A.1 and A.2 show the format of the employer- and employee-level data spreadsheets that providers and IFAs were asked to complete, once for July 2004 and once for January 2005 data.

**Figure A.1** Format of the employer-level administrative data spreadsheet

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employer-level data</td>
</tr>
<tr>
<td>2</td>
<td>Format</td>
</tr>
<tr>
<td>3</td>
<td>Employer code</td>
</tr>
<tr>
<td>4</td>
<td>Date SHP scheme established</td>
</tr>
<tr>
<td>5</td>
<td>Number of employees registered on SHP scheme as of 5th April 2004</td>
</tr>
<tr>
<td>6</td>
<td>Number of employees registered on employer's SHP scheme now</td>
</tr>
<tr>
<td>7</td>
<td>Number of SHP accounts into which employees have paid contributions this month</td>
</tr>
<tr>
<td>8</td>
<td>Number of SHP accounts in employer's scheme contributing to default fund only, this month</td>
</tr>
<tr>
<td>9</td>
<td>Number of SHP accounts qualifying for SHP contribution by employer</td>
</tr>
<tr>
<td>10</td>
<td>Total employer contribution to all SHP accounts this month</td>
</tr>
<tr>
<td>11</td>
<td>After members request an alteration, can you tell us the maximum number of weeks it takes for the new amount to be deducted from their pay?</td>
</tr>
<tr>
<td>12</td>
<td>Total number of employees</td>
</tr>
<tr>
<td>13</td>
<td>Total permanent staff pay-roll</td>
</tr>
<tr>
<td>14</td>
<td>Policy for employer contributions</td>
</tr>
</tbody>
</table>

**Figure A.2** Format of the employee-level administrative data spreadsheet

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee-level data</td>
</tr>
<tr>
<td>2</td>
<td>Format</td>
</tr>
<tr>
<td>3</td>
<td>Employer reference number</td>
</tr>
<tr>
<td>4</td>
<td>Date of birth</td>
</tr>
<tr>
<td>5</td>
<td>Gender</td>
</tr>
<tr>
<td>6</td>
<td>Planned age of retirement</td>
</tr>
<tr>
<td>7</td>
<td>Date contributions commenced under each employee's contract</td>
</tr>
<tr>
<td>8</td>
<td>Total employee monthly contribution</td>
</tr>
<tr>
<td>9</td>
<td>Method of contribution</td>
</tr>
<tr>
<td>10</td>
<td>Indexation</td>
</tr>
<tr>
<td>11</td>
<td>Amount of employer contribution</td>
</tr>
<tr>
<td>12</td>
<td>Default fund only</td>
</tr>
<tr>
<td>13</td>
<td>Fund choice</td>
</tr>
<tr>
<td>14</td>
<td>When contract holder began employment with employer</td>
</tr>
<tr>
<td>15</td>
<td>Is contract-holder still employed by employer?</td>
</tr>
</tbody>
</table>

The request in Row 11 ‘After members request an alteration, can you tell us the maximum number of weeks it takes for the new amount to be deducted from their pay?’ was made to assist in determining the timing of the ‘after’ data collection phase. In most cases, the response was between four and six weeks; this enabled us to structure our approach such that there was sufficient time between the end of the interventions and data collection for data to record new memberships or increases in contribution levels in the light of the interventions.
All providers and four out of the seven IFAs provided employer- and employee-level administrative data. In total, administrative data were provided for 90 of the 100 pilot employers.

For the ten schemes18 for which there were no administrative data the research team spoke to all the employers and two of the local provider/IFA contacts, and through these discussions learned how many members the schemes had in the ‘before’ and ‘after’ months, but data on contributions remained missing.

A.5.3 Validation data

Providers and IFAs also agreed to supply employer-level validation data, completely anonymous data for non-pilot employers, which would allow comparison of movements in memberships and contributions between July 2004 and January 2005 for pilot versus non-pilot employers. A scheme was eligible for inclusion in the validation check if the firm met the eligibility criteria set for pilot employers in terms of number of employees and level of employer contribution.

Providers/IFAs were asked to provide validation data for approximately as many non-pilot employers as they had recruited employers to the pilot, so that the validation data set, too, would cover about 100 employers, and to select employers for inclusion in the validation set at random: random selection would mean that shell schemes could be included in the validation data set. The validation data requested per scheme were few in number: namely, the number of SHP members and total contributions paid into all SHP accounts for the month.

Although five of the pilot partners had provided validation data (based on 47 SHP schemes), a number of factors persuaded DWP and the research team not to complete the validation exercise:

- If the increase in SHP memberships at the pilot employers had been much greater than was the case,19 it would have been important to understand whether such activity was similar to activity at non-pilot employers or peculiar to pilot employers. As things stood, providers and IFAs commented that the SHP market overall was showing negligible movement where employers made no or very low contributions into their firm’s stakeholder and so it appeared that there were not major differences peculiar to the pilot employers.

18 The ten employers comprised all seven employers recruited to the pilot by three IFAs who did not feel able to dedicate time to the supply of the data given busy workloads, as well as three employers recruited by two providers where system and staffing issues prevented supply of administrative data.

19 The ‘net’ increase in memberships was only three.
• The average contribution per scheme member into the 47 non-pilot employer schemes was roughly 50 per cent higher than that into pilot employer schemes, and there was cause to believe that the validation data might, despite best efforts, include non-eligible employers: the process of recruiting employers to the pilot had shown that providers do not know all their clients well enough to vouch for their meeting the pilot eligibility criteria.

• The administrative data collection process for pilot schemes had required sufficient problem-solving to suggest that the validation data that had been provided, too, would contain incorrect data that would not be easy to identify, since validation only at the employer, not the employee, level had been sought.

• Linked to this last point, the provision of the more crucial employer- and employee-level data for schemes in the pilot was not a straightforward task for all pilot partners, and they put considerable effort in providing data and resolving queries; consequently the team was wary of placing further burdens on them to complete the validation data exercise which also looked like it could turn into a very demanding exercise.

To sum up, it had become clear that the provision of validation data was no longer essential for the evaluation, and it seemed unfair to expect pilot partners to provide and revisit validation data, when the effort they were giving to the provision of scheme data for pilot employers was already greater than had been anticipated.

A.6 Qualitative research

Findings from the qualitative research are used throughout the report both to inform and illustrate survey findings, and as data sets in their own right where they cover topics outside the scope of the survey research. Quotations from depth interviews are used to amplify and add colour to research findings, and to illustrate the kind of language – typically not the technical language of the pensions industry or of government – stakeholders use in talking about the issues addressed by the workplace pilot.

A.6.1 Respondents and data collection

While survey research was focused on the employee, qualitative research allowed all stakeholders a voice in the evaluation:

• Employees

• Employers: most respondents were the main contact for the SHP who liaised with the provider or IFA, and the positions they held at their organisations included owner, Managing Director, Finance Director, Payroll Manager, Administrator, Operations Manager and HR Director; in the few cases where the main contact was not senior enough to cover all the topics authoritatively, a second or supplementary interview was sought.
• The local providers and IFAs who managed individual SHP accounts and delivered presentations
• The main, or head office, provider and IFA contacts who had partnered DWP in designing and implementing the pilot

The data collection tools of the qualitative research were:

• Observation reports of presentations and sessions of one-to-one meetings written to a standardised, but flexible template
• Topic guides,20 flexible enough to allow individual respondents free rein to dwell for more or less time on particular issues, yet with a structure that ensured that all respondents gave answers to key questions

All interviews were conducted by telephone by RS Consulting executives. They lasted from 20 minutes to a little under two hours, and, with respondents’ permission, were audio-recorded.

A.6.2 Evaluation site visits

RS Consulting executives were on site at 16 of the 19 Option 2-4 pilot employers, to observe presentations and sessions of one-to-one meetings delivered as part of the pilot.

Observers sat in on presentations and observed the logistics of one-to-one meetings, discussing these with attendees after their private meetings. They recorded details on the following topics:

• Pre-advice and schedule
• Venue
• Attendance, and, for presentations, how engaged attendees were and what questions they asked
• Content and style of the presentation (as observed by the researcher) and one-to-one meetings (as detailed by willing employees immediately after the session, but without personal financial details being discussed)

Any ‘gaps’ in the observation report the researcher filled through on-site short discussions or next-day telephone calls with the employer and the presenter. For instance, to complete a full picture of a presentation it was useful to learn from the employer how early pre-advice of the presentation had been given to staff, and from the presenter whether he had been told to expect fewer or more employees to attend than had done so.

20 The eight topic guides used in the evaluation are included as Appendices E to L.
Presenters were also asked to complete a standard Excel spreadsheet that recorded the date and start and finish times for presentations and meetings, and the number of attendees, and included an open comments box for any general comments they wished to make on arranging and delivering the presentation. These spreadsheets were particularly useful for the evaluation where they recorded data on the three presentations not observed by the research team.

The evaluation included one other type of site visit: at six Option 1 employers members of the evaluation team made an ‘opt-in visit’ prior to the commencement of the pilot. These visits were designed to provide an insight into the reasons for the relatively low opt-in rates experienced at several employers.

A.6.3 Two types of employee depth interview

A post-intervention interview was conducted with two to three employees per firm, when they had attended the presentation and/or one-to-one meeting and opted in to participation in the evaluation. These interviews were conducted within two to three days of the intervention, so that the interview could collect detailed information on the intervention as experienced by individual employees.

More wide-ranging qualitative depth interviews were conducted after the pilot with employees of 14 Option 1-4 firms. To achieve as complete as possible a view of the pilot as implemented and experienced at each firm, Option 1 firms selected for these interviews were drawn from amongst those where the research team had already made an opt-in visit. Option 2-4 firms selected were those where post-intervention interviews had already been conducted and the employer too had agreed to participate in an interview, so that a rounded picture could be developed. These employee depth interviews were targeted in the case of Option 2-4 firms with both other attendees and non-attendees of the presentations and one-to-one meetings.21

The two interviews covered much the same ground, although with different emphases. The topic guide for the post-intervention interview focused on the same issues as the observation exercise – pre-advice, schedule, content – but gathered data from the perspective of the attendee: the reasons for attending, had expectations been met, was the time and venue convenient, how useful had the intervention been, had it been pitched appropriately for the attendee, what impact had it had on the attendee’s knowledge and attitudes, and had it been or was it likely to prompt action. Through the qualitative depth interview it was just as important to learn why employees had not attended a presentation or one-to-one or whether they would have done so, and why or why not, if one had been offered. Common topics to both discussions were the Employee PIP and the workplace.

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21 In the event, most employee qualitative depth interviews were conducted with attendees.
The research set out to understand why employees had or had not read the PIP and whether it had encouraged any to attend a presentation; the qualitative depth interview allowed more time for detailed discussion of the content of the PIP and employees’ trust in it as a government publication. Gaining an in-depth understanding of employees’ views on the workplace was also a goal of the discussions: did they think it a good venue for the distribution of information on pensions, and why did they hold these views? Again, the qualitative depth interviews allowed time to gain understanding of related issues: employees’ views of the role their employer should play in information provision, encouraging retirement planning and contributing to staff pensions.

A total of 67 employee interviews were conducted as part of the qualitative research.

A.6.4 Two types of depth interview with pilot employers and local provider and IFA presenters/contacts

Exit interviews were conducted with employers and providers/IFAs who had originally agreed to participate in the pilot but subsequently withdrew. The interviews assessed these stakeholders’ experience of the pilot and examined why they ultimately felt that it was inappropriate for them to continue to take part in the pilot.

More wide-ranging depth interviews focused on the pilot as delivered at individual employers and the evaluation aimed to interview (separately) ‘pairs’ made up of an employer and their local provider/IFA. Depth interviews were also conducted with employers of Option 2-4 firms where observation of the presentation had not been possible, to give as comprehensive as possible an understanding of the implementation and impact of the higher Options; and with Option 1 employers so that the evaluation gave appropriate ‘space’ to the Option that had been delivered at the majority of pilot employers.

Topics for discussion were similar, with the goal of gaining an understanding of issues from the perspective of the employer on the one hand and the local provider/IFA on the other, and to see where these met or differed.

Employers were asked to provide a little background in terms of their role in dealing with pensions and why they had decided to participate in the pilot. Providers/IFAs were asked to describe their own role in their respective organisation in relation to SHPs and their history with the employer in question.

Both were asked to assess the usefulness of the Employee PIP, and comments were sought from the providers/IFAs on whether the PIP should be distributed alongside provider literature on SHPs. The discussion with employers also covered the Employer PIP.

A good part of the discussion was given over to the presentation. Employers, depending on the Option that had been allocated to and delivered at their firm, were
asked to describe their experience of arranging a presentation; why it had not been possible to arrange one, or whether, if planned, it was likely that it would have gone ahead. Providers/IFAs were asked how easy it had been to arrange the presentation and how they felt it had gone, and whether outside the pilot they would have arranged and given the same presentation at that particular firm. The topic of one-to-one meetings was covered in a similar vein.

The workplace was the focus of a final set of questions. Did employers consider it an appropriate one for the distribution of information on pensions, and what did they see as their role in the provision of information, in encouraging retirement planning and in incentivising pension scheme membership by way of employer contributions? Did providers/IFAs too consider the workplace a viable venue, and, if not, what would make it viable?

A total of 17 depth interviews with employers and 12 with local provider/IFA contact were conducted as part of the qualitative research. In addition, 17 employers completed full or short exit interviews, and two local provider contacts completed full exit interviews.

A.6.5 Interviews with provider and IFA main contacts

Ten interviews were conducted with main provider and IFA contacts. The main contacts’ topic guide, while covering a lot of similar ground to that of the local provider and IFA contacts, focused on the implementation and impact of the pilot across all the employers recruited by that main contact.

Main contact providers and IFAs were asked to comment on how their organisations are set up to service the SHP market, and on their experiences in recruiting employers for the pilot. Based on their experiences of the pilot, in particular organising, or trying to organise, presentations and one-to-one meetings, main contacts were asked to comment on the pilot design and to advise on whether national roll-out of any Option, whether in pilot or redesigned format, would in their view be successful. In particular, it was a key goal of the main contact interview to understand the procedures providers and IFAs usually follow in dealing with SHP schemes, where the employer contribution is non-existent or low – in other words, how differently would they have treated these firms outside the pilot.

A.6.6 Analysing and reporting qualitative findings

Analysis of the qualitative findings was conducted in three distinct modes, the results of each of which contributed to the assessment of the pilot as reported.

Firstly, specific issues or topics were reviewed and all the information and/ or opinions gathered from the various types of interview with the different stakeholders were collated and assessed to yield an overall and rounded picture.

Secondly, the opinions of each of the categories of respondents (employee, employer, local provider/ IFA representative and main provider/ IFA contact) were
reviewed to identify areas of consensus or diversity in the opinions held by each specific stakeholder group.

Lastly, the opportunity provided by conducting interviews with different stakeholders involved with the same organisation was taken to undertake detailed analysis on an organisation by organisation basis. This approach yielded valuable insights into the dynamics and interactions between employers, employees and providers/IFAs.

Drawing on these analysis approaches, the qualitative evidence was incorporated into the report under each of the key themes.

A.7 Limitations of the evaluation

The evaluation process as realised has been comprehensive and detailed in approach, and has yielded a wealth of information and insight into the impact of the different Options and the implementation issues associated with them. Nevertheless, as was appreciated from the initial design process onwards, the effects observed in the evaluation panel cannot be projected beyond the panel, neither to all employees of the 100 pilot employers, nor to the wider universe of employees where employers might in future be obliged to provide access to information and advice about stakeholder pensions. There are multiple reasons for this, as summarised in Sections A.7.1 and A.7.2. A further issue, to do with timing, is reviewed in Section A.7.3.

A.7.1 Limitations on extrapolation to other employees at pilot firms

As detailed in Section A.3, the highly self-selected and thereby potentially unrepresentative nature of the employees who participated in the evaluation must question the robustness of the evaluation findings. Whilst by definition the exact impact of such effects cannot be measured, it seems likely that the employees who participated in the evaluation are likely to over- rather than under-represent the effectiveness of the pilot interventions, representing, as they do, a willing minority of less than ten per cent of all employees at these employers.

Potential ‘research effects’ are also inevitably an issue for ‘before and after’ methodologies; the risk is that having participated in an interview before the interventions will have changed the way in which surveyed employees then experienced them, compared with those who were not interviewed. In this case, the most dramatic manifestation of a research effect would be different participation rates in the interventions as between respondents and non-respondents to the ‘before’ survey. Although DWP considered employing a control group methodology to seek to measure this effect, this was ruled out for a number of reasons; these are set out in Appendix B which reproduces the relevant section from the original invitation to tender.
A.7.2 Limitations on extrapolation to other similar employers

Extrapolation to other firms or organisations in the ‘target universe’ is also not feasible. Again, as previously described in Section A.3, the issue of self-selection is highly relevant. It was only practical to include a limited number of provider and IFA partners, whose client employers could be approached. That process then revealed that only a very small minority of employers were willing to participate such that, as was the case with the employees, we have to assume that there is likely to have been a bias in favour of those who were more interested and willing to co-operate.

Nor, as described in Section A.3.2, was it feasible for fully random allocations to be made of the different Options to the employers who agreed to participate.

There is also the further over-arching consideration that it cannot be assumed that the reactions of employers acting in a voluntary context will necessarily be the same as those that might occur amongst non-volunteers, potentially in a mandatory environment.

A.7.3 Limitations related to timing

A further inevitable limitation to the ability to deliver a formally robust impact assessment in the experimental context represented by the pilots is one of timing. Two key objectives were to measure the impact of the interventions in terms of changes in actions, knowledge and attitudes, and to capture participants’ recall and opinions on the nature, and particularly level of usefulness, of the individual interventions they experienced. In terms of research timings, these twin objectives unfortunately raise a conflict: the best measure of impact on action is likely to be obtained after a reasonable delay to allow employees to absorb the information provided and decide on how to respond to it, whilst recall of detailed opinions on individual interventions will be most ‘front of mind’ immediately afterwards. In the event, the agreed timing of the evaluation process provided a reasonable compromise: ‘after’ quantitative interviews were completed with most employees to a schedule that allowed time for short or medium-term action whilst still being close enough for recall of individual aspects of the pilot. However, the original hope that the evaluation interviews could be conducted after approximately the same amount of elapsed time following the interventions in each case proved not to be practical.
Appendix B
Discussion on assessing impact through a Randomised Control Trial

We have explored the possibility of conducting a Randomised Control Trial (RCT). This would involve assigning a control group of employees or employers and measuring total employee outcomes, which could provide a counterfactual (i.e. an estimation of what would have happened in the absence of the pilots) against which the pilot outcomes could be compared.

Ideally, we would like to apply an RCT as it is recognised by many evaluators as being able to provide a more robust assessment of net and relative impacts, where it is possible and desirable to implement such an experiment. However, we do not believe an RCT is feasible for these pilots due to the following methodological and practical reasons:

- A simple random allocation is not possible: it would not be possible to randomly assign different pilot Options to employees within most of our target workplaces due to impracticality, especially among the many small employers. It would be extremely difficult for pension providers or IFAs to deliver different types of pension information to employees within the same workplace. There would also be contamination effects, such as employees receiving different Options and talking to each other.

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22 This appendix is an excerpt from the Department for Work and Pensions’ (DWP’s) original invitation to tender.
A more feasible approach is to randomly assign employers to one of the pilot Options and a control group. This cluster randomisation approach has been used in the USA for estimating the impact of education initiatives among children within schools. However, it is less statistically powerful and more complicated to design and implement than a simple random assignment of individuals. It often also requires data on previous cohorts, which is unlikely to be achievable.

The net impact of the pilot Options is not expected to be great in terms of changes in savings behaviour, given that there is a lot of ‘noise’ to contend with. For example, we might estimate that the pack on its own is going to make 2-3% of employees across the pilots alter their saving behaviour. Impact may increase for Options with greater interventions (e.g. one-to-one meetings), but the number of employees who take out pension provision is still likely to be a small proportion of the overall workforce.

The required sample size of employees would be too large. Statistical ‘power tests’ were conducted to estimate the minimum achieved employee sample size required to detect net impact through an RCT. Preliminary analysis suggested that approximately 3,500-4,000 would be required for a simple random allocation. It has not been possible to assess minimum sample sizes for cluster randomisation, but we have been advised that these are likely be considerably larger due to design issues.

The required sample size of employers would be too large. Appendix B [of the invitation to tender] estimates that we might achieve 1,240 ‘after’ interviews with employees from an employer sample size of 100. It would not be possible to expand the employer size to achieve over 4,000 employee interviews, since providers are unlikely to be able or willing to deliver pilot Options and evaluators will not be able to conduct surveys on this scale within our timetable constraints for findings.

Evaluation costs would be considerably more expensive.

The timetable would need to be extended: the experts we consulted advised that it is not feasible to conduct an RCT properly within the current policy timetable and a longer development period would be required.

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24 The pack may also have other ‘softer’ outcomes of interest to our evaluation objectives, such as increased awareness of pensions issues and retirement saving options.

25 This analysis assumed: a one-tailed test of statistical significance (which assumes that the effect will only be in one direction); statistical significance at the 5 per cent level; and statistical power at 80 per cent.
• *Greater risks*: the experiment could still fail, if the impact of the pilot Options is smaller than anticipated and it is not possible to measure impacts with sufficient statistical confidence, or if we have insufficient numbers of employees in the pilots.

Some alternative means for generating a control group have been considered:

• Simply *adding a control group to the before and after design*: it would be extremely difficult to identify a control group of employers that would be considered sufficiently comparable to employers participating in the pilots within a sample size of 100 employers, let alone with comparable employee profiles (e.g. age, gender, income). Employee outcomes measured in 20 employers allocated to a control group may not be comparable with those in 80 employers participating in the pilot, since both employer and employee characteristics could differ significantly.

• Creating a *quasi-control group of employees* from employees in Options 2 to 4 who do not participate in all parts of the interventions. A risk with this is that we would compare more with less motivated employees and their distribution would not be random, e.g. older employees are more likely to show interest in pensions and attend interviews.
Appendix C
‘Before’ survey questionnaire
‘BEFORE’ SURVEY
PROVIDING PENSIONS INFORMATION AND ADVICE IN THE WORKPLACE
WHERE THERE IS LITTLE OR NO EMPLOYER CONTRIBUTION

Employee name: .................................................................

Employee ID number: ......................................................

Contact telephone number: ..............................................

Preferred time for interview: ............................................

Employer: ..............................................................

Employer ID: ..............................................................

INTRODUCTION
Executive introduces him/ herself.
I am trying to reach [EMPLOYEE NAME]. Can you help me?

IF CONTACT IS UNAVAILABLE, CHECK PREFERRED INTERVIEW TIME
FROM THE OPT-IN SPREADSHEET, AND SAY:
Could you please tell [EMPLOYEE NAME] that I will try again during the
time I was told would be most convenient – that is [CONFIRM TIME
FROM RESPONSE CARD]?

IF INTENDED RESPONDENT ANSWERS:
I am calling to talk about pensions and planning for retirement as part of the
research that you said you might take part in.

ASK ALL:
SQ1. Could I just confirm that you are [EMPLOYEE NAME]?

| Yes | 1 CONTINUE |
| No  | 2 THANK AND CLOSE |

SQ2. And you work for [EMPLOYER]?

| Yes | 1 CONTINUE |
| No  | 2 INTRODUCTION THAN NO THANK AND CLOSE |

Thank you for taking part in our study for the Department for Work and
Pensions. We are talking to people about retirement and how they prepare for
it financially. Findings from the interviews we are doing will be used to improve
access to information that people need to prepare for retirement.
You will not be identified and your views will not be attributed to you; they will be combined with information from hundreds of other people and reported numerically. We will ensure that your personal views are not passed to anyone in government or to your employer. No salesmen will be able to single you out or approach you because of views you have expressed in your interview.

As you may remember, we will send you a cheque when you complete this 15 minute interview. Or, if you prefer, we can send the money to a charity of your choice. Could you spend 15 minutes with me now, or would it be more convenient for you, if I called back?

**IF NECESSARY, NOTE TIME OF CALL BACK: ..................**
A. KNOWLEDGE & INFORMATION SOURCES

ASK ALL

A1. How much thought have you given to making arrangements for income when you retire? Would you say you have given it ...

READ OUT; SINGLE CODE

A lot of thought (3) 1
Some thought (2) 2
Very little thought, or (1) 3
No thought at all? (0) 4
Don’t know 98
Refused 99

A2. How confident do you feel of your overall ability to make decisions about pensions? Would you say you feel ...

READ OUT; SINGLE CODE

Very confident (3) 1
Fairly confident (2) 2
Not very confident, or (1) 3
Not at all confident? (0) 4
Don’t know 98
Refused 99

A3. Do you feel you need more basic knowledge about pensions in general?

A4. IF YES @ A3: Do you feel you also need more advice about your own specific pension arrangements, including any current or future arrangements?

IF NO @ A3: Do you feel you need more advice about your own specific pension arrangements, including any current or future arrangements?

<table>
<thead>
<tr>
<th></th>
<th>A3 Need information</th>
<th>A4 Need advice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td>99</td>
</tr>
</tbody>
</table>

A5. Could you tell me which of the following sources of information you have ever used in the past to find out about your different pension options?

READ OUT; CODE ALL THAT APPLY

1 The numbers in brackets are the values used to calculate mean scores.
Appendices – ‘Before’ survey questionnaire

Financial adviser 1
Bank/ building society 2
Employer 3
Accountant 4
Work colleagues 5
Friends/ family 6
The government/ DWP 7
Pensions provider/ insurance company 8
Trade union 9
The internet 10
The media (newspapers, TV, radio) 11
Other source (specify……………….) 12
None 13
Don’t know 98
Refused 99

A6. And could you tell me whether you have seen or heard anything recently about the following?

READ OUT; CODE ALL THAT APPLY

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting a forecast of your State Pension</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Stakeholder pensions</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Websites that provide general information on pensions</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Pension Credit</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
</tbody>
</table>

A7. Which one of the following statements most closely describes you?

SINGLE CODE

- I would receive tax relief on pensions I make 1
- I would not receive tax relief on pensions I make 2
- I do not know if I would receive tax relief on pensions contributions I make 3
- Don’t know 98
- Refused 99
A8. How much do you think the basic State Pension for individuals is a week?

INTERVIEWER NOTE: IF THE RESPONDENT ASKS ABOUT PENSION CREDIT, PLEASE SAY THAT THE BASIC STATE PENSION EXCLUDES MEANS-TESTED PENSION CREDIT. IF THE RESPONDENT NEEDS CLARIFICATION ON THE PRECISE MEANING OF THE QUESTION, EXPLAIN THAT WE ARE REFERRING TO THE BASIC STATE PENSION FOR A SINGLE PERSON, PER WEEK, EXCLUDING ALL EXTRAS. THE MAIN ‘EXTRAS’ ARE: SECOND STATE PENSION (FORMERLY KNOWN AS SERPS), PENSION CREDIT AND THE MARRIED PERSON'S SUPPLEMENT

£ ............... a week
Don’t know  98
Refused      99
RETIREMENT EXPECTATIONS

ASK ALL

B1. Now we would like to ask about retirement age. If you are planning to retire gradually, this means the age at which you will start to reduce your workload. At what age do you expect to retire?
   IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER

   Expected retirement age: ......................

   Don’t know 98
   Refused 99

B2. When you are retired, will your household income come …

   Mainly from your retirement provision 1
   Mainly from your partner’s retirement provision, or 2
   From both you and your partner’s retirement provision equally? 3
   Don’t know 98
   Refused 99

B3. In retirement, could you tell me which of the following sources of household income you expect to have?
   READ OUT; CODE ALL THAT APPLY

   B4. ASK ONLY IF MORE THAN ONE SOURCE OF INCOME IS GIVEN IN B3, OTHERWISE CODE B4 SAME AS B3: And what do you expect to be your household’s main source of income in retirement?
   DO NOT READ OUT UNLESS REQUESTED; SINGLE CODE

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>B3 All sources</th>
<th>B4 Main source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your own State Pension</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Your own non-State Pension</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>A partner’s pension</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Income from paid work earned in retirement</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Income from property</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Savings other than pensions</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Other income source (specify ……….)</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td>99</td>
</tr>
</tbody>
</table>
B5. Assuming that you retire at [B1 AGE], do you think that you need to save more, less, or the same as you are saving now to have a comfortable future?

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>More</td>
<td>1</td>
</tr>
<tr>
<td>Less</td>
<td>2</td>
</tr>
<tr>
<td>Same</td>
<td>3</td>
</tr>
<tr>
<td>Don't know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

B6. Are you currently planning to take any action in the next six to nine months that would help to increase your income in retirement?

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

B7. What exactly do you intend to do?

Write in verbatim in detail: ..........................................................
C. PENSION PROVISION

ASK ALL

C1. Does your current employer offer a pension scheme that you are eligible for?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO C3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

C2. Does your employer contribute to the pensions of employees who are in the scheme?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

C3. Now I would like to talk to you about your own pension provision apart from State Pensions. In addition to the State Pension, do you have a pension of any kind that you or an employer have paid into in the past, or are paying into currently?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO C16</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

C4. In particular, do you have any active pension scheme or schemes? By ‘active’ I mean into which you or your current employer is now paying contributions?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO C14</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

C5. How many such active schemes do you have?

| One scheme | 1 |
| Two schemes | 2 |
| Three schemes | 3 |
| Other number (specify ……) | 4 |
| Don’t know | 98 |
| Refused | 99 |
C6.  **IF ONE ACTIVE SCHEME @ C5:** Was this scheme set up through your current employer or did you arrange it yourself without the involvement of an employer?

- Via employer: 1
- Privately: 2
- Don’t know: 98
- Refused: 99

**IF TWO OR MORE ACTIVE SCHEMES @ C5:** Were any of these schemes set up through your current employer?

- Yes: 1
- No: 2
- Don’t know: 98
- Refused: 99

**IF TWO OR MORE ACTIVE SCHEMES @ C5:** Were any of these schemes arranged by you personally without the involvement of an employer?

**SINGLE CODE**

- Yes: 1
- No: 2
- Don’t know: 98
- Refused: 99

C7.  **IF ONE ACTIVE SCHEME @ C5:** Do you pay into this scheme at the moment?

- Yes: 1
- No: 2
- Don’t know: 98
- Refused: 99

**IF TWO OR MORE ACTIVE SCHEMES @ C5:** Do you pay into any of these schemes at the moment?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>PROCEED</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO C8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>
Do you pay into both/all your schemes at the moment?

Yes 1
No 2
Don’t know 98
Refused 99

C8. **IF ONE ACTIVE SCHEME @ C5:** And does your employer pay into this scheme at the moment?

Yes 1
No 2
Don’t know 98
Refused 99

**IF TWO OR MORE ACTIVE SCHEMES @ C5:** And does your employer pay into any of these schemes at the moment?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>PROCEED</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td><strong>SKIP TO C9</strong></td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

Do they pay into both/all your schemes at the moment?

Yes 1
No 2
Don’t know 98
Refused 99

C9. **IF ONE ACTIVE SCHEME @ C5:** For how many years has your active pension scheme been in place?

**IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER.**

Years in scheme: ......................

**IF TWO OR MORE ACTIVE SCHEMES @ C5:** Thinking of your active scheme which has been in place the longest, for how many years have you had it?

**IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER.**

Years in scheme: ......................

**IF CODE 2 @ C7, SKIP TO C13**
C10. **IF ONE ACTIVE SCHEME @ C5:** I would like to ask you now about the contributions you pay into your own (active) pension. Do you pay contributions as a fixed proportion of your current salary, or on some other basis?

<table>
<thead>
<tr>
<th>Proportion of current salary</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other basis</td>
<td>2</td>
<td>SKIP TO C12</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

**IF TWO OR MORE ACTIVE PENSION SCHEMES @ C5:** I would like to ask you now about the contributions you pay into your own (active) pension schemes. Do you pay contributions as a fixed proportion of your current salary, or on some other basis, or as a fixed proportion for one scheme but on some other basis for another?

<table>
<thead>
<tr>
<th>Proportion of current salary</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other basis</td>
<td>2</td>
<td>SKIP TO C13</td>
</tr>
<tr>
<td>Both ways</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>
C11. What percentage of your salary do you pay yourself into your pension(s)?

IF RESPONDENT HAS MORE THAN ONE ACTIVE SCHEME INTO WHICH HE/ SHE MAKES CONTRIBUTIONS CURRENTLY BY WAY OF PROPORTION OF SALARY (SEE C5), ADD: If you pay into different schemes, would you please give me the overall percentage that you pay in total?

IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER.

Percentage of salary: ..........%  

SKIP TO C13 UNLESS CODE 3 @ C10

C12. Which of the following best describes the way that you currently pay your own contributions... IF CODE 3 @ C10, ADD: ...when you are not contributing a fixed proportion of salary?

READ OUT

PROGRAMMER NOTE: SINGLE CODE IF 1 ACTIVE SCHEME @ C5, BUT MULTICODE ALLOWED IF 2 OR MORE ACTIVE SCHEMES @ C5

A fixed amount, on a fixed schedule: every week or month, for instance 1
A single lump sum for the year depending on how much you can afford to put away 2
Whatever you can spare, whenever you can spare it 3
Don’t know 98
Refused 99
ASK ALL

C13. Over the last 12 months, what amount would you say you personally have paid into your pension(s) in total?

IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER.

PROGRAMMER: 0 (ZERO) IS A VALID RESPONSE

£……………. over the last 12 months
Don’t know 98
Refused 99

IF CODE 98 (DON’T KNOW), ASK: would you be able to provide a rough monthly average instead?

£……………. on average a month
Don’t know 98
Refused 99

C14. IF RESPONDENT HAS ACTIVE SCHEMES (CODE 1 @ C4):

Outside of your pension arrangements that are active, do you have any dormant pension scheme or schemes, i.e. ones into which neither you nor your current nor any previous employer are any longer paying contributions?

INTERVIEWER NOTE: A SCHEME TO WHICH A RESPONDENT NO LONGER CONTRIBUTES, AND WHICH IS ALREADY PAYING OUT, IS INCLUDED IN THIS CATEGORY. SUCH SCHEMES ARE OFTEN CALLED “MATURED” OR “ENCASHED” SCHEMES

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO SECTION D</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

IF RESPONDENT HAS DORMANT SCHEMES (CODE 2 @ C4):

May I just check? If I have understood correctly……you have no active schemes, but you do have a dormant scheme or schemes, i.e. ones into which neither you nor your current nor any previous employer are any longer paying contributions?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO SECTION D</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

C15 ASKED ONLY OF THOSE WITH DORMANT SCHEMES

C15. IF RESPONDENT HAS ACTIVE AND DORMANT SCHEMES (CODE 1 @ C4 AND CODE 1 @ RELEVANT PART OF C14):

Thinking now of your combined pension provision made up of active and dormant schemes, for how many years have you been a member of any pension scheme?
IF RESPONDENT HAS ONLY DORMANT SCHEMES (CODE 2 @ C4 AND CODE 1 @ RELEVANT PART OF C14): For how many years overall were payments made into scheme(s) that are now dormant?

IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER
Years in any pension scheme: …………………..
CODE 0 IF LESS THAN 6 MONTHS

C16 ASKED TO ALL THOSE WHO ARE NOT CURRENTLY PAYING INTO ANY PENSION: ASK ALL EXCEPT CODE 1 @ C7

C16. Why do you not currently pay any contributions into a pension scheme? DO NOT READ OUT, CODE ALL THAT APPLY

I do not earn enough                                          1
Contributions are too high for me                            2
I have debts/ other financial commitments                    3
I prefer not to put money beyond reach                       4
I have other financial arrangements to cover income in retirement 5
It is too early/ I am too young to start a pension             6
It is too late/ I am too old to start a pension               7
I don’t know/ understand enough about it                      8
I may not stay with this employer long                       9
My employer may not remain in business very much longer      10
It is not a good deal; other ways to save/ invest offer better returns 11
My employer does not contribute; I would probably join/ contribute if my employer did 12
If I contributed to a pension scheme, it would cut into other benefits I might receive (through means testing) 13
Other [Specify] …………………………………. 14
Don’t know                                                  98
Refused                                                     99
D. CURRENT SAVING BEHAVIOUR

ASK ALL

D1. Apart from contributions to pension schemes, are you currently saving any of your income in a savings account of any kind, including bank and building society saver accounts, as well as, for example, share purchase schemes and equity ISAs?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

D2. Would you say these savings are mainly long-term savings for the future, or mainly short-term savings for things you need now or for unexpected events?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly long-term</td>
<td>1</td>
</tr>
<tr>
<td>Both equally (unprompted)</td>
<td>2</td>
</tr>
<tr>
<td>Mainly short-term</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

D3. Just focusing on your long-term savings, are you making any of these payments with a view to preparing for your retirement?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

D4. And just focusing on these savings for retirement, would you say you are for the most part …

<table>
<thead>
<tr>
<th>Answer</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving regularly each month</td>
<td>1</td>
</tr>
<tr>
<td>Saving what you can, when you can, but with no regularity</td>
<td>2</td>
</tr>
<tr>
<td>Saving another way (specify)?</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

D5. And still focusing on these savings for retirement, how much on average do you save per month?

<table>
<thead>
<tr>
<th>Amount</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ …………… a month</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
E. ATTITUDES TO PENSIONS AND RETIREMENT

ASK ALL
Could you please tell me how strongly you agree or disagree with the following seven statements? Please give me a number from 1 to 4, where 1 means you strongly agree, and 4 means you strongly disagree.

INTERVIEWER: REMIND RESPONDENTS OF CODES
PROGRAMMER: ROTATE ORDER OF STATEMENTS
READ OUT

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
<th>Don’t know</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1. I would rather make sure I had a good standard of living today than put money aside for my retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>E2. Putting money into a pension is the most secure way of saving for your retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>E3. I don’t know what my State Pension is likely to be when I retire</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>E4. I feel I have little power to improve my prospects of having adequate income in retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>E5. I don’t know where to get relevant information about planning for retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>E6. I don’t know where to get relevant advice about planning for retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td>E7. Putting money into a pension is the most tax-efficient way of saving for your retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
</tbody>
</table>
F. DEMOGRAPHICS

ASK ALL
Now I would just like to confirm some final details with you.

F1. Could you please tell me your age at your last birthday?
   WRITE IN AND CODE – DO NOT READ OUT LIST
   IF RESPONDENT REFUSES TO GIVE EXACT AGE, READ OUT LIST
   AND ASK RESPONDENT TO SAY WHICH CATEGORY HE/ SHE FALLS
   INTO

   Age ..................
   Under 18 1
   18-24 2
   25-29 3
   30-34 4
   35-39 5
   40-44 6
   45-49 7
   50-54 8
   55-59 9
   60-64 10
   65+ 11
   Refused 99

F2. Record respondent sex (do not ask)
   Male 1
   Female 2

F3. May I ask what your current living arrangements are? Are you:
   SINGLE CODE
   Living on your own 1
   Married and living with husband/ wife 2
   Cohabiting with a partner 3
   Living with relatives 4
   Living with non-relatives 5
   Other (specify) 6
   Refused 99
**F4.** How many people are there in total living in your household, including all children and adults?

Write in number ………………

Don’t know .......................... 98
Refused .................................. 99

**F5.** And of these, how many are currently working, and so contribute to the total household income?

Write in number ………………

Don’t know .......................... 98
Refused .................................. 99

**F6.** And are you currently working full-time in paid employment, i.e. 30 or more hours a week?

*IF NO, ASK:* are you working up to 16 hours a week or between 17 and 29?

**SINGLE CODE AS APPROPRIATE**

<table>
<thead>
<tr>
<th>Hours</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-16 hours</td>
<td>1</td>
</tr>
<tr>
<td>17-29 hours</td>
<td>2</td>
</tr>
<tr>
<td>30 or more hours</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

**F7.** Do you work these hours for one employer only, or for two or more employers?

**SINGLE CODE**

<table>
<thead>
<tr>
<th>Employers</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>One employer only</td>
<td>1</td>
</tr>
<tr>
<td>Two</td>
<td>2</td>
</tr>
<tr>
<td>Three</td>
<td>3</td>
</tr>
<tr>
<td>Four or more</td>
<td>4</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
**F8.** Now a question about your accommodation? Do you/ are you … ?

**READ OUT; SINGLE CODE**

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own it outright</td>
<td>1</td>
</tr>
<tr>
<td>Buying it with the help of a mortgage or loan</td>
<td>2</td>
</tr>
<tr>
<td>Pay part rent and part mortgage (shared ownership)</td>
<td>3</td>
</tr>
<tr>
<td>Rent it</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

**F9.** And could you please tell me in which of the following bands your total annual household income falls, before taxes and deductions from pay?

**READ OUT, SINGLE CODE**

<table>
<thead>
<tr>
<th>Income Band</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £10,000</td>
<td>1</td>
</tr>
<tr>
<td>£10,000-£19,999</td>
<td>2</td>
</tr>
<tr>
<td>£20,000-£29,999</td>
<td>3</td>
</tr>
<tr>
<td>£30,000-£39,999</td>
<td>4</td>
</tr>
<tr>
<td>£40,000-£59,999</td>
<td>5</td>
</tr>
<tr>
<td>Over £60,000</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
F10. And could you please tell me in which of the following bands your total annual individual income falls, before taxes and deductions from pay?

READ OUT, SINGLE CODE

Less than £10,000 1
£10,000-14,999 2
£15,000-19,999 3
£20,000-24,999 4
£25,000-29,999 5
£30,000-39,999 6
£40,000-59,999 7
Over £60,000 8
Don’t know 98
Refused 99

F11. To which of these ethnic groups do you consider you belong?

READ OUT MAIN CATEGORIES (SUB-CATEGORIES ONLY WHERE RESPONDENT IS UNCLEAR); SINGLE CODE

ADD: This question is asked in order to capture the views of people from all different groups

White (including British; Irish; any other white background) 1

Mixed (including White and Black Caribbean; White and Black African; White and Asian; Any other mixed background) 2

Asian or Asian British (Indian; Pakistani; Bangladeshi; any other Asian background) 3

Black or Black British (Caribbean; African; any other Black background) 4

Other ethnic groups (Chinese; any other ethnic group) 5

Don’t know 98
Refused 99

F12. Do you have any long-term illness, health problem or disability which limits your daily activities or the work you can do?

Yes 1
No 2
Refused 99
Thank you very much for your participation in this section of the research. As I mentioned earlier, we will send a cheque to you or to one of the following charities, as a thank you:

- Age Concern
- Alzheimer's Research Trust
- Amnesty International
- Cancer Research UK
- Great Ormond Street Hospital
- Oxfam
- Royal National Institute of the Blind (RNIB)
- Royal Society for the Protection of Birds (RSPB)
- The National Trust
- Worldwide Fund for Nature (WWF)

CONFIRM DETAILS OF WHERE TO SEND CHEQUE

As we detailed in the fact sheet that we sent to you, we hope to call you again in autumn this year, a few weeks after the pensions information is offered to employees in your workplace, to see if the information it offered was useful to you.

CONFIRM EMPLOYEE’S CONTACT DETAILS IN AUTUMN ARE EXPECTED TO REMAIN THE SAME OR NOTE ANY EXPECTED CHANGE

THANK AND CLOSE
Appendix D
‘After’ survey questionnaire
‘AFTER’ SURVEY
PROVIDING PENSIONS INFORMATION AND ADVICE IN THE WORKPLACE
WHERE THERE IS LITTLE OR NO EMPLOYER CONTRIBUTION

Employee name: ..............................................................
Employee ID number: ..................................................
Contact telephone number: ..............................................
Preferred time for interview: ..........................................  
Employer: ........................................................................
Employer ID: .................................................................

INTRODUCTION
Executive introduces him/ herself.
I am trying to reach [EMPLOYEE NAME]. Can you help me?

IF CONTACT IS UNAVAILABLE, CHECK PREFERRED INTERVIEW TIME
FROM THE OPT-IN SPREADSHEET, AND SAY:
Could you please tell [EMPLOYEE NAME] that I will try again during the
time I was told would be most convenient – that is [CONFIRM TIME
FROM RESPONSE CARD]?

IF INTENDED RESPONDENT ANSWERS:

PURE S2 (RESPONDENTS WHO PARTICIPATED IN THE ‘BEFORE’ SURVEY):
I am calling to talk about pensions and planning for retirement as part of the
research that you took part in last year. We spoke to you during the summer on
the subject of pensions and planning for retirement; thank you for agreeing to
be re-contacted. Included in our call today will be questions about your
experience of the pensions pilot; that is, the information that has been made
available to you over the last few months about pensions and retirement
planning at your place of work.

VARIANT S2 (RESPONDENTS WHO DID NOT PARTICIPATE IN THE ‘BEFORE’
SURVEY):
I am calling to talk about pensions and planning for retirement as part of the
research that you said you might take part in. Our conversation will also include
questions about your experience of the pensions pilot; that is, the information
that has been made available to you over the last few months about pensions
and retirement planning at your place of work.
### ASK ALL:

**SQ1.** Could I just confirm that you are [EMPLOYEE NAME]?  

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>THANK AND CLOSE</td>
</tr>
</tbody>
</table>

**SQ2.** And you work for [EMPLOYER]?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>ENTER RELEVANT INFORMATION BELOW</td>
</tr>
</tbody>
</table>

**INTERVIEWER:** IF CODE 2, ENTER ANY RELEVANT INFORMATION VERBATIM (E.G. MOVED JOBS, MADE REDUNDANT, RETIRED, CONTRACT EXPIRED) ……………………………………………………

---

Respondents were screened to ensure that they were employed by the pilot employer throughout the period of the pilot. Those who had left employment subsequent to the pilot were still eligible for this survey, and questions regarding the pilot were rephrased to refer to their ‘former place of work’. Respondents who were no longer in paid employment were not asked questions K3-K6.

### ALL RESPONDENTS:

Findings from our interviews will be used to help the government plan how to improve access to information that people need to prepare for retirement.

You will not be identified and your views will not be attributed to you; they will be combined with information from hundreds of other people and reported numerically. We will ensure that your personal views are not passed to anyone in the government or to your employer. No salesmen will approach you because of views you have expressed in this interview.

As you may remember, we will send you a cheque when you complete this 20 minute interview. Or, if you prefer, we can send the money to a charity of your choice.

Could you spend about 20 minutes with me now, or would it be more convenient for you, if I called back?  
**IF NECESSARY, NOTE TIME OF CALL BACK: ………………………….**
INTERVIEWER NOTE: DO NOT READ OUT “DON’T KNOW” AND “REFUSED” CODES

A. KNOWLEDGE OF PENSIONS

ASK ALL

A1. How much thought have you given to making arrangements for income when you retire. Would you say you have given it …
READ OUT; SINGLE CODE

- A lot of thought (3)
- Some thought (2)
- Very little thought, or (1)
- No thought at all? (0)
- Don’t know
- Refused

A2. How confident do you feel of your overall ability to make decisions about pensions? Would you say you feel …
READ OUT; SINGLE CODE

- Very confident (3)
- Fairly confident (2)
- Not very confident, or (1)
- Not at all confident? (0)
- Don’t know
- Refused

A3. Do you feel you need more **basic knowledge** about pensions in general?

A4. **If CODE 1 @ A3:** Do you feel you also need more **advice** about your own specific pension arrangements, including any current or future arrangements?

**If CODE 2 @ A3:** Do you feel you need more **advice** about your own specific pension arrangements, including any current or future arrangements?

<table>
<thead>
<tr>
<th>A3 Need information</th>
<th>A4 Need advice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

1 The numbers in brackets are the values used to calculate mean scores.
A5. Which one of the following statements most closely describes you?

**READ OUT; SINGLE CODE**

- I would receive tax relief on pensions contributions I make 1
- I would not receive tax relief on pensions contributions I make 2
- I do not know if I would receive tax relief on pensions contributions I make 3
- Don’t know 98
- Refused 99

A6. How much do you think the basic State Pension for individuals is a week?

**INTERVIEWER NOTE: IF RESPONDENT ASKS ABOUT PENSION CREDIT, PLEASE SAY THAT THE BASIC STATE PENSION EXCLUDES MEANS-TESTED PENSION CREDIT.**

**IF RESPONDENT NEEDS CLARIFICATION ON THE PRECISE MEANING OF THE QUESTION, EXPLAIN THAT WE ARE REFERRING TO THE BASIC STATE PENSION FOR A SINGLE PERSON, PER WEEK, EXCLUDING ALL EXTRAS. THE MAIN ‘EXTRAS’ ARE: SECOND STATE PENSION (FORMERLY KNOWN AS SERPS), PENSION CREDIT AND THE MARRIED PERSON’S SUPPLEMENT**

£ …………… a week
- Don’t know 98
- Refused 99
B. RETIREMENT EXPECTATIONS

ASK ALL

B1. Now we would like to ask about retirement age. If you are planning to retire gradually, this means the age at which you will start to reduce your workload. At what age do you expect to retire?

IF A RANGE IS GIVEN, ASK FOR RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER.

Expected retirement age: …………………..

Don’t know 98
Refused 99

B2. Assuming that you retire at [B1 AGE], do you think that you need to save more, less or the same as you are saving now to have a comfortable future?

More 1
Less 2
Same 3
Don’t know 98
Refused 99

B3. Are you currently planning to take any action in the next six to nine months that would help to increase your income in retirement?

Yes 1  CONTINUE
No 2  SKIP TO SECTION C
Don’t know 98
Refused 99

B4. What exactly do you intend to do?

Write in verbatim in detail: …………………………………………………..
C. SAVINGS AND PENSIONS PROVISION

ASK ALL

C1. Now I would like to talk to you about your own pension provision apart from State Pensions. In addition to the State Pension, do you have a pension of any kind that you or an employer have paid into in the past, or are paying into currently?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

C2. In particular, do you have any active pension scheme or schemes? By ‘active’ I mean into which you, or your current employer, is now paying contributions?

<p>| | |</p>
<table>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

C3. Was your active scheme in place in July 2003 or before?

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

C4. Over the last 12 months, what amount would you say you yourself have paid into your pension(s) in total?

**IF A RANGE IS GIVEN, ASK RESPONDENT TO BE AS SPECIFIC AS POSSIBLE, AND RECORD MOST SPECIFIC ANSWER.**

**PROGRAMMER: 0 (ZERO) IS A VALID RESPONSE**

£……………. over the last 12 months

Don’t know 98
Refused 99

**IF CODE 98 (DON’T KNOW), ASK:** Would you be able to provide a rough monthly average instead?

£……………. on average a month

Don’t know 98
Refused 99
**C5.** Apart from contributions to pension schemes, are you currently making any long-term savings specifically with a view to preparing for your retirement?

**ADD IF NECESSARY:** This includes saving any of your income long-term in a savings account of any kind, including bank and building society saver accounts, as well as, for example, share purchase schemes and ISAs with a view to preparing for your retirement.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

**Yes** 1 **CONTINUE**

**No** 2 **SKIP TO SECTION D**

**Don’t know** 98

**Refused** 99

**C6.** And just focusing on these long-term savings specifically for retirement, would you say you are for the most part …

**READ OUT; SINGLE CODE**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving regularly each month</td>
<td>1</td>
</tr>
<tr>
<td>Saving what you can, when you can, but with no regularity</td>
<td>2</td>
</tr>
<tr>
<td>Saving another way (specify)?</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

**Saving regularly each month** 1 **CONTINUE**

**Saving what you can, when you can, but with no regularity** 2 **SKIP TO SECTION D**

**Saving another way (specify)?** 3

**Don’t know** 98

**Refused** 99

**C7.** And still focusing on these long-term savings specifically for retirement, how much on average do you save per month?

£ ............... a month

Don’t know 98

Refused 99
D. ATTITUDES TO PENSIONS AND RETIREMENT

ASK ALL
Could you please tell me how strongly you agree or disagree with the following seven statements? Please give me a number from 1 to 4, where 1 means you strongly agree, and 4 means you strongly disagree.

INTERVIEWER: REMIND RESPONDENTS OF CODES
PROGRAMMER: ROTATE ORDER OF STATEMENTS
READ OUT

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
<th>Don’t know</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D1.</strong> I would rather make sure I had a good standard of living today than put money aside for my retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td><strong>D2.</strong> Putting money into a pension is the most secure way of saving for your retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td><strong>D3.</strong> I don’t know what my State Pension is likely to be when I retire</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td><strong>D4.</strong> I feel I have little power to improve my prospects of having adequate income in retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td><strong>D5.</strong> I don’t know where to get relevant information about planning for retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td><strong>D6.</strong> I don’t know where to get relevant advice about planning for retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
<tr>
<td><strong>D7.</strong> Putting money into a pension is the most tax efficient way of saving for your retirement</td>
<td>1 (4)</td>
<td>2 (3)</td>
<td>3 (2)</td>
<td>4 (1)</td>
</tr>
</tbody>
</table>
E: PARTICIPATION IN THE PILOT: PENSIONS INFORMATION PACKS

ASK ALL

E1. As part of the pilot, the Department for Work and Pensions produced an Employee Pensions Information Pack. This is an A4-size pack with a green and purple cover, containing a booklet providing information on pensions. Do you know if this was made available at your place of work?

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Yes</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>1</td>
<td>SKIP TO</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td>SECTION F</td>
</tr>
<tr>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E2. Did you receive or take an Employee Pensions Information Pack?

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
</tr>
<tr>
<td>98</td>
<td>Don’t know</td>
</tr>
<tr>
<td>99</td>
<td>Refused</td>
</tr>
</tbody>
</table>

E3. IF CODE 1 @ E1 How were these Pensions Information Packs distributed or made available to employees at your place of work?

DO NOT READ OUT; MULTICODE

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Handed out in person</td>
</tr>
<tr>
<td>2</td>
<td>Given out with pay packs/ cheques</td>
</tr>
<tr>
<td>3</td>
<td>Placed in employees’ in-trays/ pigeon holes</td>
</tr>
<tr>
<td>4</td>
<td>Placed in a central location (e.g. staff room, canteen) for employees to pick up</td>
</tr>
<tr>
<td>5</td>
<td>Mailed to employees by employer</td>
</tr>
<tr>
<td>6</td>
<td>Advertised (e.g. on a notice board) and employees had to request one</td>
</tr>
<tr>
<td>7</td>
<td>Other (specify)</td>
</tr>
<tr>
<td>98</td>
<td>Don’t know</td>
</tr>
<tr>
<td>99</td>
<td>Refused</td>
</tr>
</tbody>
</table>

E4. IF CODE 2 @ E2 Why did you not receive or take a copy of the Employee Pensions Information Pack?

READ OUT; SINGLE CODE

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A copy was not made available to me (INCLUDES: I was not offered one/ I did not know where to find one/ there was none left)</td>
</tr>
<tr>
<td>2</td>
<td>I was not interested in taking/ receiving a copy</td>
</tr>
<tr>
<td>3</td>
<td>Other (specify)</td>
</tr>
<tr>
<td>98</td>
<td>Don’t know</td>
</tr>
<tr>
<td>99</td>
<td>Refused</td>
</tr>
</tbody>
</table>
E5. **IF CODE 1 @ E2** What did you do with the Employee Pensions Information Pack? Did you ...

**READ OUT; SINGLE CODE**

- Read it all fully (3) 1
- Read parts of it fully (2) 2
- ‘Skim’ read it, or (1) 3
- Not read any of it? (0) 4
- Don’t know 98
- Refused 99

E6. **IF CODE 1 @ E2** Have you kept the Employee Pensions Information Pack?

**SINGLE CODE**

- Yes, I still have it 1
- No I kept it for a while and then discarded/ lost it 2
  
  **PROBE FOR:**
  
  - I discarded it immediately 3
- Don’t know 98
- Refused 99

E7. **IF CODES 1 OR 2 @ E6** Has anyone other than a work colleague read your copy of the Employee Pensions Information Pack?

- Yes 1
- No 2
- Don’t know 98
- Refused 99

E8. **IF CODE 1 @ E7** Who read it?

**DO NOT READ OUT; MULTICODE**

- Spouse/ partner 1
- Family member 2
- Friend 3
- Other (specify) 4
- Don’t know 98
- Refused 99
F: PARTICIPATION IN THE PILOT: SHP/ IFA PACKS

ASK ALL
F1. As part of the pilot, information packs or brochures produced by stakeholder pension providers (SHP providers) or Independent Financial Advisers (IFAs) were offered to employees at some companies. Do you know if an information pack from [SHP provider/ IFA] was made available at your place of work as part of the pilot?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
<td>SKIP TO</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td>SECTION G</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

F2. Did you receive or take an information pack from [SHP provider/ IFA]?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

F3. IF CODE 2 @ F2 Why did you not receive or take a copy of the information pack from [SHP provider/ IFA]?

DO NOT READ OUT; SINGLE CODE

- A copy was not made available to me
  (INCLUDES: I was not offered one/ I did not know where to find one/ there was none left)

- I was not interested in taking/receiving a copy

- Other (specify)

| Don’t know | 98 |
| Refused | 99 |

F4. IF CODE 1 @ F2 What did you do with the information pack from [SHP provider/ IFA]? Did you …

READ OUT; SINGLE CODE

- Read it all fully (3)
- Read parts of it fully (2)
- ‘Skim’ read it, or (1)
- Not read any of it? (0)
- Don’t know
- Refused

| Read it all fully | 1 |
| Read parts of it fully | 2 |
| ‘Skim’ read it, or | 3 |
| Not read any of it? | 4 |
| Don’t know | 98 |
| Refused | 99 |
G: PARTICIPATION IN THE PILOT: PRESENTATIONS

IF A PRESENTATION WAS NOT CONDUCTED AT THE PILOT EMPLOYER (‘NO PRESENTATION RESPONDENT’), SKIP TO G3

G1. Were you aware that, as part of the pilot, a presentation on pensions and retirement planning was given by a representative of [SHP provider/IFA] at your place of work?

| Yes | 1 |
| No  | 2 |
| Don’t know | 98 |
| Refused | 99 |

G2. IF CODE 1 @ G1 Did you attend this presentation?

| Yes | 1 |
| No  | 2 |
| Don’t know | 98 |
| Refused | 99 |

G3. ASK IF CODE 2 @ G2, OR CODE 2 @ G1 OR ‘NO PRESENTATION RESPONDENT’

IF CODE 2 @ G1 OR ‘NO PRESENTATION RESPONDENT’, READ OUT:
At some employers in the pilot, presentations on pensions and retirement planning were held by a stakeholder pension provider or IFA for any employees who wished to attend.

How interested would you be in attending such a presentation, scheduled to take place in work time? Would you say you would be …

SINGLE CODE; READ OUT

INTERVIEWER NOTE: BY ‘IN WORK TIME’, WE MEAN DURING NORMAL WORKING HOURS, AND WHERE THE EMPLOYEE IS PAID AS NORMAL

| Very interested (3) | 1 |
| Fairly interested (2) | 2 |
| Not very interested, or (1) | 3 |
| Not interested at all? (0) | 4 |
| Don’t know | 98 |
| Refused | 99 |
G4. IF CODE 3 OR 4 @ G3 Why would you not be interested in attending such a presentation?
DO NOT READ OUT; MULTICODE

- I already have sufficient knowledge to make decisions on saving for retirement 1
- I already have a pension/ other retirement provision in place 2
- I intend to make retirement provision through other means 3
- I cannot afford to contribute 4
- It’s too early/ I’m too young to start a pension 5
- It’s too late/ I’m too old to start a pension 6
- It’s not a good deal; other ways to save/ invest offer better returns 7
- Other (specify) 8
- Don’t know 98
- Refused 99

G5. IF CODES 1 OR 2 @ G3 Why would you be interested in attending a presentation?
PROBE: What would you want to get out of it?

Write in verbatim and probe fully..............................................
G6. **IF CODES 1 OR 2 @ G3 AND CODE 2 @ G2** You said that you would be interested in attending a presentation on pensions. Was there a particular reason or reasons why you did not attend the presentation that was offered to you?

**DO NOT READ OUT; MULTICODE**

1. I was on leave/ sick that day
2. I was working off site that day
3. I was at work that day but the presentation had been arranged for an inconvenient time
4. I was at work that day but working a different shift
5. I was at work that day but I was too busy to attend/ something came up
6. I was at work that day but the presentation had been arranged at an inconvenient location
7. I did not know when/ where it was taking place
8. I forgot about it
9. I decided not to bother on this occasion
10. Other (specify)

Don’t know 98
Refused 99

G7. **If a presentation were to be offered at your place of work in your own time (e.g. after work or during your lunch break), how interested would you be in attending? Would you be …**

**READ OUT; SINGLE CODE**

1. Very interested (3)
2. Fairly interested (2)
3. Not very interested, or (1)
4. Not interested at all? (0)
5. Don’t know
6. Refused

Don’t know 98
Refused 99
H: PARTICIPATION IN THE PILOT: ONE-TO-ONE MEETINGS

ASK ALL EXCEPT RESPONDENTS FROM THE TWO PILOT EMPLOYERS WHERE ONE-TO-ONE MEETINGS WERE HELD

H1. At some employers in the pilot, stakeholder pension providers offered to hold one-to-one meetings to provide information on pensions and savings options to any employees who wished to attend. How interested would you be in attending such a one-to-one meeting, scheduled to take place in work time? Would you be …

READ OUT; SINGLE CODE

INTERVIEWER NOTE: BY ‘IN WORK TIME’, WE MEAN DURING NORMAL WORKING HOURS, AND WHERE THE EMPLOYEE IS PAID AS NORMAL

| Very interested (3) | 1 |
| Fairly interested (2) | 2 |
| Not very interested, or (1) | 3 |
| Not interested at all? (0) | 4 |
| Don’t know | 98 |
| Refused | 99 |

H2. IF CODE 3 OR 4 @ H1 Why would you not be interested in attending a one-to-one meeting providing information on pensions and savings options?

DO NOT READ OUT; MULTICODE

| I already have sufficient knowledge to make decisions on saving for retirement | 1 |
| I already have a pension/ other retirement provision in place | 2 |
| I intend to make retirement provision through other means | 3 |
| I cannot afford to contribute | 4 |
| It’s too early/ I’m too young to start a pension | 5 |
| It’s too late/ I’m too old to start a pension | 6 |
| It’s not a good deal; other ways to save/ invest offer better returns | 7 |
| I would be concerned that the stakeholder pension provider would be trying to sell me something | 8 |
| Other (specify) | 9 |
| Don’t know | 98 |
| Refused | 99 |
H3. **IF CODES 1 OR 2 @ H1** Why would you be interested in attending a one-to-one meeting providing information on pensions and savings options?  
**PROBE:** What would you want to get out of it?  
Write in verbatim and probe fully………………………………………..

H4. If a one-to-one meeting offering information were to be offered at your place of work in your own time (e.g. after work or during your lunch break) rather than in work time, how interested would you be in attending?  
Would you be …  
**READ OUT; SINGLE CODE**

- Very interested (3) 1  
- Fairly interested (2) 2  
- Not very interested, or (1) 3  
- Not interested at all? (0) 4  
- Don’t know 98  
- Refused 99

**ASK ALL**

H5. You stated that you would be [code from H1] in attending a one-to-one meeting designed to provide information on pensions and savings options. How interested would you be in attending a one-to-one meeting with an IFA where advice on pensions and savings options were offered?  
**ADD IF NECESSARY:** This meeting would also be scheduled to take place in work time.  
Would you be …  

- Very interested (3) 1  
- Fairly interested (2) 2  
- Not very interested, or (1) 3  
- Not interested at all? (0) 4  
- Don’t know 98  
- Refused 99
H6. **IF CODE 3 OR 4 @ H5** Why would you not be interested in attending a one-to-one meeting offering advice on pensions and savings options?

**DO NOT READ OUT; MULTICODE**

- I already have sufficient knowledge to make decisions on saving for retirement 1
- I already have a pension/ other retirement provision in place 2
- I intend to make retirement provision through other means 3
- I cannot afford to contribute 4
- It’s too early/ I’m too young to start a pension 5
- It’s too late/ I’m too old to start a pension 6
- It’s not a good deal; other ways to save/ invest offer better returns 7
- I would be concerned that the IFA would be trying to sell me something 8
- Other (specify) 9
- Don’t know 98
- Refused 99

H7. **IF CODES 1 OR 2 @ H5** Why would you be interested in attending a one-to-one meeting offering advice on pensions and savings options?

**PROBE:** What would you want to get out of it?

Write in verbatim and probe fully…………………………………………..

H8. If a one-to-one meeting offering advice were to be offered at your place of work in your own time (e.g. after work or during your lunch break) rather than in work time, how interested would you be in attending? Would you be …

**READ OUT; SINGLE CODE**

- Very interested (3) 1
- Fairly interested (2) 2
- Not very interested, or (1) 3
- Not interested at all? (0) 4
- Don’t know 98
- Refused 99
I: VIEWS ON EMPLOYEE PILOT PENSIONS INFORMATION PACK

IF REVIEWED EMPLOYEE PIP (CODES 1-3 @ E5), SKIP TO I4
IF DID NOT REVIEW EMPLOYEE PIP (ALL OTHER RESPONDENTS), CONTINUE

I1. A pilot Employee Pensions Information Pack produced by the Department for Work and Pensions offering information on pensions and retirement planning was distributed at your place of work. Although you did not see or read the pack, how useful do you think the idea of distributing such a pack, via your employer, is? Is it …

READ OUT; SINGLE CODE

<table>
<thead>
<tr>
<th>Very useful (3)</th>
<th>1</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quite useful (2)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Not very useful, or (1)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Not useful at all? (0)</td>
<td>4</td>
<td>SKIP TO I15</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td>CONTINUE</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

I2. IF CODES 1-3 OR 98/99 @ I1 How useful would it be to you to have the following in such a pack?

READ OUT; SINGLE CODE

<table>
<thead>
<tr>
<th>Very useful</th>
<th>Quite useful</th>
<th>Not very useful</th>
<th>Not useful at all</th>
<th>DK</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>I2a. Information on State Pensions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
</tr>
<tr>
<td>I2b. Information on occupational and private pensions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
</tr>
<tr>
<td>I2c. Information on other savings and investments (e.g. ISAs, buy-to-let)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
</tr>
<tr>
<td>I2d. Frequently asked questions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
</tr>
</tbody>
</table>
Appendices – ‘After’ survey questionnaire

**I2e.**
Case studies, giving examples of people in different circumstances

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>98</th>
<th>99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**I2f.**
List of government sources of information on pensions and retirement planning (e.g. helpline numbers/website addresses)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>98</th>
<th>99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**I2g.**
List of non-government sources of information on pensions and retirement planning (e.g. helpline numbers/website addresses)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>98</th>
<th>99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**I2h.**
Contact details for SHP providers/IFAs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>98</th>
<th>99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**I2i.**
Information explaining how to obtain a forecast of your State Pension

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>98</th>
<th>99</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**IF CODES 1-3 OR 98/99 @ I1**
What else do you think would be useful to include in such a pack?

Write in verbatim and probe fully..........................................

**TO I15**
I4. I would now like to ask you a few questions about the pilot Employee Pensions Information Pack produced by the Department for Work and Pensions. How useful did you find the pack? Was it …

**READ OUT; SINGLE CODE**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very useful (3)</td>
<td>1</td>
</tr>
<tr>
<td>Quite useful (2)</td>
<td>2</td>
</tr>
<tr>
<td>Not very useful, or (1)</td>
<td>3</td>
</tr>
<tr>
<td>Not useful at all? (0)</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

I5. **IF CODES 1 OR 2 @ I4** What did you find useful about it?
**IF CODE 3 @ I4** What, if anything, did you find useful about it?

Write in verbatim and probe fully………………………………………………

I6a. What topics do you recall being covered in the Employee Pensions Information Pack?

**DO NOT READ OUT; MULTICODE (UNLESS 8 CODED)**

I6b. Do you recall the following being covered in the Employee Pensions Information Pack?

**READ OUT; MULTICODE (UNLESS 8 CODED)**

<table>
<thead>
<tr>
<th>Topic</th>
<th>I6a</th>
<th>I6b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on State Pensions</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Information on occupational and private pensions</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Frequently asked questions</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Case studies</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>List of government sources of information on pensions and retirement planning (e.g. helpline numbers/ website addresses)</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Information on buy-to-let as a source of income in retirement</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Information explaining how to obtain a forecast of your State Pension</td>
<td>7</td>
<td>NA</td>
</tr>
<tr>
<td>Other (specify)</td>
<td>8</td>
<td>NA</td>
</tr>
<tr>
<td>None (I6b: None of the above)</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
<td>99</td>
</tr>
</tbody>
</table>
I7. **ASK ONLY FOR SECTIONS RECALLED AT I6** How useful did you find the information on …? Was it …?

**READ OUT; SINGLE CODE**

<table>
<thead>
<tr>
<th></th>
<th>Very useful</th>
<th>Quite useful</th>
<th>Not very useful</th>
<th>Not useful at all</th>
<th>Did not read it</th>
<th>DK</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I7a.</strong> Information on State Pensions</td>
<td>1 (3)</td>
<td>2 (2)</td>
<td>3 (1)</td>
<td>4 (0)</td>
<td>5</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td><strong>I7b.</strong> Information on occupational and private pensions</td>
<td>1 (3)</td>
<td>2 (2)</td>
<td>3 (1)</td>
<td>4 (0)</td>
<td>5</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td><strong>I7d.</strong> Frequently asked questions</td>
<td>1 (3)</td>
<td>2 (2)</td>
<td>3 (1)</td>
<td>4 (0)</td>
<td>5</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td><strong>I7e.</strong> Case studies</td>
<td>1 (3)</td>
<td>2 (2)</td>
<td>3 (1)</td>
<td>4 (0)</td>
<td>5</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td><strong>I7f.</strong> List of government sources of information on pensions and retirement planning (e.g. helpline numbers/website addresses)</td>
<td>1 (3)</td>
<td>2 (2)</td>
<td>3 (1)</td>
<td>4 (0)</td>
<td>5</td>
<td>98</td>
<td>99</td>
</tr>
</tbody>
</table>
I8. ASK ONLY FOR SECTIONS NOT RECALLED AT I6 AND SECTIONS NOT INCLUDED @ I6  How useful would it be to you to have the following information in such a pack? Would it be …?
READ OUT; SINGLE CODE

<table>
<thead>
<tr>
<th></th>
<th>Very useful</th>
<th>Quite useful</th>
<th>Not very useful</th>
<th>Not useful at all</th>
<th>DK</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I8a.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Information on State Pensions</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>I8b.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Information on occupational and private pensions</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>I8c.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Information on other savings and investments (e.g. ISAs, buy-to-let)</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>I8d.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Frequently asked questions</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>I8e.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>Case studies</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>I8f.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>List of government sources of information on pensions and retirement planning (e.g. helpline numbers/website addresses)</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Response 1</td>
<td>Response 2</td>
<td>Response 3</td>
<td>Response 4</td>
<td>No</td>
<td>Don’t know</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>----</td>
<td>------------</td>
</tr>
<tr>
<td>I8g. List of non-government sources of information on pensions and retirement planning (e.g. helpline numbers/website addresses)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>I8h. Contact details for SHP providers/IFAs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>I9. What (else) do you think would be useful to include in such a pack?</td>
<td>Write in verbatim and probe fully………………………………………</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I10. Do you recall the Employee Pensions Information Pack containing information explaining how to obtain a forecast of your State Pension?</td>
<td>Yes</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Don’t know</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refused</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I11. IF CODE 1 @ I10 Did you request a forecast of your State Pension?</td>
<td>Yes</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>2</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Don’t know</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refused</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I12. IF CODE 1 @ I11 Did you request your State Pension forecast over the telephone or by post?</td>
<td>Telephone</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other (specify)</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Don’t know</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refused</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
I13. **IF CODE 2 @ I11** Why did you not request a forecast of your State Pension?

Write in verbatim in detail: …………………………………………………...

I14. **Overall, how would you rate the level of detail provided by the Employee Pensions Information Pack? Would you say it contained …**

**READ OUT; SINGLE CODE**

- Far too much detail (+2) 1
- Slightly too much detail (+1) 2
- The right level of detail (0) 3
- Slightly too little detail, or (-1) 4
- Far too little detail? (-2) 5
- Don’t know 98
- Refused 99

I15. **How much trust do you place in printed information on pensions and retirement planning that is provided by the government?**

**READ OUT; SINGLE CODE**

- A great deal of trust (3) 1
- Some trust (2) 2
- Little trust, or (1) 3
- No trust at all (0) 4
- Don’t know 98
- Refused 99

I16. **Is there, in your opinion, another organisation, or type of organisation that might produce more trustworthy information on pensions and retirement planning?**

- Yes 1
- No 2
- Don’t know 98
- Refused 99

I17. **IF CODE 1 @ I16** Which organisation, or type of organisation would this be?

Write in verbatim and probe fully…………………………………………….
J. OVERALL IMPACT OF PILOT

ASK ALL

J1. What effect has the pilot had on your knowledge of pensions and pension-related issues? Would you say the pilot has …

READ OUT; SINGLE CODE

- Increased your knowledge greatly (2) 1
- Increased your knowledge slightly, or (1) 2
- Had no effect? (0) 3
- Don’t know 98
- Refused 99

J2. What effect has the pilot had on your attitude towards pensions? Would you say the pilot has …

READ OUT CODES 1 & 2 ONLY; SINGLE CODE

- Made you more positive towards pensions, or (+1) 1
- Made you more negative towards pensions? (-1) 2
- Had no effect? (0) 3
- Don’t know 98
- Refused 99

J3. And what effect has the pilot had on your confidence in your ability to make decisions about pensions and income in retirement? Has the pilot …

READ OUT CODES 1-4 ONLY; SINGLE CODE

- Increased it greatly (+2) 1
- Increased it slightly (+1) 2
- Reduced it slightly, or (-1) 3
- Reduced it greatly? (-2) 4
- Had no effect? (0) 5
- Don’t know 98
- Refused 99

J4. Why do you say that?

Write in verbatim and probe fully…………………………………………………
J5. Do you feel your experience of the pilot has made you more or less likely to put money aside for retirement?

**SINGLE CODE**

ADD IF NECESSARY: ‘Putting money aside for retirement’ can refer to savings, pensions or any other investments with a view to providing an income in retirement

- More likely 1
- Less likely 2
- Had no impact 3
- Don’t know 98
- Refused 99

J6. Thinking first of all about pensions, have you done any of the following in the last 6 months?

**READ OUT CODES 1-4; MULTICODE (UNLESS 5 CODED)**

- Started to contribute (to a pension) 1
- Stopped contributing (to a pension) 2
- Increased the amount of money you contribute (to an existing pension) 3
- Reduced the amount of money you contribute (to an existing pension) 4
- None of the above 5
- Don’t know 98
- Refused 99

J7. And still on the subject of pensions, do you have any **firm** plans to do any of the following in the next 6 months?

**READ OUT CODES 1-4; MULTICODE (UNLESS 5 CODED)**

- Start to contribute (to a pension) 1
- Stop contributing (to a pension) 2
- Increase the amount of money you contribute (to an existing pension) 3
- Reduce the amount of money you contribute (to an existing pension) 4
- None of the above 5
- Don’t know 98
- Refused 99
J8. Now thinking about sources of income in retirement other than pensions (e.g. long-term savings, investments), have you done any of the following in the last 6 months?

READ OUT CODES 1-4; MULTICODE (UNLESS 5 CODED)

- Started to make arrangements (for other sources of income in retirement) 1
- Stopped making such arrangements 2
- Increased the amount you contribute (to other sources of income in retirement) 3
- Reduced the amount you contribute (to other sources of income in retirement) 4
- None of the above 5
- Don’t know 98
- Refused 99

J9. And still on the subject of sources of income in retirement other than pensions, do you have any firm plans to do any of the following in the next 6 months?

READ OUT CODES 1-4; MULTICODE (UNLESS 5 CODED)

- Start to make arrangements (for other sources of income in retirement) 1
- Stop making such arrangements 2
- Increase the amount you contribute (to these other sources of income in retirement) 3
- Reduce the amount you contribute (to these other sources of income in retirement) 4
- None of the above 5
- Don’t know 98
- Refused 99
K. PENSIONS IN THE WORKPLACE

ASK ALL

K1. How suitable or appropriate do you think your workplace is for the distribution of information on pensions? Do you think it is …

READ OUT; SINGLE CODE

<table>
<thead>
<tr>
<th>Highly suitable (4)</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somewhat suitable (3)</td>
<td>2</td>
</tr>
<tr>
<td>Somewhat unsuitable, or (2)</td>
<td>3</td>
</tr>
<tr>
<td>Highly unsuitable? (1)</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

K2. Why do you think it is suitable/unsuitable? PROBE FULLY

Write in verbatim in detail: .................................................................

DO NOT ASK K3-K6 IN CALLBACK INTERVIEWS IF RESPONDENT IS UNEMPLOYED

K3. IF CODE 1 @ C2 Does your employer contribute to your pension?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

K4. ALL OTHERS Are you eligible for an employer contribution to your pension?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
K5. IF CODE 2 OR CODE 98/99 AT K3 OR K4 If your employer started to contribute to your pension, would you …
READ OUT
IF CODE 1 @ K5a, SKIP TO NEXT QUESTION

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>DK</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>K5a. C4&gt;£0 Increase the amount you contribute to your pension?</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>K5b. C4&gt;£0 Decrease the amount you contribute to your pension?</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>K5c. ALL OTHERS Start contributing to a pension?</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
</tbody>
</table>

K6. IF CODE 1 AT K3 OR K4 If your employer increased the amount contributed to your pension, would you …
READ OUT
IF CODE 1 @ K6a, SKIP TO NEXT QUESTION

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>DK</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>K6a. C4&gt;£0 Increase the amount you contribute to your pension?</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>K6b. C4&gt;£0 Decrease the amount you contribute to your pension?</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
<tr>
<td>K6c. ALL OTHERS Start contributing to a pension?</td>
<td>1</td>
<td>2</td>
<td>98</td>
<td>99</td>
</tr>
</tbody>
</table>

K7. Do you think that your employer should be required by law to contribute to a private/occupational pension for you?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
**K8.** Do you think that you should be required by law to contribute to a private/occupational pension?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
L. DEMOGRAPHICS

RESPONDENTS WHO COMPLETED THE ‘BEFORE’ SURVEY: SKIP TO ‘INCENTIVES’
RESPONDENTS WHO DID NOT COMPLETE THE ‘BEFORE’ SURVEY BUT WHO COMPLETED A QUALITATIVE INTERVIEW: SKIP TO L11
RESPONDENTS WHO COMPLETED NEITHER THE ‘BEFORE’ SURVEY NOR A QUALITATIVE INTERVIEW: CONTINUE

Now I would just like to confirm some final details with you.

L1. Could you please tell me your age at your last birthday?
WRITE IN AND CODE – DO NOT READ OUT LIST
IF RESPONDENT REFUSES TO GIVE EXACT AGE, READ OUT LIST AND ASK RESPONDENT TO SAY WHICH CATEGORY THEY FALL INTO

Age .................

Under 18 1
18-24 2
25-29 3
30-34 4
35-39 5
40-44 6
45-49 7
50-54 8
55-59 9
60-64 10
65+ 11
Refused 99

L2. Record respondent sex (do not ask)

Male 1
Female 2
L3. May I ask what your current living arrangements are? Are you:

*SINGLE CODE*

- Living on your own 1
- Married and living with husband/wife 2
- Cohabiting with a partner 3
- Living with relatives 4
- Living with non-relatives 5
- Other (specify) 6
- Refused 99

L4. How many people are there in total living in your household, including all children and adults?

Write in number ...............  
Don't know 98  
Refused 99

L5. And of these, how many are currently working, and so contribute to the total household income?

Write in number ...............  
Don't know 98  
Refused 99

L6. And are you currently working full-time in paid employment, i.e. 30 or more hours a week?  
*IF NO, ASK:* are you working up to 16 hours a week, or between 17 and 29?

*SINGLE CODE AS APPROPRIATE*

- 0-16 hours 1  
- 17-29 hours 2  
- 30 or more hours 3  
- Don’t know 98  
- Refused 99
L7. Do you work these hours for one employer only, or for two or more employers?

**SINGLE CODE**

- One employer only 1
- Two 2
- Three 3
- Four or more 4
- Refused 99

L8. Now a question about your accommodation. Do you/ are you … ?

**READ OUT; SINGLE CODE**

- Own it outright 1
- Buying it with the help of a mortgage or loan 2
- Pay part rent and part mortgage (shared ownership) 3
- Rent it 4
- Other 5
- Don’t know 98
- Refused 99

L9. And could you please tell me in which of the following bands your total annual household income falls, before taxes and deductions from pay?

**READ OUT; SINGLE CODE**

- Less than £10,000 1
- £10,000-£19,999 2
- £20,000-£29,999 3
- £30,000-£39,999 4
- £40,000-£59,999 5
- Over £60,000 6
- Don’t know 98
- Refused 99
L10. And could you please tell me in which of the following bands your total annual individual income falls, before taxes and deductions from pay?

**READ OUT; SINGLE CODE**

<table>
<thead>
<tr>
<th>Income Band</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £10,000</td>
<td>1</td>
</tr>
<tr>
<td>£10,000-£14,999</td>
<td>2</td>
</tr>
<tr>
<td>£15,000-£19,999</td>
<td>3</td>
</tr>
<tr>
<td>£20,000-£24,999</td>
<td>4</td>
</tr>
<tr>
<td>£25,000-£29,999</td>
<td>5</td>
</tr>
<tr>
<td>£30,000-£39,999</td>
<td>6</td>
</tr>
<tr>
<td>£40,000-£59,999</td>
<td>7</td>
</tr>
<tr>
<td>Over £60,000</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

L11. To which of these ethnic groups do you consider you belong?

**READ OUT MAIN CATEGORIES (SUB-CATEGORIES ONLY WHERE RESPONDENT IS UNCLEAR); SINGLE CODE**

**ADD:** This question is asked in order to capture the views of people from all different groups

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>White (including British; Irish; any other white background)</td>
<td>1</td>
</tr>
<tr>
<td>Mixed (including White and Black Caribbean; White and Black African; White and Asian; Any other mixed background)</td>
<td>2</td>
</tr>
<tr>
<td>Asian or Asian British (Indian; Pakistani; Bangladeshi; any other Asian background)</td>
<td>3</td>
</tr>
<tr>
<td>Black or Black British (Caribbean; African; any other Black background)</td>
<td>4</td>
</tr>
<tr>
<td>Other ethnic groups (Chinese; any other ethnic group)</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

L12. Do you have any long-term illness, health problem or disability which limits your daily activities or the work you can do?

<table>
<thead>
<tr>
<th>Response</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
INCENTIVES: ASK ALL
Thank you very much for your participation in this section of the research. As I mentioned earlier, we will send a cheque to you or to one of the following charities, as a thank you.

   Age Concern
   Alzheimer's Research Trust
   Amnesty International
   Cancer Research UK
   Great Ormond Street Hospital
   Oxfam
   Royal National Institute of the Blind (RNIB)
   Royal Society for the Protection of Birds (RSPB)
   The National Trust
   Worldwide Fund for Nature (WWF)

CONFIRM DETAILS OF WHERE TO SEND CHEQUE

L13. ASK ALL Would you be willing for us to contact you again at some point in the future to participate in further research on behalf of the Department for Work and Pensions?

   Yes          1
   No           2

THANK AND CLOSE
Appendix E
Employee depth topic guide
Providing pensions information and advice in the workplace where there is little or no employer contribution: Employee Depth Interview

Name of Respondent: ____________________________

Job Title: ____________________________

Organisation: ____________________________

Address/Location: ____________________________

Telephone No: ____________________________

Email: ____________________________

Date: ____________________________

Interviewer: ____________________________

Comments: ____________________________

Exec. introduces him/herself.

Introduction & Recruitment

Thank you for agreeing to help with our evaluation of the Department for Work and Pensions’ pilot to provide information about pensions and retirement planning that has been running at your place of work. We are now looking to get some additional depth information from a few employees, and we hope you will assist us with a longer 20-30 minute interview for which we are offering a thank you cheque.

I can assure you that any comments you make will remain confidential and that all views included in our final project report will be made anonymous and no individual will be identifiable.

So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)
1. To begin with may I just check that our records are correct?

1a. According to our records you \textbf{AS APPROPRIATE} did/ did not take part in one of our telephone interviews back in the summer before the pilot began.

1b. And according to our records you \textbf{AS APPROPRIATE} have/ have not taken part in a telephone interview about the presentation/ one-to-one meetings held at \textbf{[COMPANY X]}.

<table>
<thead>
<tr>
<th>Participated in 'before' survey interview</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participated in employee post-intervention interview (presentation)</td>
<td>IF 'BEFORE' SURVEY RESPONDENT DO NOT NEED TO ASK DEMOGRAPHICS SECTION</td>
<td></td>
</tr>
<tr>
<td>Participated in employee post-intervention interview (one-to-one) EE3 interview after one-to-one meeting</td>
<td>IF EMPLOYEE POST-INTERVENTION INTERVIEW RESPONDENT DO NOT NEED TO ASK DEMOGRAPHICS SECTION</td>
<td></td>
</tr>
</tbody>
</table>
1 Background to respondent and impact of pilot

2 To begin with, can you tell generally me what you think about pensions and saving for retirement?
   PROBE FULLY

3a What sort of pension provision do you have in place?

3b Apart from pensions, what other income sources, if any, do you expect to have when retired?

3c And which do you expect to be your most important income source in retirement – pension or otherwise?

Next, a few questions about your experience of the pilot
## 2 Pilot Employee Pensions Information Pack

First, a few questions about the pilot Employee Pensions Information Pack.

**BRIEFLY DESCRIBE BOOKLET, COLOUR, ETC.**

4a Did you receive a copy yourself?

| NO: ASK 4b THEN SKIP TO Q9 |
| YES: SKIP TO Q5 |

4b How was it that you did not get a copy? Did you know how to get one but decided not to do so? Or were you unaware of when and how they were distributed?

**IF DID RECEIVE A COPY:**

5 How did you get your copy?

| Picked up/collected by you from a central point | PROBE FOR WHERE |
| Copies were left for collection at workplace | WHERE WERE THEY LEFT? WERE THEY INDIVIDUALLY NAMED? |
| Handed a copy by someone | PROBE FOR WHO WAS DISTRIBUTING |
| Sent a copy | POSTED TO HOME OR OTHER |
6a What have you done with your copy so far?

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discarded it without reading</td>
<td>1</td>
</tr>
<tr>
<td>Discarded after reviewing it briefly</td>
<td>2</td>
</tr>
<tr>
<td>Discarded after reading it carefully</td>
<td>3</td>
</tr>
<tr>
<td>Kept it but not read it yet</td>
<td>4</td>
</tr>
<tr>
<td>Reviewed it briefly and have kept</td>
<td>5</td>
</tr>
<tr>
<td>Read it carefully and have kept</td>
<td>6</td>
</tr>
</tbody>
</table>

6b IF HAVE REVIEWED BRIEFLY OR READ AND KEPT COPY:
Why have you held onto your copy?
Do you intend to keep it for reference?
What information might you refer to again?

6c Has anyone else outside of work colleagues read your copy, for example a family member? IF SO, Who?

6d IF SOMEONE ELSE HAS READ COPY:
Why?
How carefully did they read it?

7 Have you discussed the content of the booklet with anyone else, either at work or outside of work, including with family members?
IF SO: Who did you discuss it with and what was the nature of the discussion?

8 What did you think of the booklet?

8a How useful was it, and what specifically was useful?

8b Was there anything missing that you would have liked to see?

8c What did you think of the overall style?
Was it pitched correctly for YOU and how easy was it to follow?

8d What did you think of the case studies? Were they useful?

8e Any other comments about the style, coverage or usefulness of the booklet?

9a Overall, what do you think of the idea of providing an information booklet like this?
9b  And what do you think about it being distributed at the workplace? Would there be a better way of doing it?

9c  Finally, on the topic of the Employee Pensions Information Pack: this is a Government publication, commissioned by the Department for Work & Pensions for the purpose of the pilot. Would you say you trust the content more or less because the source of the document is the Government?

9d  What other source, if any, would you trust more?

9e  Would you say you trust the content more or less because your employer gave you the information pack?
3 Presentations

ASK IF A PRESENTATION WAS NOT PLANNED:
At some employers who were participating in the pilot, presentations about pensions were held by the provider/IFA for any employees who wished to attend.

10 What do you think of this as an idea? How useful/appropriate do you feel it would have been for you?
   IF WOULD HAVE HAD BENEFITS:
   What do you think the role and objectives of such presentations should be?
   What should they cover/aim to achieve?

11 If such a presentation had been offered at your place of work how likely do you think you would have been to attend?
   IF UNLIKELY TO ATTEND: Why is that?
   PROBE FOR WHETHER IT IS BECAUSE RESPONDENT FEELS EMPLOYEE PIP HAS GIVEN ENOUGH INFORMATION

ASK IF A PRESENTATION WAS PLANNED BUT NOT HELD:

At some employers who were participating in the pilot, presentations about pensions were held by the provider/IFA for any employees who wished to attend and it was originally planned to hold one at your workplace.

12 Were you aware that it had been planned to hold such a presentation at [COMPANY X]?

13 What do you think of this as an idea? How useful/appropriate do you feel it would have been for you?
   IF WOULD HAVE HAD BENEFITS:
   What do you think the role and objectives of such presentations should be?
   What should they cover/aim to achieve?

14 If such a presentation had gone ahead at your place of work how likely do you think you would have been to attend?
   IF UNLIKELY TO ATTEND: Why is that?
   PROBE FOR WHETHER IT IS BECAUSE RESPONDENT FEELS EMPLOYEE PIP HAD GIVEN ENOUGH INFORMATION
IF A PRESENTATION WAS HELD:

15a Did you attend the presentation?
   Why/ why not?
   PROBE IN PARTICULAR, IF CHOSE NOT TO ATTEND – CHECK SPECIFICALLY IF IT WAS BECAUSE
   RESPONDENT FEELS EMPLOYEE PIP HAD ALREADY PROVIDED SUFFICIENT INFORMATION

15b IF DID NOT ATTEND:
   What do you think of this as an idea?
   How useful/ appropriate do you feel it would have been for you?

   IF WOULD HAVE HAD BENEFITS:
   What do you think the role and objectives of such presentations should be?
   What should they cover/ aim to achieve?

15c IF ATTENDED BUT DID NOT COMPLETE AN EMPLOYEE POST-INTERVENTION INTERVIEW:
   How did you feel the presentation went?
   Was it pitched correctly for you?
   How useful was it?
4 One-to-one meetings

ASK IF ONE-TO-ONE MEETINGS WERE NOT PLANNED:
At some employers who were participating in the pilot, one-to-one meetings advising or informing about pensions and savings options were held by the provider/IFA for any employees who wished to attend.

16 What do you think of this as an idea?
   How useful/appropriate do you feel it would have been for you?
   If would have had benefits:
   What do you think the role and objectives of such meetings should be?
   What should they cover/aim to achieve?

17 If such meetings had been offered at your place of work how likely do you think you would have been to attend
   If unlikely to attend: Why is that?
   Probe for whether it is because respondent feels employee PIP and/or presentation [as appropriate] has given enough information

ASK IF ONE-TO-ONE MEETINGS WERE PLANNED BUT NOT HELD:
At some employers who were participating in the pilot, one-to-one meetings advising or informing about pensions and savings options were held by the provider/IFA for any employees who wished to attend

18 Were you aware that it had been planned to hold such meetings at [COMPANY X]?

19 What do you think of this as an idea?
   How useful/appropriate do you feel it would have been for you?
   If would have had benefits:
   What do you think the role and objectives of such meetings should be?
   What should they cover/aim to achieve?

20 If such meetings had gone ahead at your place of work how likely do you think you would have been to attend?
   If unlikely to attend: Why is that?
   Probe for whether it is because respondent feels employee PIP and/or presentation [as appropriate] had given enough information
IF ONE-TO-ONE MEETINGS WERE HELD:

21a Did you attend a one-to-one meeting?
   Why/ why not?
   PROBE IN PARTICULAR, IF CHOSE NOT TO ATTEND – CHECK SPECIFICALLY IF BECAUSE
   EMPLOYEE PIP AND/ OR PRESENTATION HAD ALREADY PROVIDED SUFFICIENT INFORMATION

21b IF DID NOT ATTEND:
   What do you think of this as an idea?
   How useful/ appropriate do you feel it would have been for you?
   IF WOULD HAVE HAD BENEFITS.
   What do you think the role and objectives of such meetings should be?
   What should they cover/ aim to achieve?

21c IF ATTENDED BUT DID NOT COMPLETE AN EMPLOYEE POST-INTERVENTION INTERVIEW:
   How did you feel the meeting went?
   Was it pitched correctly for you?
   How useful was it?

5 Other issues about providing pensions information in the workplace
5 Other issues about providing pensions information in the workplace

22 Generally how do you see the role of the employer in:
   ♦ Providing information on pensions?
   ♦ Encouraging employees to pay attention to the issue of their income in retirement?
   ♦ Providing incentives for employees to act – for example by employer pension contributions?

   Why do you say that?

23a How appropriate do you feel the workplace is for the provision of pensions information?
   Why is that?

23b Apart from the information booklet and presentations and one-to-one meetings which we have discussed, are there any other ways you would like to see information about pensions provided at your workplace?

23c Are there any alternatives you would suggest to using the workplace to encourage consideration of pensions and income in retirement?
   IF SO: What are these and why do you recommend them?

Finally, I would like to ask a few details about you and then check the address to which I should send the cheque.
6  Demographics (if not BEFORE SURVEY or EMPLOYEE POST-INTERVENTION INTERVIEW respondent)

24a  RECORD GENDER

<table>
<thead>
<tr>
<th>Gender</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
</tr>
</tbody>
</table>

24b  Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>1</td>
</tr>
<tr>
<td>18-24</td>
<td>2</td>
</tr>
<tr>
<td>25-29</td>
<td>3</td>
</tr>
<tr>
<td>30-34</td>
<td>4</td>
</tr>
<tr>
<td>35-39</td>
<td>5</td>
</tr>
<tr>
<td>40-44</td>
<td>6</td>
</tr>
<tr>
<td>45-49</td>
<td>7</td>
</tr>
<tr>
<td>50-54</td>
<td>8</td>
</tr>
<tr>
<td>55-59</td>
<td>9</td>
</tr>
<tr>
<td>60-64</td>
<td>10</td>
</tr>
<tr>
<td>65+</td>
<td>11</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

25  Household composition & marital status

25a  May I ask about your current living arrangements? Are you:

<table>
<thead>
<tr>
<th>Living Arrangement</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living on your own</td>
<td>1</td>
</tr>
<tr>
<td>Married and living with husband/ wife</td>
<td>2</td>
</tr>
<tr>
<td>Cohabiting with a partner</td>
<td>3</td>
</tr>
<tr>
<td>Living with relatives</td>
<td>4</td>
</tr>
<tr>
<td>Living with non-relatives</td>
<td>5</td>
</tr>
<tr>
<td>Other (specify)</td>
<td>6</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
25b How many people are there in total living in your household, including all children and adults?

Write in number .................

Don’t know 98
Refused 99

25c And of these, how many are currently working and so contribute to the total household income?

Write in number .................

Don’t know 98
Refused 99

26 Now a question about your accommodation. Do you/ are you…

READ OUT; SINGLE CODE

Own it outright 1
Buying it with the help of a mortgage or loan 2
Pay part rent and part mortgage (shared ownership) 3
Rent it 4
Other 5
Don’t know 98
Refused 99

27 Full or part time employment (number of hours if part-time)

0-16 hours 1
17-29 hours 2
30 or more hours 3
Don’t know
Refused

28 How long have you been working for this employer?

Write in number .................
29a  Household income range. And could you please tell me in which of the following bands your total annual household income falls, before taxes and deductions from pay?

READ OUT, SINGLE CODE

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £10,000</td>
<td>1</td>
</tr>
<tr>
<td>£10,000-£19,999</td>
<td>2</td>
</tr>
<tr>
<td>£20,000-£29,999</td>
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</tr>
<tr>
<td>£30,000-£39,999</td>
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</tr>
<tr>
<td>£40,000-£59,999</td>
<td>5</td>
</tr>
<tr>
<td>Over £60,000</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
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</tbody>
</table>

29b  Personal income range. And could you please tell me in which of the following bands your total annual individual income falls, before taxes and deductions from pay?

READ OUT, SINGLE CODE

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £10,000</td>
<td>1</td>
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<tr>
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<td>2</td>
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<td>£15,000-£19,999</td>
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<tr>
<td>£40,000-£59,999</td>
<td>7</td>
</tr>
<tr>
<td>Over £60,000</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
30a. Are you a member of a pension scheme at your current employer?
   YES / NO

30b. Are you a member of any other active private pension schemes?
   YES / NO

30c. And do you have any dormant schemes?
   YES / NO

Thank you very much for your participation in this section of the research.
As I mentioned earlier, we will send a cheque to you, or, if you prefer, to one of the following charities, as a thank you.

31. Address to which you’d like us to send the cheque – either verify home address or select charity

1 - Age Concern
2 - Alzheimer’s Research Trust
3 - Amnesty International
4 - Cancer Research UK
5 - Great Ormond Street Hospital
6 - Oxfam
7 - Royal National Institute of the Blind (RNIB)
8 - Royal Society for the Protection of Birds (RSPB)
9 - The National Trust
10 - Worldwide Fund for Nature (WWF)
Appendix F
Employee post-intervention topic guide: One-to-one meeting
Providing pensions information and advice in the workplace where there is little or no employer contribution: Employee Post-Intervention Interview: One-To-One

<table>
<thead>
<tr>
<th>Name of Respondent:</th>
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<tbody>
<tr>
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<tr>
<td>Organisation:</td>
<td></td>
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<tr>
<td>Address/Location:</td>
<td></td>
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<tr>
<td>Telephone No:</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Interviewer:</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
</tbody>
</table>

Exec. introduces him/ herself.

**Introduction**

Thank you for agreeing to assist us with our research and for allowing us to contact you after the one-to-one information meetings held on [DATE OF ONE-TO-ONES]. As you know, your company is participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning.

As part of our evaluation we would like to hear your views and opinions about the presentation that you attended and the pilot process of which it was a part. We will probably be speaking to two or three people who attended and I can assure you that the fact you have taken part in the research will be kept fully confidential by us, and therefore that nothing you say will be reported back either to your employer or the presenter in any way that means it could be linked to you yourself. So, would you be willing to discuss these issues with me? (Again) we are offering a thank you cheque or charity donation in return for your time.
So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)

1 Background

1 Please think back to before the pilot began at your employer – that is, before the presentation, the one-to-one meetings or the pilot Employee Pensions Information Pack had been distributed. So: prior to all that what were your views on pensions as a means of providing income in retirement?
   IF NECESSARY ASK SPECIFICALLY:
   What were your views on your own situation regarding income in retirement?
   How adequate did you feel your arrangements were?

2 Please tell me a little about your own pension situation. Specifically:

2a Do you currently have an active pension scheme or schemes?
   OBTAIN BRIEF DETAILS AND, IF SO:
   Are you contributing to it; is your employer contributing to it, or both?

2b Did you have any other schemes in the past that are now dormant?
   IF SO OBTAIN BRIEF DETAILS

3 Now looking beyond pensions, are you making any other provision for retirement through savings or investment or any other ways?
   IF SO OBTAIN BRIEF DETAILS
2 Pilot Employee Pensions Information Pack

Next I would like to ask a little about the Employee PIP that should have been distributed to you via your employer.

4a Have you received the Employee PIP that has been distributed to employees in your organisation?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Cannot remember</td>
<td>3</td>
</tr>
</tbody>
</table>

4b IF YES, did you receive the Employee PIP BEFORE you attended the one-to-one meeting?

<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Cannot remember</td>
<td>3</td>
</tr>
</tbody>
</table>

5 Have you read the Employee PIP?
IF SO, PROBE FOR:

5a Read fully or partially?
Why?
If partially, which parts?

5b How helpful/useful did you find the Employee PIP to be?
PROBE FOR:
Useful content? Were there any items that were not useful? Were they expecting anything that was not there – and that would have been useful to include?
3 One-to-one meeting

6 Why did you decide to attend a one-to-one meeting with the provider?
   PROBE FULLY IF NECESSARY.
   What were you hoping to get from it?

7a Were you encouraged by anyone to attend?
   IF SO:
   Who was this and how did they encourage you?
   What arguments did they put forward?

7b Did attending a presentation before the day one-to-one meetings were held encourage/
   convince you to attend?
   In what ways?

7c IF APPROPRIATE:
   Did anything you read in the Employee PIP encourage you to attend a one-to-one meeting with
   the provider?

8 What information were you given in advance of the meeting about what it would cover and
   what its purpose was?
   Who provided this information and how did you get it?

9 Did the meeting exceed, meet or not meet your expectations and requirements?
   In what ways?
   PROBE FULLY

10a Did you book a time to see the provider in advance of the meeting?
    How was this arranged?
    How far in advance and how convenient was it to arrange your time slot?

10b How convenient was the time slot you chose/ were allocated?

11a And how suitable/ convenient was the venue?
    Why was that?

11b How satisfied were you with the level of privacy in the venue?
Next I would like to ask you a little more about the content of the meeting.

12 What did you want to find out from the meeting?
   Were there particular topics you wanted to discuss/ particular questions you wanted to ask the provider?
   What were these?
   PROBE FULLY

13 Did you take anything with you to the presentation (e.g. written information on current/ dormant pension schemes, pension forecast, provider literature/ application forms)?
   Had you been asked to do so by the provider in advance of the meeting?

14 Overall how would you rate the session?
   Why do you say that?
   PROBE FULLY

15 Did the content of the meeting meet your needs?
   IF NOT: Why not?

16 Did you feel that any of the topics were covered by the provider in a way that made them difficult to follow or understand?
   IF SO: Which topics were these and what issues were not clear?

17a What did you think of the provider?

17b What about his/ her ability to explain technical issues clearly?

17c And what about the way he/ she answered your questions?
4 Impact of the one-to-one meeting

16 What effect do you feel the meeting has had, if any, on:

- Your awareness of pensions issues?
- Your knowledge about pensions?
- Your attitudes towards pensions?

17 Having attended a meeting, do you now feel that you have enough information to be able to decide what you need to do regarding pensions?

IF NOT: Do you feel you still need more information or advice or both?
On which specific points/ topics do you feel you need information and on which points do you need advice?
5 Overall preferences for information provision

18 Overall, how would you best like to be given information on pensions?
   How appropriate do you think it is to provide this in the workplace?
   Are there other ways that you would find useful/ more useful?

   PROBE FULLY:
   If not the workplace, then where and how?
   Would this be better?
   Why?

   Thank you for your assistance.
   IF DID NOT DO BEFORE SURVEY: May I finally ask you some details about yourself?
6 Demographics

19 RECORD GENDER

<table>
<thead>
<tr>
<th>Gender</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
</tr>
</tbody>
</table>

20 Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>1</td>
</tr>
<tr>
<td>18-24</td>
<td>2</td>
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<tr>
<td>25-29</td>
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<td>40-44</td>
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<td>45-49</td>
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<td>50-54</td>
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<tr>
<td>55-59</td>
<td>9</td>
</tr>
<tr>
<td>60-64</td>
<td>10</td>
</tr>
<tr>
<td>65+</td>
<td>11</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

21 Household composition & marital status

21a May I ask what your current living arrangements are? Are you:

<table>
<thead>
<tr>
<th>Arrangement</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living on your own</td>
<td>1</td>
</tr>
<tr>
<td>Married and living with husband / wife</td>
<td>2</td>
</tr>
<tr>
<td>Cohabiting with a partner</td>
<td>3</td>
</tr>
<tr>
<td>Living with relatives</td>
<td>4</td>
</tr>
<tr>
<td>Living with non-relatives</td>
<td>5</td>
</tr>
<tr>
<td>Other (specify)</td>
<td>6</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
21b. How many people are there in total living in your household, including all children and adults?
   **Write in number ...............**
   - Don’t know 98
   - Refused 99

21c. And of these, how many are currently working and so contribute to the total household income?
   **Write in number ...............**
   - Don’t know 98
   - Refused 99

22. Now a question about your accommodation. Do you/ are you...
   **READ OUT, SINGLE CODE**
   - Own it outright 1
   - Buying it with the help of a mortgage or loan 2
   - Pay part rent and part mortgage (shared ownership) 3
   - Rent it 4
   - Other 5
   - Don’t know 98

23. Full or part time employment (number of hours if part-time)
   - 0-16 hours 1
   - 17-29 hours 2
   - 30 or more hours 3
   - Don’t know 98
   - Refused 99

24. How long have you been working for this employer?
   **Write in number ...............**
25 Household income range. And could you please tell me in which of the following bands your total annual **household** income falls, **before** taxes and deductions from pay?

**READ OUT, SINGLE CODE**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £10,000</td>
<td>1</td>
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<tr>
<td>£10,000-£19,999</td>
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<td>£30,000-£39,999</td>
<td>4</td>
</tr>
<tr>
<td>£40,000-£59,999</td>
<td>5</td>
</tr>
<tr>
<td>Over £60,000</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

26 Personal income range. And could you please tell me in which of the following bands your total annual **individual** income falls, **before** taxes and deductions from pay?

**READ OUT, SINGLE CODE**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £10,000</td>
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<td>7</td>
</tr>
<tr>
<td>Over £60,000</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>
Thank you very much for your participation in this section of the research.

As I mentioned earlier, we will send a cheque either to you or to one of the following charities, as a thank you.

27 Address to which you’d like us to send the cheque –
   either verify home address or select charity

   1 - Age Concern
   2 - Alzheimer’s Research Trust
   3 - Amnesty International
   4 - Cancer Research UK
   5 - Great Ormond Street Hospital
   6 - Oxfam
   7 - Royal National Institute of the Blind (RNIB)
   8 - Royal Society for the Protection of Birds (RSPB)
   9 - The National Trust
   10 - Worldwide Fund for Nature (WWF)

28 Had you already completed an interview for us before you attended a one-to-one meeting?

   Yes
   No

IF YES, we may contact you again in a couple of months’ time to discuss the pilot as a whole that was conducted at your workplace including your views about the Employee PIP. We hope you are happy for us to recontact you – we are offering a thank you cheque for that interview.

IF NO, may we contact you again in a couple of months’ time to discuss the pilot as a whole that was conducted at your workplace including your views about the Employee PIP? We are offering a thank you cheque for that interview.
Appendix G
Employee post-intervention topic guide: Presentation
Providing pensions information and advice in the workplace where there is little or no employer contribution: Employee Post-Intervention Interview: Presentation

<table>
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<table>
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<tr>
<th>Comments:</th>
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<tbody>
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<td></td>
</tr>
</tbody>
</table>

Exec. introduces him/ herself.

**Introduction**

Thank you for agreeing to assist us with our research and for allowing us to contact you after the presentation held on [DATE OF PRESENTATION]. As you know, your company is participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning.

As part of our evaluation we would like to hear your views and opinions about the presentation that you attended and the pilot process of which it was a part. We will probably be speaking to two or three people who attended and I can assure you that the fact you have taken part in the research will be kept fully confidential by us, and therefore that nothing you say will be reported back either to your employer or the presenter in any way that means it could be linked to you yourself. So, would you be willing to discuss these issues with me? (Again) we are offering a thank you cheque or charity donation in return for your time.
So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)

1 Background

1 Please think back to before the pilot began at your employer – that is, before the presentation or the pilot Employee Pensions Information Pack had been distributed. So: prior to all that what were your views on pensions as a means of providing income in retirement?

IF NECESSARY ASK SPECIFICALLY:
What were your views on your own situation regarding income in retirement?
How adequate did you feel your arrangements were?

2 Please tell me a little about your own pension situation. Specifically:

2a Do you currently have an active pension scheme or schemes? OBTAIN BRIEF DETAILS AND,
IF SO: Are you contributing to it; is your employer contributing to it, or both?

2b Did you have any other schemes in the past that are now dormant? IF SO OBTAIN BRIEF DETAILS

3 Now looking beyond pensions, are you making any other provision for retirement through savings or investment or any other ways? IF SO OBTAIN BRIEF DETAILS
2 Pilot Employee Pensions Information Pack

Next I would like to ask a little about the Employee PIP that should have been distributed to you via your employer.

4a Have you received the Employee PIP that has been distributed to employees in your organisation?

   Yes   1
   No    2
   Cannot remember 3

4b IF YES, did you receive the Employee PIP BEFORE you attended the presentation?

   Yes   1
   No    2
   Cannot remember 3

5 Have you read the Employee PIP?

   IF SO, PROBE FOR:

5a Read fully or partially?
   Why?
   If partially, which parts?

5b How helpful/useful did you find the Employee PIP to be?
   PROBE FOR:
   Useful content?
   Were there any items that were not useful?
   Were they expecting anything that was not there – and that it would have been useful to include?
3 Presentation

6 Why did you decide to attend the presentation?
   PROBE FULLY IF NECESSARY:
   What were you hoping to get from it?

7a Were you encouraged by anyone to attend?
   IF SO:
   Who was this and how did they encourage you?
   What arguments did they put forward?

7b IF APPROPRIATE:
   Did anything you read in the Employee PIP encourage you to attend?

8 What information were you given in advance of the presentation about what it would cover and what its purpose was?
   Who provided this information and how did you get it?

9 Did the presentation exceed, meet or not meet your expectations and requirements?
   In what ways?
   PROBE FULLY

10 How convenient was the timing of the presentation?
   Why was that?

11 And how suitable/ convenient was the venue?
   Why was that?
Next I would like to ask you a little more about the content of the presentation.

12 Overall how would you rate the session? Why do you say that? PROBE FULLY

13 Did the content of the presentation meet your needs? IF NOT: Why not?

14 Did you feel that any of the topics were covered in a way that made them difficult to follow or understand? IF SO: Which topics were these and what issues were not clear?

15a What did you think of the presenter?

15b What about his/her ability to explain technical issues clearly?

15c And what about the way he/she answered questions?
4 Impact of the Presentation

16 What effect do you feel the presentation has had, if any, on:

- Your awareness of pensions issues?
- Your knowledge about pensions?
- Your attitudes towards pensions?

17 Having attended the presentation, do you now feel that you have enough information to be able to decide what you need to do regarding pensions?

IF NOT:
- Do you feel you still need more information or advice or both?
- On which specific points/topics do you feel you need information and on which points do you need advice?
5 Overall preferences for information provision

18 Overall, how would you best like to be given information on pensions? How appropriate do you think it is to provide this in the workplace? Are there other ways that you would find useful/ more useful?

PROBE FULLY:
If not the workplace then where and how?
Would this be better?
Why?

Thank you for your assistance.

ONLY ASK IF DID NOT DO BEFORE SURVEY: May I finally ask you some details about yourself?
# 6 Demographics

## 19 Record Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
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</tr>
<tr>
<td>Female</td>
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</tbody>
</table>

## 20 Age

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
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<td>25-29</td>
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<td>60-64</td>
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<td>65+</td>
<td>11</td>
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<tr>
<td>Don't know</td>
<td>98</td>
</tr>
<tr>
<td>Refused</td>
<td>99</td>
</tr>
</tbody>
</table>

## 21 Household composition & marital status

### 21a May I ask what your current living arrangements are? Are you:

- Living on your own: 1
- Married and living with husband/ wife: 2
- Cohabiting with a partner: 3
- Living with relatives: 4
- Living with non-relatives: 5
- Other (specify): 6
- Refused: 99
21b How many people are there in total living in your household, including all children and adults?

Write in number .................

Don’t know 98
Refused 99

21c And of these, how many are currently working and so contribute to the total household income?

Write in number .................

Don’t know 98
Refused 99

22 Now a question about your accommodation. Do you/ are you…

READ OUT, SINGLE CODE

Own it outright 1
Buying it with the help of a mortgage or loan 2
Pay part rent and part mortgage (shared ownership) 3
Rent it 4
Other 5
Don’t know 98

23 Full or part time employment (number of hours if part-time)

READ OUT, SINGLE CODE

0-16 hours 1
17-29 hours 2
30 or more hours 3
Don’t know 98
Refused 99

24 How long have you been working for this employer?

Write in number .................
Household income range. And could you please tell me in which of the following bands your total annual household income falls, before taxes and deductions from pay?

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<table>
<thead>
<tr>
<th>Income Range</th>
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<tr>
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<tr>
<td>Over £60,000</td>
<td>6</td>
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<tr>
<td>Don’t know</td>
<td>98</td>
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<tr>
<td>Refused</td>
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Personal income range. And could you please tell me in which of the following bands your total annual individual income falls, before taxes and deductions from pay?

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<th>Income Range</th>
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<tr>
<td>Don’t know</td>
<td>98</td>
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<tr>
<td>Refused</td>
<td>99</td>
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Thank you very much for your participation in this section of the research. As I mentioned earlier, we will send a cheque either to you or to one of the following charities, as a thank you.

27 Address to which you’d like us to send the cheque –
   either verify home address or select charity
   1 - Age Concern
   2 - Alzheimer’s Research Trust
   3 - Amnesty International
   4 - Cancer Research UK
   5 - Great Ormond Street Hospital
   6 - Oxfam
   7 - Royal National Institute of the Blind (RNIB)
   8 - Royal Society for the Protection of Birds (RSPB)
   9 - The National Trust
   10 - Worldwide Fund for Nature (WWF)

28 Had you already completed an interview for us before the presentation was held?
   Yes
   No

IF YES, we may contact you again in a couple of months’ time to discuss the pilot as a whole that was conducted at your workplace including your views about the Employee PIP. We hope you are happy for us to recontact you – we are offering a thank you cheque for that interview.

IF NO, may we contact you again in a couple of months’ time to discuss the pilot as a whole that was conducted at your workplace including your views about the Employee PIP? We are offering a thank you cheque for that interview.
Appendix H
Employer exit topic guide
Providing pensions information and advice in the workplace where there is little or no employer contribution: Employer Exit Interview

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Exec. introduces him/ herself.

**Introduction**

Thank you for participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning. We understand that your company has withdrawn from the pilot. As part of our evaluation we would like to understand why the pilot was not appropriate for your company. Understanding the reasons why pilots were not completed will help us develop an unbiased overview of the different approaches being trialled.

So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)
Interviewer note:
Please confirm employer as original Option ______.

1 Background to participation in the pilot

Firstly I would like to understand a little about how you became involved in the pilot in the first place.

1 Can you briefly describe to me the pensions arrangements that you have in place currently for employees?
   PROBE FOR:
   ◆ Any schemes beyond the stakeholder? Eligibility?
   ◆ Any employer contributions?
     In the stakeholder; in other schemes?

2 How interested/ keen to take part were you when they described the process to you?
   Did they have to persuade you or were you very interested?
   What were the reasons for that?
   Reasons for being interested in participation and/ or barriers/ concerns to overcome?
   What were you hoping to get from participation in the pilot?

3 Briefly what is the relationship between your organisation and your provider/ IFA?
   Have they worked with you for a long time?
   Are they in regular contact with you?

4 More generally, what is your attitude to pensions and the role that employers like yourself should play either providing or encouraging them?

PROBE SPECIFICALLY AS RELEVANT:

- Attitudes to the stakeholder legislation that employer has to provide access to a scheme
- Attitudes to employer contributions. Should employers have to make a contribution vs. should make a contribution?
- Is it the role of an employer to encourage employees to make provision for their retirement? Should they be acting as facilitators?
- Does offering a pension have any recruitment and retention value? vs. Do they feel their staff would prefer a wage increase to a pension contribution? (PROBE FOR DIFFERENCES BETWEEN GROUPS)
- What is your view of the workplace as the place to provide information on pensions and retirement planning and to try to encourage participation by employees?
2 Reasons for withdrawal: initial summary

Now I’d like to understand how far through the pilot exercise you were and the key reasons why you have now decided it is not appropriate for your organisation to continue.

5 To begin with, can you give me a summary of how the pilot process was implemented in your organisation and how you found it?
   Can you also summarise the reasons why you have reached the decision not to continue with it?
   Allow the employer to speak freely.
   Do not ask any of the following questions if they have already been covered adequately in this section.

IF RESPONDENT APPEARS LIKELY TO TERMINATE THE DISCUSSION AT ANY POINT FROM HERE SKIP TO SECTION 8 AND TRY TO OBTAIN ANSWERS TO Q19 AND Q20 AS A PRIORITY
3 Reasons for withdrawal: pilot set-up

Now I would like to ask you a few more specific points on the different stages of the pilot process.

6 When and how was the concept of the pilot exercise first introduced to you?
   - Who from the provider/IFA raised it?
   - With whom was it first discussed in your organisation?

7 How did you agree to take part?
   - Who championed the idea internally and who (what seniority) made the decision to go ahead?
   - Were there any concerns at this decision stage?
     - Were any people opposed to the idea of participating?
     - Why?
     - Was timing an issue?

8 How and when were the requirements of the pilot explained to you?
   Do you feel you:
   - Were given upfront a full appreciation of what would be required?
   - Were only told what would be needed step by step?
     - IF SO: did these come as unpleasant surprises?
   - Were actually misled in some way regarding the amount of effort/input that would be required?

9 Overall did the way in which the pilot exercise was described and introduced to you contribute at all to your eventual decision that it was not appropriate for your organisation?
   - IF SO: please describe

10 Are there any aspects of your organisation and/or workforce that you feel made implementation of the planned pilot particularly difficult?
   - Type of workforce? Age profile; salary levels; seasonal working?
   - Working patterns? Shifts; multiple sites?
   - Other?
4 Reasons for withdrawal: changes in circumstances

11 Did any changes in circumstances, unrelated directly to the pilot exercise itself, contribute to the decision to withdraw from the pilot?

- Personnel changes? e.g. Key advocate left organisation; unexpected staff shortages or changes made it difficult/impossible to meet the requirements of the pilot?
- Any other changes? e.g. Redundancies made the pilot inappropriate?
5 Experience of the pilot stages until withdrawal

12 How was the process of distributing the research survey opt-in packs?
   - Did you consider this to be a significant burden?
     Did it make you question involvement in the pilot?
   - Did you have any concerns/ issues more generally about the ‘research’ aspect of the pilot? Did these contribute to your eventual decision to withdraw?
   - ADVISE EMPLOYER OF NUMBER OF EMPLOYEES WHO OPTED IN TO THE EVALUATION
     Does this surprise you?
     IF NONE OR LOW NUMBER:
     Why do you think response was limited?

13 Did you get any staff reaction/ feedback from the distribution of the research survey opt-in packs?
   - Did any of this feedback influence or contribute to the eventual decision to withdraw?

14 On what basis did you decide not to distribute the packs?
   - Did you have any indication of staff views? What were these and how did you gain them?
6 Role of provider and Employees in influencing decision to withdraw

15 How satisfied were you with the role and activities of the pensions provider/ IFA?
   ◦ Did they do/ not do anything which contributed to your decision to withdraw from the pilot?
     What was that?
   ◦ How hard did they try to keep you involved?
     What do you think was the reason for that?

16 What was the view of the employees of the pilot process?
   ◦ Did this contribute to the decision to withdraw?
   ◦ What were views on what was on offer through the pilot (Employee Pensions Information Packs;
     presentation; one-to-one meetings)
     How did you become aware of these views?
   ◦ What were views on the research aspect of the pilot?
   ◦ What was level of interest generally in the area of pensions?
   ◦ What seemed to be views on addressing the issue of pensions in the workplace?
   ◦ How were you made aware of these views?
7 The decision to withdraw

17 How would you summarise the relative role/contribution of the following to the decision to withdraw?
   And what was the main factor?
   - Workload caused by implementing the elements of the pilot (Employee PIP; presentation; one-to-one meetings) for you as the employer
   - Additional workload or timetable pressures or other aspects relating to the timing and research elements of the pilot process
   - Burden/requirements on employees
   - Reactions of employees to the offer of the pilot elements
   - Relations with the provider/IFA
   - Other

18 Overall, do you feel you might have implemented the entire programme as envisaged had it not been part of a research pilot with associated timetable pressures?
8 Lessons for DWP to learn about providing pensions information in the workplace

19 Based on your experience with the pilot process, what do you feel are the most important lessons/conclusions DWP should draw?

20 More specifically:
   ♦ How appropriate do you feel the workplace is for the provision of pensions information? Why is that?
   ♦ What do you think are and are not appropriate/suitable methods to use? (Employee PIP, presentations, one-to-one meetings, others?)
   ♦ How responsive do you expect employees to be? What do you expect will and will not work to encourage interest and take up?
   ♦ What steps would be likely to maximise the suitability of the process for employers like yourself? What might DWP/Government do? What could/should provider/IFA do?
Appendix I
Employer depth topic guide
Providing pensions information and advice in the workplace where there is little or no employer contribution: Employer Depth Interview

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<td>Date:</td>
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<tr>
<td>Interviewer:</td>
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<td>Comments:</td>
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</table>

Exec. introduces him/ herself.

Introduction
Thank you for participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning. As part of our evaluation we would like to gather your views on how the pilot went at [Company X] and more generally on providing pensions information in the workplace.

Are you the right person to talk to about all or some of these topics? [Interviewer note: please check title/position of our employer contact on the Master spreadsheet]

- For all topics: PROCEED
- For some topics: PROCEED AND ASK AT END FOR REFERRAL FOR MISSED QUESTIONS
- Not appropriate: ASK FOR REFERRAL

I can assure you that any comments you make will remain confidential and that all views included in our final project report will be anonymised and no individual will be identifiable.
So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)

1 Employer status in pilot

According to our records, it was planned to offer [LIST COMPONENT PARTS OF ORIGINAL OPTION – PILOT EMPLOYEE PENSIONS INFORMATION PACK, PRESENTATION, ONE-TO-ONE MEETINGS, AS APPROPRIATE] to your employees [THEN AS APPROPRIATE ……]

◆ and each of these did take place
◆ but in the end only [LIST AS APPROPRIATE] was/ were delivered

1 Is this correct?

CHECK FOR ANY DISCREPANCIES WITH MASTER SPREADSHEET RECORDS.
NB: IF EMPLOYEE PIP NOT DISTRIBUTED AND NO PRESENTATION TOOK PLACE, EMPLOYER COUNTS AS WITHDRAWN – HAVE EXIT INTERVIEW TO HAND & BE READY TO SWITCH

2 Background to contact and organisation

2a Please will you tell me a little about your job? What does it involve?

2b And how do pensions fit in? How large a part of your job is it relative to the other elements?

ASK SENSITIVELY, SHOWING UNDERSTANDING [WHERE APPROPRIATE] THAT PENSIONS MAY BE ONLY VERY MINOR PART OF ROLE OR MAY NOT HAVE BEEN A PART AT ALL PRIOR TO PILOT BECAUSE COMPANY HAS/ HAD NO PENSIONS EXPOSURE OTHER THAN A SHELL STAKEHOLDER SCHEME

2c How do you feel about having to deal with pensions as part of your role?

PROBE AS NECESSARY FOR:
◆ How comfortable with pensions? Any concerns about lack of knowledge/ expertise?
◆ How onerous/ is it resented?
An unnecessary or unwelcome burden; a distraction from what should be main focus?
3 Can you tell me a little about where you stand personally on pensions? I would like to hear something of your personal opinions as opposed to any views you may hold by virtue of your position with [COMPANY X].

3a Generally, what are your views about pensions? PROBE IF NECESSARY – Views generally, and for them personally?

3b And what pensions arrangements do you have? PROBE FOR: Member of the stakeholder; member of any other occupational scheme; any private arrangements?

4a Now I’d like to ask some more detailed questions about the stakeholder scheme you offer. [ENSURE YOU HAVE TO HAND ANY ADMIN DATA OR ANY OTHER INFORMATION WE HAVE ON THIS EMPLOYER]

- When was the scheme introduced?
- Do you know how many members there are?
- Do you make an employer’s contribution to the scheme?
  - IF YES: How much?
  - IF NO: Have you considered contributing? Why have you decided not to?

4b Do you operate any other schemes? IF SO:

- What type of scheme?
- When established?
- Who is eligible?
- How many members?
- Is there an employer’s contribution? How much?

Next a couple of questions about [PROVIDER/ IFA]

5a Do they provide any services other than the stakeholder? IF SO: what are these?

5b How long has [PROVIDER/ IFA] been working with your organisation?

5c How much contact do you have with the provider/ IFA?
6a Before the pilot scheme was mentioned, had you or a provider/IFA talked to employees about retirement planning and pension saving?  
[Specifically, check if a presentation was held by the provider/IFA when the SHP scheme was set up.]  
Yes ASK 6b & 6c  
No ASK 6d

6b How was this done (presentation; informal chat; other) and by whom (Employer or provider/IFA)?

6c What was covered in these discussions?

6d Why is that?
3 Experience of the pilot

Now turning to the pilot .......

7a How did you first hear about the pilot?

7b Why did you decide to take part?

PROBE FOR:

♦ How keen/ enthusiastic?
♦ What was the attraction? What did they hope to get out of participation?

Now I would like to ask some questions about specific elements of the pilot.

A key element of the pilot was the distribution of Information Packs – one for employers and one for the employees.
4 Pilot Employer Pensions Information Pack

NOTE: WE CAN ONLY OBTAIN REACTIONS TO THE EMPLOYER PIP FROM THESE INTERVIEWS.
THEREFORE ENSURE THESE QUESTIONS ARE ANSWERED

8a Thinking first of the Employer PIP, did you receive/ see a copy of this? [IF NECESSARY, DESCRIBE EMPLOYER PIP]
   Yes          SKIP TO Q9
   No           PROCEED TO 8b

8b IF DID NOT SEE EMPLOYER PIP.
   In fact the DWP commissioned for the pilot an Employer PIP. Would something like that be useful for you? What would you find useful to be included in such a pack – that is on what sort of topics would you most like to receive unbiased information provided by the Government?
   THEN SKIP TO EMPLOYEE PIP SECTION.

9a What did you do with the Employer PIP?
   Did you throw it away; keep it but have not looked at it yet; skim read it; review it in detail? Why was that?

9b IF SKIM READ OR REVIEWED IN DETAIL AND KEPT IT:
   Why have you kept the Employer PIP?
   Do you expect you may use it for reference in future?
   IF SO, Reference for what?

10 What did you think of it?
   [ASK PROMPTED POINTS IF EMPLOYER HAS SUFFICIENT RECALL TO ANSWER]:
   - How useful overall?
   - What specifically was useful?
   - Anything missing you would have liked to see?
   - Anything irrelevant included/ could have been left out?
   - Overall style – was it pitched correctly for you?
   - Where appropriate, please prompt (making clear in the write-up that you have prompted) asking whether any (and what) provider/ IFA info received was more/ as/ less useful than the Employer PIP
11 ASK IF EMPLOYER HAS SUFFICIENT RECALL TO ANSWER:
11a How useful did you find the information about what an employer can or should not tell employees about pensions?
   (PROBE FOR:
   Was it new information?
   Was it clear?
   Has it helped, or raised concerns?)

11b How useful did you find the case studies and the frequently asked questions?

12a What do you think about being given information in this way – that is, in the workplace?

12b Finally on the topic of the Employer PIP: this is a Government publication, commissioned by the Department for Work & Pensions for the purpose of the pilot. Would you say you trust the content more or less because the source of the document is the Government?

12c What other source, if any, would you trust more?
5  Pilot Employee Pensions Information Pack

Next a few questions about the Employee PIP. CHECK RESPONDENT RECALLS SEEING THIS – DESCRIBE IF NECESSARY

13  How was it distributed to employees?

14  Was distributing it problematic in any way?

15a  What was the reaction to the idea of the Employee PIP from employees? PROMPT: Why?

15b  Do you know whether many of your staff read it?

15c  Of those that did read it, do you know if they found it useful?

15d  Overall, do you think the Employee PIP had any impact on employees’ views or attitudes? IF SO: What was this?
6 Presentations

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<td>Held</td>
<td>Q18 – Q20</td>
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16a Why did the planned presentation not take place in the end? CHECK FOR: Employee apathy; issues with provider/IFA; lack of enthusiasm by employer

16b Are there any plans to hold one in the future?

17 INTRODUCTION TO BE SKIPPED FOR THOSE HAVING ANSWERED Q16.
At some employers who were participating in the pilot presentations about pensions were held by the provider/IFA for any employees who wished to attend.

17a Do you think such a presentation would be of interest to your employees? Why?

17b Do you think they would attend? Why?

IF A PRESENTATION WAS HELD:

18 How easy or difficult to arrange for you as the employer? How costly? Was it in paid time for staff? Was it disruptive? How and why?

19 How much interest was there from staff? What was the attendance and what was the reaction to it?

20 What impact do you think it had and why?
7 One-to-one meetings

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<td>Q21 – Q22</td>
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<tr>
<td>Held</td>
<td>Q23 – Q25</td>
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21a Why did the planned one-to-one meetings not take place in the end?

21b Are there any plans to hold them in the future?

22 INTRODUCTION TO BE SKIPPED FOR THOSE HAVING ANSWERED Q21.
At some employers who were participating in the pilot one-to-one meetings about pensions were held by the provider/IFA for any employees who wished to attend.

22a Do you think such one-to-one meetings would be of interest to your employees? Why?

22b Do you think they would attend? Why?

IF ONE-TO-ONE MEETINGS WERE HELD:

23 How easy or difficult to arrange for you as the employer? How costly? Was it in paid time for staff? Was it disruptive? How and why?

24 How much interest was there from staff? How many attended and what were the reactions to them?

25 What impact do you think they had and why?
26a Finally on the pilot process, did you have any formal or informal discussions with employees about pensions and income in retirement while it was running?
   YES ASK 26b
   NO ASK 26c

26b How was this done?
   Formal or informal?
   What subjects did you cover?

26c Why is that?
8 Overall impact of pilot

27a Overall, do you feel the pilot has had an effect on employees?

YES ASK 27b
NO ASK 27c

27b What effect has it had?

27c Why is that?

28 How ‘realistic’ would you say the pilot exercise was? Would you have tackled things in this way if you were trying to boost your employees’ knowledge of planning for retirement and to encourage them to act on this? IF NOT: What would have been different?

29 Do you think it was influenced in any way by the fact that a research exercise was included in it? IF SO, In what ways do you feel the research had an impact?
9 Lessons for DWP to learn about providing pensions information in the workplace

30 Based on your experience with the pilot process, what do you feel are the most important lessons/ conclusions DWP should draw?

31 And how do you see the role of the employer (and why) in:
   ♦ Providing information on pensions?
   ♦ Encouraging employees to pay attention to the issue of their income in retirement?
   ♦ Providing incentives for employees to act – for example by employer pension contributions?

32 Looking to the future, if your employees did become more aware of pensions issues through information provided in the workplace would you see that as:
   ♦ Positive, because it might help with staff recruitment and retention?
     Or
   ♦ Negative, because it would be likely to cost you more through having to introduce or increase an employer contribution?

33 More specifically:

33a How appropriate do you feel the workplace is for the provision of pensions information and encouraging employees to act?
   Why is that?

33b What steps would be likely to maximise the suitability of the process for employers like yourself? What might DWP/ Government do?

34 Are there any alternatives you would suggest to using the workplace to encourage consideration of pensions and income in retirement?
   IF SO:
   What are these?
   Would they be better than using the workplace or an addition to using the workplace?
Appendix J
Local provider exit topic guide
Providing pensions information and advice in the workplace where there is little or no employer contribution: Local Provider Exit Interview

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Interviewer:

Comments:

Exec. introduces him/herself.

Introduction

Thank you for participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning. We understand that [COMPANY X] has withdrawn from the pilot. As part of our evaluation we would like to understand why the pilot was not appropriate for that company. Understanding the reasons why pilots were not completed will help us develop an unbiased overview of the different approaches being trialled.

So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)
Interviewer note:
Please confirm employer as original Option ______

1 Background with company

Firstly can you tell me a little about the history of your organisation’s involvement with this employer?

1 What range of services do you provide for them?
   What place does stakeholder provision have in this?
   PROBE FOR: Is stakeholder only, major, minor part of relationship?

2a How long have you been working with this employer?

2b How close would you describe the relationship as being?
   Do you/ your organisation know them very well or only slightly?
   Are you in regular or only intermittent contact?

3 When [COMPANY X] was selected to be approached…

   PROBE FOR:
   ♦ Did you expect the employer to be interested/ not really interested?
   ♦ Did you expect them to be committed to the pilot – why/ why not?
   ♦ Did you expect the workforce to be responsive or not?

4 Why do you feel the employer agreed to participate?

   PROBE FOR:
   ♦ How willingly did they agree?
   ♦ What do you know/ believe are their attitudes to pensions provision?
     Do they see advantages in it in terms of recruitment or retention?
     Do they take a somewhat paternalistic view of responsibility to encourage provision by staff?
     Are they interested only in doing the bare legal minimum?
     What evidence is there for this assessment?

5 Overall, how surprised are you that they have pulled out? Why is that?
   How committed did you expect them to be? Why is that?
2 Reasons for withdrawal: initial summary

Now I’d like to understand how the pilot exercise went for [COMPANY X] and the key reasons why they have now decided it is not appropriate to continue.

6 To begin with can you give me a summary of how the pilot process was implemented in [COMPANY X], how you found it, and your understanding of how they found it?
   Can you also summarise the reasons why you believe [COMPANY X] reached the decision not to continue with it?

Allow the provider to speak freely.
Do not ask any of the following questions if they have already been covered adequately in this section.
3 Reasons for withdrawal: pilot set-up

IF RESPONDENT SEEMS LIKELY TO TERMINATE DISCUSSION AT ANY POINT FROM HERE SKIP TO SECTION 8 IF NECESSARY AND OBTAIN ANSWERS TO Q22 & Q23

Now I would like to ask you a few more specific points on the different stages of the pilot process.

7 When and how did you first introduce the concept of the pilot exercise to [COMPANY X]?
   - Who from your organisation [name/ seniority] raised it?
   - With whom was it first discussed in [COMPANY X]?
   - How and why was [COMPANY X] selected as a potential participant?
   - Did you expect that they would be either well or potentially badly suited for the pilot process? Why is that?

8 How did [COMPANY X] agree to take part?
   - Who championed the idea internally, and who (what seniority) made the decision to go ahead?
   - Were there any concerns on their part at this decision stage – were any people opposed to the idea of participating? Why? Was timing an issue?
   - What do you believe were the main reasons why they decided to take part?
     Benefits to staff
     Benefits to company
     Benefits to yourself as their provider/ IFA
     Other reasons
   - Do you feel they had fully taken on board what would be involved?

9 How and when were the requirements of the pilot explained to [COMPANY X] by you? How did you do this? Do you feel you:
   - Gave upfront a full appreciation of what would be required?
   - Told what would be needed step by step? If so, did any of these come as unpleasant surprises?

10 Overall do you feel the way in which you described and introduced the pilot exercise contributed at all to the eventual decision that it was not appropriate for [COMPANY X]?
   - IF SO: please describe
   - What would you do differently next time?

11 Are there any aspects of [COMPANY X's] organisation and/ or workforce that you feel made implementation of the planned pilot particularly difficult?
   - Type of workforce? Age profile; salary levels; seasonal working?
   - Working patterns? Shifts; multiple sites?
   - Other?
4 Reasons for withdrawal: changes in circumstances

12 Did any changes in circumstances, unrelated directly to the pilot exercise itself, contribute to the decision by [COMPANY X] to withdraw from the pilot?

♦ Personnel changes?
  E.g. Key advocate left organisation; unexpected staff shortages or changes made it difficult/impossible to meet the requirements of the pilot?

♦ Any other changes?
  E.g. Redundancies made the pilot inappropriate?
5 Experience of the pilot stages until withdrawal

13 Do you know how the process of distributing the research survey opt-in packs went?
   ♦ Did you receive any feedback from [COMPANY X] regarding this?
     Did they consider this to be a significant burden?
     Did it make them question involvement in the pilot?
   ♦ Did they have any concerns/ issues more generally about the ‘research’ aspect of the pilot? Did these contribute to their eventual decision to withdraw?
   ♦ ADVISE PROVIDER OF NUMBER OF EMPLOYEES WHO OPTED IN TO THE EVALUATION
     Does this surprise you?
     IF NONE OR LOW NUMBER: Why do you think response was limited?

14 On what basis did [COMPANY X] decide not to distribute the survey opt-in packs?
   ♦ Did they consult or involve you in this decision in any way?
   ♦ Were you given any indication of staff views?
     What were these and how did [COMPANY X] gain them?
6 Your Role in the intervention

15 Please describe your role in the pilot
   • Which elements (if any) were particularly burdensome and which worked well?
   • How did the actual process vary from your expectations? Why was this?

16 How satisfied do you feel [COMPANY X] were with your role and activities as the pensions provider/IFA in the pilot?
   • Did they indicate that anything about your role had contributed to their decision to withdraw from the pilot?
     What was that?

17 What were the views of the employees of the pilot process, and did this contribute to the decision to withdraw?
   • What were views on what was on offer through the pilot (Employee Pension Information Pack; presentation; one-to-one meetings)
     How did you become aware of these?
   • What were views on the research aspect of the pilot?
   • What was level of interest generally in the area of pensions?
   • What seemed to be views on addressing the issue of pensions in the workplace?
   • How were you made aware of these views?
7 The decision to withdraw

18 How and why did the issue of withdrawing from the pilot arise?
   - Who first raised the idea and why?
   - Who was involved in the decision at [COMPANY X]
   - Were employees involved or did their views influence the decision?
   - How, if at all, were you involved in this process/decision?

19 What did you do (if anything) to attempt to persuade [COMPANY X] to remain involved in the pilot?
   PROBE FOR: How hard did they work to reverse this?

20 How would you summarise the relative role/contribution of the following to the decision to withdraw – and what was the main factor?
   - Workload caused by implementing the elements of the pilot (Employee PIPs; presentation; one-to-one meetings) for the employer
   - Additional workload or timetable pressures or other aspects relating to the timing and research elements of the pilot process
   - Burden/requirements on employees
   - Reactions of employees to the offer of the pilot elements
   - Your relations with [COMPANY X]
   - Other

21 Overall, do you feel [COMPANY X] might have implemented the entire programme as envisaged had it not been part of a research pilot with associated timetable pressures?
8 Lessons for DWP to learn about providing pensions information in the workplace

22 Based on your experience with the pilot process, what do you feel are the most important lessons/ conclusions DWP should draw?

23 More specifically:
   • How appropriate do you feel the workplace is for the provision of pensions information? Why is that?
   • What do you think are and are not appropriate/ suitable methods to use? (i.e. Employee PIPs, presentations, one-to-one meetings, others)
   • Based on this experience, how viable do you consider involvement by providers/ IFAs like yourself is in the provision of pensions information in the workplace?
   • How responsive do you expect employees to be? What do you expect will and will not work to encourage interest and take up?
   • What steps would be likely to maximise the suitability of the process for providers/ IFAs like yourself:
     What might DWP/ Government do?
     What could/ should employers do?
Appendix K
Local provider depth topic guide
Providing pensions information and advice in the workplace where there is little or no employer contribution: Local Provider Depth Interview

Name of Respondent: 

Job Title: 

Organisation: 

Address/Location: 

Telephone No: 

Email 

Interviewer: 

Date: 

Comments: 

Exec. introduces him/ herself.

Introduction

Thank you for participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning. As part of our evaluation we would like to gather your views on how the pilot went at [Company X] and more generally on providing pensions information in the workplace.

So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do that? (IF NECESSARY REASSURE THAT ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE TAPE – IT WILL BE DESTROYED LATER)
Interviewer note:
Please confirm employer as original Option ______

1 Background to provider and provider representative

Before talking specifically about [COMPANY X], I would like to find out a little about where Stakeholder Pensions sit in terms of importance for your organisation and for you personally.

1a How is your organisation set up to serve the stakeholder market?
   PROBE FOR:
   ◆ Structure?
   ◆ How much support available to sell/promote stakeholder?
   ◆ Training specifically for stakeholder?

2a How important a part of your organisation’s business is:
   ◆ Pensions products generally?
   ◆ Stakeholder pensions specifically? (Why is that?)
   ◆ Stakeholder pensions where there is no employer contribution?
   ◆ PROBE: Do you treat differently stakeholders where there is no employer contribution?

3 Please can you briefly describe your position and role in the organisation, and where stakeholder fits into that?
   ◆ Position?
   ◆ Role?
   ◆ Been with them how long/ been in industry how long?
   ◆ Proportion of time dedicated to stakeholder in present role?
   ◆ Responsibilities specifically regarding stakeholder?
   ◆ Level of experience/expertise/training regarding stakeholder?
   ◆ Level of incentive (if any) to promote stakeholder?
   ◆ Again, where, if at all, do you see differences for stakeholders where the employer makes no contribution?
4a Was the role that you had, and the tasks you undertook, in respect of [COMPANY X] as part of the pilot typical of what you would normally do and be responsible for?

IF NOT: in what way was it different?
(PROMPT for differences between stakeholders where the employer contributes versus does not contribute)

4b Specifically, thinking of your involvement in giving the presentation(s)/ holding the one-to-one meetings (AS APPLICABLE):

- Do you frequently give such presentations/ hold one-to-one meetings?
  For how long have you been doing so?
- IF SO:
  Are they typically/ sometimes/ never with audiences like this/ in organisations like this?
  PROMPT for differences between stakeholders where the employer contributes versus does not contribute
2 Background with company

Next can you tell me a little about the history of your organisation’s involvement with [COMPANY X]?

5 What range of services do you provide for them? What place does stakeholder provision have in this? PROBE FOR: Is stakeholder only, major, minor part of relationship?

6a How long has your organisation been working with [COMPANY X]?

6b And how long have you personally been working or dealing with this employer?

6c How close would you describe the relationship as being? Do you/your organisation know them very well or only slightly? In regular vs. only intermittent contact? (PROBE FOR: frequency and reasons for personal contact prior to pilot)

6d Whom do you deal with in the company? (PROBE: Level of seniority)

7a How would you describe the employer’s attitude in general to pensions and the extent to which they should be involved in encouraging employees to make provision for their retirement? PROBE FOR:

♦ Opinions
♦ Actions

7b And what was their attitude to the pilot and how co-operative were they? PROBE FOR:

♦ Opinions
♦ Actions
3 Experience of the pilot

Next a few questions about your assessment of how the pilot has gone at [Company X]

8 Do you think it has been influenced in any way by the fact that a research exercise has been included in it?  
IF SO: in what ways do you feel the research had an impact?

9 What did you think about the fact that employees had been given copies of the pilot Employee Pensions Information Pack?

   PROBE FOR:
   ♦ Have you seen it?  
     IF SO: When? Before the presentation?
   ♦ Did you feel many people had reviewed it?
   ♦ Any evidence you saw that it had had any impact on employees’ views or attitudes  
     IF SO: Where do you feel it had increased knowledge or changed views?
     Had it had any ‘negative’ effects such as misunderstanding of the information provided or seeming to make people more fatalistic about their situation etc.?

10a Did you arrange for any of your own scheme documentation to be distributed?

   IF SO: ASK Q10b
   Q10b
   PROBE FOR:
   ♦ When: in advance, at presentation or after?
   ♦ To whom: everyone, only those at presentation, only those who asked?
   ♦ What impact do you feel it had?
   ♦ AMEND AS APPROPRIATE: Do you feel there was/ would be value in your scheme literature being distributed to employees at around the same time as the Employee PIPs?

   IF NOT: ASK Q10c
   Q10c
   PROBE FOR:
   ♦ Why not?
   ♦ Was that the right decision? Would you have preferred to do so? Would you do so in future?
   ♦ Do you feel there would be value in your scheme literature being distributed to employees at around the same time as the Employee PIPs?
11 What is your assessment of the presentation(s)

- Worthwhile? Would you do the same again in future?
- Easy or difficult to arrange?
  - Large or small investment/commitment?
  - To what extent have to prepare specifically? Customised slides or off-the-shelf?
- Were you satisfied/dissatisfied with assistance from employer? - Examples
- Were you satisfied/dissatisfied with level and type of turnout? Reasons for turnout?
- How did you feel the presentation went?
  - Was it pitched correctly for audience?
  - Did it convey what you wanted to?
- What impact did you think it had? Why is that?
- Would you do same again, or what changes would you make?
- In what contexts do you feel presentations like this worthwhile? Where not justified?

12a IF OPTION 3 or 4: What is your assessment of the one-to-one meetings?

IF NONE HELD: ASK Q12b

12b

- Why not?
  - (Employee apathy, not a priority for you, employer apathy or resistance, logistics issues?)
- Any planned, or any likelihood you will hold one-to-one meetings in the future?
- Would you have wanted to hold any? Any expectation that sessions would pay for themselves (i.e. that employees would sign up to pension schemes)?

IF HELD: ASK Q12c

12c

- How many? Where? (one-to-one meetings at the employer’s premises versus ad hoc meetings arranged with individual employee(s) and held offsite)
- Worthwhile? Would you do the same again in future?
- Easy or difficult to arrange?
  - Large or small investment/commitment?
  - To what extent did you have to prepare specifically vs. off the shelf?
- Were you satisfied/dissatisfied with assistance from employer? - Examples
- Were you satisfied/dissatisfied with level and type of turnout? Reasons for turnout?
- How did you feel the meetings went?
  - Pitched correctly for audience?
  - Conveyed what you wanted to?
- What impact did you think they had? Why is that?
- Would you do same again? What changes would you make?
- In what contexts do you feel meetings like this worthwhile? Where not justified?

13a What evidence do you have as yet of any impact the pilot at [COMPANY X] has had?

Why do you think that is?
13b What expectations (if any) do you have that it will have an impact in the next few months?

13c In particular, do you think that the presentation will have any effect on membership rates or contribution levels? IF YES: do you have any evidence already to confirm this?

14 Overall, how ‘realistic’ would you say the pilot exercise was …

14a Would you typically have tackled things in this way if you were promoting stakeholder to an organisation like [COMPANY X]? IF NOT: what would have been different?

14b Thinking of promoting stakeholder to employees at an organisation like [COMPANY X], what do you think would be a commercially realistic approach? Would it be different from what happened in the pilot? What would make sense:

- From your company’s point of view?
- From your point of view?
4 Lessons for DWP to learn about providing pensions information in the workplace

15 Based on your experience with the pilot process, what do you feel are the most important lessons/conclusions DWP should draw?

16 More specifically:
- How appropriate do you feel the workplace is for the provision of pensions information? Why is that?
- What do you think are and are not appropriate/suitable methods to use? (Employee PIPs, presentations, one-to-one meetings, others)
- Based on this experience, how viable do you consider involvement by providers/IFAs like yourself is, in the provision of pensions information in the workplace?
- How responsive do you expect employees to be – what do you expect will and will not work to encourage interest and take up?
- What steps would be likely to maximise the suitability of the process for providers/IFAs like yourself?
  - What might DWP/Government do?
  - What could/should employers do?
- Are there any alternatives you would suggest to using the workplace to encourage consideration of pensions and income in retirement?
  - IF SO:
    - What are these?
    - What could Government do to encourage them?
    - Would they be better than using the workplace or an addition to using the workplace?
Appendix L
Provider/IFA (main contact) depth topic guide
Providing pensions information and advice in the workplace where there is little or no employer contribution: Provider/IFA (Main Contact) Depth Interview

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Exec. introduces him/herself.

Introduction
Thank you for participating in the Department for Work and Pensions pilot to test different ways of providing information in the workplace about pensions and retirement planning.

As part of our evaluation of the pilot we would like to explore your views on your role in and experience of the pilot, including how easy it was to implement from your perspective, what impact you think it has had, and what recommendations for change or improvement you would make.

Please be assured that your comments will remain confidential, and that all views will be presented anonymously in the final report.

So that I can concentrate on our conversation I would like to record the discussion to enable me to review it afterwards rather than having to write notes while we speak. May I have your permission to do this? (GIVE REASSURANCES AS REQUIRED: ONLY THOSE INVOLVED IN THE RESEARCH PROCESS WILL HAVE ACCESS TO THE RECORDING – IT WILL BE DESTROYED LATER)
1  **Background: importance of SHPs to the organisation**

Firstly, I would like to ask you a little about your role within [COMPANY X] ..... 

1a Please can you briefly describe your personal position and role in the organisation?

1b And where does stakeholder fit into that (role)?
   ♦ Probe for responsibilities specifically regarding stakeholder (e.g. responsibility for SHP marketing, presentation-writing, etc)

2  How is your organisation set up to serve the stakeholder market?
   PROBE FOR:
   ♦ Structure
     (E.g. direct sales, or are SHPs sold on the back of other services such as banking? Do providers sell through IFAs?)
   ♦ How much and what support is available to sell/ promote stakeholders?

3  How important a part of your organisation’s business is:
   ♦ Pensions products generally?
   ♦ Stakeholder pensions specifically? (Why is that?)
   ♦ What differences in importance to your organisation exist between employers making a contribution versus those who do not?
   ♦ Number of schemes, and number of these without employer contribution

4a As you know, the pilot was aimed primarily at companies with no employer contribution. How important are companies like this to your stakeholder business? Why is that? (PROMPT for number of schemes in total, and number of schemes with no employer contribution as a proportion of this)

4b In addition, the majority of these employers are small. Does this affect the way you service this market?
2 Experience of the pilot: Pilot Employee & Employer Pensions Information Packs

As you know, the pilot included distribution of Pensions Information Packs and the holding of presentations and one-to-one meetings. I would like to ask you about each of these, starting with the Pensions Information Packs.

We sent you copies of the Pensions Information Packs, one for employees and one for employers, that the DWP distributed as part of the pilot. Thinking first of the Employee PIP...

5 First of all before we talk about the actual pack itself, what do you think of the general idea of Government distributing written information to all employees?
   ♦ What benefits, if any, do you think this could have?
   ♦ Specifically what types of information do you think government should or should not try to communicate?
   ♦ What disadvantages, if any, do you think there could be to the government distributing this information?

6 What do you think of the specific Employee Pension Information Pack that was distributed as part of the pilot?
   ♦ What were its strengths?
   ♦ What were its weaknesses?
   ♦ What would you change and why?

7 Do you think this pack is likely to be useful in encouraging employees to plan for their retirement? Why/why not?

Thinking now about employees like those targeted in the pilot, i.e., employees at employers who have designated a stakeholder, but either pay no or low employer contribution to schemes of less than 3% ......

8 So, overall, do you think government should consider rolling out on a national scale the distribution of the Pension Information Pack, or something similar, to all employees like those targeted in the pilot, that is to employees of employers who have designated a stakeholder, but either pay no or low employer contribution to schemes of less than 3%? Why do you say that?

9 Can you think of any alternative approaches or strategies to increase knowledge, understanding and saving that the government should consider rolling out to this target group of employees?
10 Turning now to the **Employer** version of the pilot Pensions Information Pack ….. Again, what do you think of the general idea of government providing information in this way to **all employers**?

- What benefits, if any, do you think this could have?
- Specifically, what types of information do you think government should or should not try to communicate?
  - Should this vary between smaller and larger employers?
- What disadvantages, if any, do you think there could be to the government distributing this information?

11 Thinking of the specific pack that was distributed, what did you think of that?

- Do you think employers are going to find it useful?
- Do you expect this to vary between smaller and larger companies?
  - If so, why is that?

12 So, as before, do you think government should consider rolling out the distribution of the Employer Pension Information Pack or something similar nationally, to **all employers like those in the pilot**, i.e. those who have designated a stakeholder scheme, but either pay no or low employer contribution to schemes of less than 3%?

13 Can you think of any alternative approaches or strategies to increase knowledge, understanding and saving that the government should consider rolling out to **this target group of employers**?
3 Experience of the pilot: presentations & one-to-ones

Now I’d like to ask you about the experience of **organising presentations** at pilot employers ….

**Ask all**

A number/ A few/ Many of [REWORD AS APPROPRIATE TO THE PROVIDER OR IFA IN QUESTION] the employers you recruited were allocated to a pilot option that included holding a presentation; but in the event, presentations were not held ….

14 What feedback, if any, have you had on this?

15 Did you experience employers being unwilling to allow you to hold presentations? If so, what were the main reasons for this?  
[Prompt for: logistical reasons, employee apathy, employer apathy]

16 Were there any instances where you decided it was not worth holding a presentation? Why was that?

**Ask only of providers and IFAs where presentations were delivered**

17 Thinking now about the firms where presentations **were** held …… What feedback have you received about how easy or difficult it was to arrange and hold presentations at the pilot employers?

• Easy or difficult to arrange?  
Large or small investment/ commitment?

• Were you satisfied/ dissatisfied with assistance from employers?

• Were you satisfied/ dissatisfied with levels and types of turnout?

18 What feedback have you received on how the presentations went?  
Do you think they were pitched correctly for the audiences?  
Would you do same again, or what changes would you make to the content/ delivery of presentations?

19 What impact do you think the presentations had?  
Why is that?  
Were they worthwhile?

20 Thinking of where and how you held presentations as part of the pilot, what would you have done differently **outside of the pilot** ….

• Were there organisations where presentations were held that would not have been offered a presentation outside of the pilot?
Does your organisation operate any thresholds based on number of employees, number of members or prospective members or overall contribution, for instance, before an organisation would be offered a presentation (NB Possible difference between scheme set-up and any other time) 

What would be the normal procedure regarding presentations etc. that [COMPANY X] would follow with an employer making no contribution to the SHP? Would this differ from the approaches taken with such employers who participated in the pilot?

Ask all:

21 Overall, what is your view on the usefulness of presentations of the type held in the pilot to encourage employees who would receive no employer contribution to the SHP either to join a stakeholder or to make other provision for retirement? Do you think presentations alone can be enough to stimulate action?

22 Do you think government should encourage such presentations to be held at all employers who do not contribute to employees’ SHPs at a minimum every few years?

- If so, why is that?
  - Who should give them?
  - How should they be financed?
- If not, why is that?

Now I’d like to ask you about the experience of organizing one-to-one meetings at pilot employers...

Ask all:

23 A number / A few/ Many of (REWORD AS APPROPRIATE TO THE PROVIDER OR IFA IN QUESTION) the employers you recruited were allocated to a pilot option that included holding one-to-ones, but in the event, these meetings were not held …

- What feedback, if any, have you had on this?
- Did you experience employers being unwilling to allow you to hold one-to-one sessions?
- If so, what were the main reasons for this?
- And were there any circumstances where you decided it was not worth offering one-to-one sessions? Why was that?

Ask only providers and IFAs where one-to-ones were delivered

24 What is your assessment of the one-to-one meetings that did take place/ were arranged as part of the pilot?

- How did you feel these went? Would you do same again, or what changes would you make?

25 What impact did you think one-to-ones had? Why is that? Were they worthwhile?
26 Thinking of where and how you held one-to-ones as part of the pilot, what would you have done differently outside of the pilot ….

- Were there organisations where one-to-ones were held that would not have been offered them outside of the pilot? Does your organisation operate any thresholds based on number of employees, number of members or prospective members or overall contribution, for instance, before an organisation would be offered one-to-ones (NB POSSIBLE DIFFERENCE BETWEEN SCHEME SET-UP AND ANY OTHER TIME)

Ask all:

27 What is the normal practice in your organisation to arrange a one-to-one meeting?

28 Overall, what is your view on the usefulness of one-to-ones of the type held in the pilot to encourage employees either to join a stakeholder or to make other provision for retirement?

29 Do you think government should encourage such one-to-ones to be held at all employers at a minimum every few years?

- If so, why is that? Who should give them? How should they be financed?
- If not, why is that?
4 Assessment of the pilot as designed

We’ve discussed your experience of the pilot as conducted at employers your organisation recruited to participate in it. Now I’d like to ask you for your views about the pilot as a concept.

30 Four different approaches were tested in the pilot:
   1) just the Employee PIP
   2) the pack plus a presentation
   3) these plus a one-to-one information session by a provider, or
   4) pack plus presentation plus a one-to-one advice session by an IFA

Which, if any, approach is the one your organisation sees most merit in – and why?

31a How realistic would you say it was to roll out these four different approaches nationally – i.e. outside of pilot conditions?
   ◆ Could they be commercially justified?
   ◆ Are they something your organisation would be willing to implement – for all employers, or at least for certain types (IF SO, which types and why?)

31b Ask for each approach the contact would deem commercially unjustifiable:
   ◆ Why wouldn’t this approach be a commercially justified one?
   ◆ How could this approach be incentivised to make it justifiable?

32 If you were to design a process that both encouraged take-up of pensions amongst employees who receive no employer contribution into the SHP and was viable for the industry, what would it be? PROBE FULLY
   ◆ Which of the pilot elements would you include and which would you drop?
   ◆ If you had to choose between holding a presentation and one-to-ones which would you pick?
   ◆ Are there other methods you would use – implemented by providers/IFAs, implemented by employers, implemented by government?
   ◆ Probe for how this process would work from a logistical point of view, and how and where the provider organisation would fit into the process

33 Still thinking about employees who do not receive an employer contribution to SHPs, would your design differ between smaller and larger firms? How?
Thinking now about employees who do receive an employer contribution, if you were to design a process that both encouraged take-up of pensions amongst these employees and was viable for the industry, what would it be? PROBE FULLY

- Which of the pilot elements would you include and which would you drop?
- If you had to choose between holding a presentation and one-to-ones which would you pick?
- Are there other methods you would use – implemented by providers/IFAs, implemented by employers, implemented by government?
- PROBE FOR how this process would work from a logistical point of view, and how and where the provider organisation would fit into the process.

And still thinking about employees who do receive an employer contribution, would your design differ between smaller and larger firms? How?

Based on your experience with the pilot process, what do you feel are the most important lessons/conclusions DWP should draw from it?

For the final couple of questions, I would like you to imagine the implementation and impact of the pilot, had it been conducted with employers who were making a contribution of over 3% to employees' pensions of any kind.

Do you think such employers would have been more likely to facilitate implementation of the pilot? Why do you say that?

What do you think the impact of the pilot on employees’ savings behaviour would have been, had the pilot been conducted with such employers? Why do you say that?

What would you have done differently, if these employers had been included in the pilot?
Appendix M
Employee Pensions Information Pack

DWP Note: The case studies used in the prototype Pensions Information Packs, of which copies are provided in Appendices M and N, were tailored to be relevant to a range of target audiences. All figures stated are examples and relate only to the context of each case study at the time of printing.
This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.
We’re all living longer. At the beginning of the last century, a man retiring at 65 could expect to live for around 11 more years. But now retirement can last for 20 years or more. And if you want to retire early, that could be even longer.

Of course, living longer is a very good thing.

But it means it’s more important than ever that you think about how you are going to pay for those years so that you can live in comfort and security. To achieve the lifestyle you want when you’re older – for example with meals out or a holiday abroad – you should think about whether you need to build up a private pension.

The main way of paying for retirement is through a pension that will give you an income for life. If you pay basic-rate tax, for every £1 you contribute to a private pension, the Government puts in an extra 28p. (See note 1 on page 11.) And, when you retire, you will be able to take part of your private pension as a tax-free lump sum. This means pensions are a tax-efficient way of saving.

The earlier you start saving, the bigger your pension is likely to be when you retire. For example, a woman aged 25 saving £100 a month in a stakeholder pension could expect to receive a pension of £86 a week at age 65 and a tax-free lump sum of £31,000. But if the same woman waited until she was 45 before she started to save the same amount, she could only get a weekly stakeholder pension of £30 and a lump sum of £10,000. (See note 2 on page 11.) So it pays to start early.

Making choices about your pension doesn’t need to be complicated. Here is a basic guide to the different types of pensions. You are likely to be able to join one or more of them.
Pensions you can get from the state

There are two main parts to the State Pension:
• the basic State Pension; and
• the additional State Pension.

The basic State Pension is paid at a set rate and depends on the number of years that you have paid, or have been treated as paying or have been credited with, enough National Insurance contributions.

The additional State Pension is related to the level of your earnings. You may be able to leave, or ‘contract out’ of, the additional State Pension by joining your employer’s pension scheme or a personal or stakeholder pension scheme. If you do this, then:

• the amount of National Insurance contributions you pay will either reduce (if you join your employer’s scheme) or some of it will be paid into your personal or stakeholder pension scheme; and
• the amount of additional State Pension will be reduced to reflect the fact that the pension scheme you have contracted into will provide another pension for you.

Home Responsibilities Protection may help protect your basic State Pension if you have caring responsibilities. It does this by reducing the number of qualifying years you need to earn a full basic State Pension. It may also help you get additional State Pension through the State Second Pension.

Case study

Brenda is 52 and works part time in a supermarket. She earns £6,500 a year. Her employer offers a stakeholder pension scheme, but does not contribute to it. She has no pensions savings. Because her earnings are so low, Brenda feels she cannot afford to contribute much to the scheme at work. She has applied for and received a State Pension forecast and has seen how much basic and additional State Pension she is likely to get when she retires.

Brenda says: “Though there is a pension at work, I can’t afford to join it at the moment. But I’ve received a forecast of my State Pension, and I feel that the State will provide me with an adequate level of income when I retire.”

This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.
Helping you through the pensions maze
Saving for retirement

The basic State Pension
From April 2004, for the 2004/05 financial year, the basic State Pension is worth £79.60 a week for a single pensioner and £127.25 for a couple. (See note 3 on page 11.) You will get this amount if you have paid, been treated as having paid or been credited with, enough National Insurance contributions over your working life. If this is not the case, you may still be entitled to a reduced percentage of the basic State Pension.

Men can receive their basic State Pension when they reach 65. Women born on or before 5 April 1950 can get their basic State Pension from age 60. But women born on or after 6 April 1955 will have to wait until 65. Women born between these two dates will be able to take their basic State Pension between age 60 and 65, depending on their date of birth.

You can put off claiming your basic State Pension (this is called ‘deferring’ your pension). If you do, you can receive a higher State Pension when you start to claim. From 2005 you may also be able to take the extra State Pension as a lump sum instead of a higher weekly pension.

The State Pension will give you a start but is unlikely to provide everyone with enough for a comfortable retirement. So it is important to think about whether you need to build up some extra money for your retirement so that you have enough to live on.

Additional State Pension
The State Second Pension was introduced in April 2002. It reformed SERPS – the State Earnings-Related Pension Scheme. If you have already built up SERPS, you can still receive it when you reach pensionable age. It will not be taken away from you.

Additional State Pension is paid on top of the basic State Pension. If you work, the amount you will receive will depend on how much you earn and how long you were in the scheme. Generally speaking, if you are employed but not in a pension scheme where you work, you will be building up an additional State Pension.

Low-paid workers (earning less than £11,600 in 2004/05) are likely to get an especially good deal because of the way the State Second Pension is worked out. And some people who do not work, for example, because they are at home looking after children below school age or they are disabled, may also qualify for the State Second Pension.

You will receive your additional State Pension at the same time as you take your basic State Pension.

Pension Credit and other benefits (See note 4 on page 11.)

If you are aged 60 and over and your income – whether from the state, your employer or other earnings – falls below a certain amount each week, you may be entitled to Pension Credit. Pension Credit works by topping up your income to a guaranteed minimum amount of £105.45 a week (or £160.95 for a pensioner couple). Pension Credit also rewards people aged 65 and over who have modest amounts of pension and other savings.

And, don’t forget that you might also be entitled to benefits like Housing Benefit or Council Tax Benefit.

So, this means that nobody needs to live on the State Pension alone. But it is still worth thinking about whether you need to make some extra savings to pay for the sort of lifestyle you may want when you retire.

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Helping you through the pensions maze
Saving for retirement

Case study
Rachel is 38. She is a secretary and earns £21,000 a year and has worked for her company for 20 years. She has always been a member of the company’s defined benefit pension scheme. She is divorced and has two children. When Rachel retires at age 65, in addition to her State Pension, she will receive her company pension, which is likely to be worth £225 a week.

Rachel says: “I want to make sure that my family will be OK if anything happens to me. Now that I’m divorced, it’s important that I’ve got a pension in my own name so that I can look after myself when I retire. I don’t want to be a burden on my children.”

Pensions that come with your job

There are various types of pension that you can get through your employer. We have described the main types below. Joining a workplace pension scheme can be an effective, tax-efficient way of saving towards your retirement.

Occupational pensions
If your employer runs an occupational pension scheme, you may be asked if you want to contribute. As well as a regular income, your occupational pension is likely to give you a tax-free lump sum and benefits for your partner when you die. So, if you have the chance to join an occupational pension scheme, you should think seriously about whether it’s a good idea to do so.

Stakeholder pensions
Stakeholder pensions were introduced in 2001. They are simple, have low charges and are easy to understand. When you retire, the pension you receive depends on how much you (and your employer) saved in the scheme and the return on your investment. You can take a quarter of your pension fund as a tax-free lump sum. The rest of the money you’ve saved will be changed into a pension called an annuity. This will give you an income for the rest of your life. You can also choose to take a pension for your partner.

This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.
You can join a stakeholder pension through work. If your employer has five or more employees and does not offer another type of pension scheme which you can join, your employer must offer you a stakeholder pension. However, your employer does not have to contribute to your stakeholder pension scheme, but some will. Even if your employer does not contribute, you can. Stakeholder pensions are also available to people who don’t work.

Group personal pensions

Group personal pensions (GPPs) are like stakeholder pensions because the amount you will receive depends on how much has been contributed and on investment returns. Many employers who offer GPPs contribute at least 3% of pay for their employees. You will then use the funds in the scheme when you retire to buy an annuity that will give you an income for the rest of your life. You can also choose to take a pension for your partner under a joint annuity. And you can take a quarter of your pension fund as a tax-free lump sum.

Case study

Tony is 25. He has just become head chef and earns £19,500 a year. Tony’s company offers a stakeholder pension scheme – if Tony pays 5% to the scheme, the company will also pay 5%. Tony has decided to join the scheme because he knows that the earlier he starts saving, the more money he can expect when he retires at 65.

If Tony keeps contributing, he could expect to get a pension of £165 a week as well as his State Pension. If he waited another 10 years before starting saving for a pension, he could only expect to get £103 a week and if he waited 20 years, just £57 a week.

Tony says: “I want to be able to live comfortably when I retire – you know, be financially secure as well as have something left for things like a holiday or a meal out – that sort of thing, not living on the breadline. I’ve seen my grandparents struggle to make ends meet and I don’t want to be like that. So that’s why I joined the pension scheme at work as soon as I could. It doesn’t cost me that much either – less than £20 a week. That’s about the same as I spend on going to the gym.”
How do I join my employer’s pension scheme?
Ask at work. Ask your personnel or finance department if you have one, or ask your manager. Your union representative may also know how to go about joining the scheme.

I don’t think I’m building up any pensions, am I?
You may be entitled to more than you think. If you are earning more than £79 a week, you could well be entitled to some State Pension. You may also have pensions from previous jobs.

How can I find out how much pension I’ll get?
To find out how much State Pension you’ll get, call the DWP Retirement Pension Forecasting Team. Your employer or pension provider will be able to tell you how much your workplace pension is worth. To find out about schemes you’ve belonged to in the past but have lost track of, contact the Pensions Schemes Registry. You will find contact details on page 11 of this guide.

Case study
Gurpreet is 63. He is a supervisor at his company, which makes car parts and he has worked there for 30 years. He earns £31,000 a year. There’s a pension scheme where he works, but Gurpreet never joined it. If Gurpreet had joined the scheme, his company would be contributing 12% of his pay. All Gurpreet would have to pay is 4%. But Gurpreet preferred to have more in take-home pay.

He hasn’t joined his company pension scheme but has been building up additional State Pension. But he can’t get this, or his basic State Pension, until he’s 65. If Gurpreet had joined the company pension scheme when he started work, he would be able to get a pension worth £275 a week. But now it’s too late for him to join the pension scheme – he won’t get enough out of it to make it worth his while.

Gurpreet says: “You don’t think about pensions when you’re young, do you? But I wish I’d joined the company pension scheme as soon as I’d started working here. Now I can see that I was silly not to – especially as my employer would be putting in so much. I’ll certainly be telling my kids to join a pension. I realise now that it is important to think about how and when to save to get the most choice. I am pleased that my employer is happy for me to continue to work as long as I like.”
Helping you through the pensions maze
Saving for retirement

Is it worth me joining a personal pension scheme?
Everyone’s circumstances vary and you will need to consider your broader financial circumstances, including any debts and assets you may have. But we all need to make some provision for our old age. The State Pension will give you a start but is unlikely to provide everyone with enough for a comfortable retirement. And personal pensions are usually a good way of saving for retirement as they are tax-efficient. If you are not sure, you may want to talk to a financial adviser.

Will my employer contribute to my workplace pension?
Many employers will contribute to pension schemes for their employees. If your employer has a stakeholder pension scheme, legally they do not have to contribute, but some will. Ask your employer whether he or she contributes to your stakeholder scheme.

What if I want to retire early?
You cannot get your State Pension before your State Pension age. You can take your group personal pension, stakeholder or occupational pension early (depending on the scheme’s rules). However, your pension will be reduced because it will have to be paid for longer.

What if I want to carry on working?
Working longer is one way to boost your income in retirement and the Government is keen to help people who want to extend their working lives. Currently people who put off claiming their State Pension (for instance if they are working) can be entitled to an extra amount (called increments) when they do decide to claim their pension. Under new proposals which, depending on approval from Parliament, will apply from April 2005, the Government plans to raise the rate by which increments will increase to give people a higher rate of pension when they finally claim. Instead of a higher weekly pension, the Government is also proposing to allow people who put off claiming to take a taxable lump sum based on the pension they would have got if they had not put off claiming, plus interest.
I work part time – can I join the pension scheme where I work?
Yes. If your employer runs a pension scheme you have a legal right to join it.

What if I leave my job?
If you leave your job, you may be entitled to a preserved pension in your old employer’s scheme. You may be able to leave your preserved pension in this scheme or you may be able to take your pension rights with you and transfer them into a pension scheme at your new place of work or into a personal pension.

Does my employer make any money out of running the pension scheme?
It is extremely unusual for an employer to receive any financial benefit for setting up or contributing to your pension scheme. Employers with over five employees have a duty to offer access to a pension scheme, and many look to reward their employees by making a contribution to their pension.

Case study
Sarah is 27. She has a three-year-old daughter and lives with her boyfriend. Sarah has not built up any private pension so far. Her boyfriend does have an occupational pension, but Sarah wants to have her own pension as circumstances can always change. She earns £25,000 a year working for a small printing firm. It offers a stakeholder pension but does not put any money into it.

Sarah wants to start saving in a pension soon. But she owes over £5,000 on her credit card. She had been paying the minimum amount but was alarmed by how much her debt had grown. Sarah also has a large mortgage and is aware that payments will increase if interest rates rise. So, Sarah has decided not to start saving in a personal pension just yet. But she is using her credit card less and is reducing the amount she owes. When she gets her debts under control, she plans to use this money to build up her own pension instead.

Sarah says: “I know I should aim to build up some savings soon if I want a decent lifestyle when I’m older. But I’m keen to get my finances under control first. Also, I’m looking for another job, and I hope to find an employer that will make a contribution towards my pension.”
Want to know more?
Here’s where to go...

If you want a forecast of how much State Pension you’ll get when you retire, call the DWP Retirement Pension Forecasting Team on 0845 6016 335. If you have a hearing or speech difficulty, you should call using textphone on 0845 3000 169. Lines are open 8am to 8pm Monday to Friday and 9am to 1pm on Saturdays.

If you want information leaflets on private pensions or state pensions, call the pensions information order line on 0845 7 31 32 33. If you have a hearing or speech difficulty, you should call using textphone on 0845 604 0210. Lines open 24 hours. Or visit www.pensionguide.gov.uk

If you want to find out more about Pension Credit or other income-related benefits when you retire, you can call The Pension Service on 0845 60 60 265. If you have a hearing or speech difficulty, you should call using textphone on 0845 60 60 285. Lines are open from 8am to 8pm Monday to Friday. If you want an information leaflet on Pension Credit, call 0800 99 1234 or textphone 088 169 0133. Lines are open from 8am to 8pm Monday to Friday and 9am to 1pm on Saturdays.

You can find some more general information about pensions on the Worksmart site at www.worksmart.org.uk

If you want to find out about pensions you’ve lost track of, call the Pension Schemes Registry on 0191 225 6316 or fill in a tracing request form at www.opra.gov.uk

If you want to find out how much your personal or stakeholder pension is likely to be worth, use the Association of British Insurers (ABI) and Financial Services Authority’s (FSA) pension calculator at www.pensioncalculator.org.uk

The Financial Services Authority (FSA) publishes useful booklets for consumers about pensions. You can find these on their website at www.fsa.gov.uk/consumer or you can call their helpline on 0845 606 1234. The FSA’s ‘Comparative Tables’ can help you compare personal and stakeholder pension providers at www.fsa.gov.uk/tables

IFA Promotions can help you find an independent financial adviser near you. You can call 0800 085 3250 or visit their website at www.unbiased.co.uk

Notes
No 1 The tax relief credits paid by the Inland Revenue into schemes only apply to group personal pensions and stakeholder schemes and to those occupational schemes that have applied to be approved under personal pension tax laws.

No 2 The figures are examples only. What you get back will depend on the performance of the fund your money is invested in. The figures are worked out using the Association of British Insurers’ (ABI) and Financial Services Authority’s (FSA) pension calculator.

No 3 All figures were correct in April 2004. This guide is based on our understanding of current taxation, legislation and Inland Revenue practice, all of which may change.

No 4 In certain circumstances you may be entitled to Pension Credit or other income-related benefits when you retire. This could apply if you haven’t saved before and are close to retirement, or if you are a relatively low earner, particularly if there is no employer contribution to the pension scheme. If you want to know more, you can contact The Pension Service on 0845 60 60 265 or a financial adviser.

This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.
We have produced this pack with the valuable help of representatives from the following organisations: Association of British Insurers, Association of Independent Financial Advisers, Engineering Employers’ Federation, National Consumer Council, Small Business Council and Trades Union Congress.

This pack is for guidance only. It is not a complete statement of the law. The contents of the pack do not represent financial advice and are presented for information only. We recommend that you always get professional advice if you are not sure on any matter relating to your pensions options.

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Appendix N

Employer Pensions Information Pack

DWP Note: The case studies used in the prototype Pensions Information Packs, of which copies are provided in Appendices M and N, were tailored to be relevant to a range of target audiences. All figures stated are examples and relate only to the context of each case study at the time of printing.
What an employer can do

Guiding your employees through the pensions maze

This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.

DWP Department for Work and Pensions
If you’re an employer who offers your employees access to a pension scheme, you might find that they look to you or another manager or supervisor for help and information. You may not be sure what you and your colleagues can and cannot say to your employees in this situation.

We have designed this guide to help. It gives simple, straightforward information about what you and others who might be asked can and cannot say to your employees.

As an employer

- **There’s a lot that you can and may want to do to help your employees understand the importance of saving for their retirement, and how joining a company pension scheme may be an effective, tax-efficient way for them to do so.**

- You should make full use of the large amount of information that’s already available for employers and employees. If you offer a stakeholder or group personal pension, the pension scheme provider or a financial adviser should be able to give you information. If you have an occupational pension, the scheme’s trustees or managers should be able to help you. You might also want to look at the links to other sources of information on page 11.

- Although you are free to provide information about your pension scheme to your employees, you should steer clear of making personal recommendations. This guide helps to make this clear. If you have any doubts about what you can tell employees about a stakeholder or personal pension arrangement, you should suggest that your employees contact their pension provider or an independent financial adviser. If you have an occupational scheme, you can refer the employees to the trustees and managers.

The sort of information you, as an employer, can give your workforce will depend on the kind of pension arrangement you offer: stakeholder; group personal pensions; or an occupational pension scheme.

If you’re not sure about what kind of pension scheme you offer, you can find out by looking at your pension scheme information booklet or by contacting the pension provider or scheme trustees and managers.

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Guiding your employees through the pensions maze
What an employer can do

Why should an employer bother to get involved with pensions?

Employers have enough on their plates without worrying about complicated things like pensions, right? Wrong.

Offering – and informing employees about – a pension in the workplace is easier than you think and can bring about valuable benefits to you and your employees. Here are five important reasons why you should get involved.

1. **It's simple.** A pension provider can help to take the hassle out of running a pension scheme so that you can concentrate on what you do best – running the company. If you have an occupational scheme, the trustees or managers will take on most of the running of the scheme.

2. **It's necessary.** Since October 2001 it has been a legal requirement for companies with five or more employees to offer access to a stakeholder pension unless they already offer a workplace pension scheme.

3. **It attracts good-quality employees.** Offering a pension, letting employees know about it – and contributing to it – can help a company to attract the best employees. This can improve the company’s competitive position, particularly in job markets where getting the right employees can be difficult.

4. **It helps you keep good-quality employees.** A good pension scheme will help you to keep your employees, particularly the more experienced members of the workforce whose awareness of pensions is often greatest and whose skills are hardest to replace.

5. **Employees may look to you for information and help.** An employer that helps their employees with retirement issues can benefit from a workforce that is more committed and less likely to leave the company (so helping to reduce expensive recruitment costs).
What employers who offer stakeholder pensions or group personal pensions can say to their employees about pensions

There are laws to protect people who have investments such as personal pensions and stakeholder pension schemes. Specifically, the Financial Services and Markets Act 2000 limits who can advise people on their investment decisions. The Financial Services Authority (FSA) is the independent body that regulates the financial services industry in the UK.

As an employer offering access to a stakeholder or group personal pension (GPP) scheme, it is important that you do not give financial advice. Professionally qualified financial advisers will be able to give financial advice.

There is nothing to worry about as long as you stick to the facts. It’s good practice to point out the features of the scheme. But you should not offer personal recommendations or investment advice. (For example, do not say ‘I recommend that you join the scheme’ or ‘You should invest in Fund X or Fund Y.’) This is because you may not have the expertise or know enough about an individual’s financial circumstances or their expectations for the future.

To help your employees with their pension options, you need to be prepared for the questions they might ask you. Remember that you are free to help your employees as long as you stick to the facts – so there are lots of things that you can say.
Guiding your employees through the pensions maze
What an employer can do

Case study

Dave runs a chain of shops and one of his employees asks whether he should join the company’s stakeholder pension scheme.

Dave understands the importance of saving for retirement as he has seen his parents struggle to afford small luxuries during their retirement. So he points out that state pensions on their own are unlikely to provide enough to live on comfortably.

Dave contributes 5% to his employees’ pensions. He also draws attention to the positive effect that the employer contribution can make to a pension and the benefits of starting to save for retirement at the earliest opportunity. However, he does not advise his employee to join the scheme, as he is not qualified to give advice.

Examples of what you can and cannot say are given below.

What employers can say about GPPs and stakeholder pensions

‘Saving for retirement is an important issue. State pensions form a base but are unlikely to provide everyone with enough income for a comfortable retirement.’

‘A pension may be an effective and tax-efficient way to save for your retirement.’

‘I offer a stakeholder pension scheme with XYZ company.’

‘I contribute x% of your pay to the company GPP or stakeholder pension scheme on top of any contribution you make.’

‘You should speak to an independent financial adviser if you want advice about whether to contract in or contract out of the State Second Pension.’

‘The earlier you start paying into a pension and the more you pay in, in general, the higher your pension will be.’

‘You may be entitled to Pension Credit or other income-related benefits when you retire, depending on your household income and assets when you retire.’

What employers should not say about GPPs and stakeholder pensions

‘You should definitely join the stakeholder pension or GPP scheme.’

‘I advise you to invest in the ABC investment fund.’

‘You would be better off putting your money into something else.’

‘I recommend that you transfer benefits under your old pension scheme into this scheme.’

‘You should contract in (or contract out of) the State Second Pension.’

‘You will (or will not) be entitled to Pension Credit or other benefits when you retire.’ (See note 1 on page 11.)

This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.
Appendices – Employer Pensions Information Pack

Guiding your employees through the pensions maze

What an employer can do

Case study

Pam runs a hotel and has 25 employees. When stakeholder pensions were introduced in October 2001 she arranged access to a stakeholder pension scheme for her employees, as required. At this stage she did little to promote the scheme and did not make any employer contributions.

Recently her employees – prompted by stories about pensions in the press – began to ask her about their work pensions. To act responsibly and to make sure she did not lose her most valuable employees to rival companies, Pam began making contributions to her employees’ pensions and organised for her pension provider to give a presentation to her employees. “The difference is quite marked,” she says.

“The staff were keen to join the scheme once they realised that the company would also be contributing. You can see their point – if they don’t join they’re effectively losing out on free money. The pension company set up the scheme and runs it. My employees are a lot happier now that they are doing something about saving for their retirement.”

What employers who offer occupational pensions can say to their employees about pensions

In general, you can use the guidance given on page 6. But you’ve got more scope to talk about your pension scheme. The major difference is that you can say to your employees: ‘In most cases, joining the company’s occupational pension scheme is usually the best way to save for your retirement.’

Again, it is worth remembering that there is much that you as an employer or your supervisory staff can say to employees about your occupational pension scheme. But if you are uncomfortable about answering questions, you should refer your employees to the scheme’s trustees or managers.

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Guiding your employees through the pensions maze
What an employer can do

Your questions answered

- **Can I give the scheme provider's information to my employees?**
  Yes. Trustees of occupational schemes actually have legal duties to provide certain information, but you can do more if you want. And it is good practice to send the information to each of your employees as soon as they start work or can join the scheme. This will help to make sure that they know about the scheme and its benefits structure.

- **Can I produce my own information about the pension scheme?**
  As a matter of good practice, a letter from you with the scheme information will help your employees understand why joining the scheme may be a good tax-efficient way of saving for retirement. You should get your financial adviser or pension provider to check the wording. This pack includes a standard letter which you can use and also helps you understand what you can and cannot include in any information you give to your employees.

- **Can I talk to my employees about the stakeholder scheme I offer, for example, can I do presentations to the workforce?**
  Yes – and what's more, it's an effective way to raise awareness of your scheme among your employees.

  You should stick to the facts and you should be careful not to promote the scheme (for example, in a conversation with employees). However, you might want to point out the benefits of saving for retirement so that employees will have more than the State Pension to rely on in old age. You should also make clear any contribution you make to your workplace pension scheme.

  You could suggest employees use the Association of British Insurers’ (ABI) and Financial Services Authority’s (FSA) pension calculator (www.pensioncalculator.org.uk), which will help to show the difference your contribution (and any employee contribution) can make to the size of their likely final pension. Many employees are not aware of the value of the benefits offered to them. As an employer, you will want to make sure they appreciate the investment you are making in your workforce.
Guiding your employees through the pensions maze
What an employer can do

• Can I ask someone else to talk to my employees about the workplace pension?
Yes, you can arrange for an authorised financial adviser or a representative from your pension provider to come in to discuss your employees’ pension options. Some advisers may charge a fee for this service. If you have an occupational scheme, you could arrange for the scheme trustees or managers to talk to your employees.

If you want to ask someone else in your company to talk about pensions, then this pack should act as a useful guide about what they can and cannot say. For example, supervisors, managers, human resources staff or union representatives all might find this pack useful.

• Can I tell my employees that it’s a good idea for them to join the workplace pension?
It depends on the type of scheme you offer.

If you offer your employees a group personal pension or a stakeholder pension, you can point out the need to save for retirement and the features of the workplace scheme. You should also definitely mention any contribution you make to your employees’ pensions. But you should steer clear of telling them that it’s a good idea to join the scheme.

If you offer your employees an occupational pension scheme, you have more freedom. You can point out the benefits of the scheme and you can even say to your employees: ‘In most cases, joining the company’s occupational pension scheme is usually the best way to save for your retirement.’

If you’re not sure about what kind of pension you offer, you can find out by looking at your pension scheme information booklet or by calling your pension provider or scheme trustees or managers.

• Can I highlight any contributions I make to the scheme?
Yes – it is a good idea to do this. And if you make a contribution which does not depend on the employee also making a contribution, you should make an effort to point this out.

• Isn’t this all too complicated and costly?
No, not at all. It’s easy because all an employer offering a stakeholder pension has to do is to take pension contributions from the payroll and send these by BACS or a direct debit to the pension provider, who will take care of everything else.

Pensions are tax-efficient for employers. If you pay into a pension for your employees, the payments are fully deductible as a business expense and there are no National Insurance contributions to make on your payments. What’s more, your employees benefit from tax concessions too. For every £1 that basic-rate taxpayers pay into a pension, the Government will pay an extra 28p.
Guiding your employees through the pensions maze
What an employer can do

• **What if my employees want help with other financial questions, such as those shown below?**

  1. Should I use the pension scheme to contract out of the State Second Pension?

  2. Which of the investment funds offered under the pension scheme should I choose?

  3. Would I be better off putting my money into something else, such as an Individual Savings Account (ISA), or investing in property?

  4. Is it better to top up my occupational pension with a stakeholder, an additional voluntary contribution or a personal pension?

  5. Is it a good idea to transfer benefits under my old pension scheme into this scheme?

Questions like these are decisions that employees have to make for themselves, or after taking advice from an authorised financial adviser. The right decision may not be straightforward because no two people have the same financial circumstances.

Nobody expects you as an employer to answer these types of questions, and **you should not try to do so.**

In these circumstances, the simplest and safest thing to do is to point your employees towards the sources of help and information that are available from the Employee Pensions Information Pack. Or, you can suggest that they get help from the pension scheme provider or an appropriately qualified financial adviser. If you have an occupational scheme, then the scheme’s trustees or managers can provide information but not financial advice.
Guiding your employees through the pensions maze

What an employer can do

Sources of help for you and your employees

Your questions

The Occupational Pensions Regulatory Authority (Opra) should be your first contact. You can write to Opra at:

Opra
Invicta House
Trafalgar Place
Brighton
BN1 4DW
Telephone: 01273 627600
Fax: 01273 627688
Email: helpdesk@opra.gov.uk

The Opra website home page is at:
www.opra.gov.uk

For information about what you need to do to offer your employees access to a stakeholder pension scheme, go to:
www.opra.gov.uk/stakeholderpensions

You can find information about employers and pensions at the Government’s Pension Service website at: www.thepensionservice.gov.uk

If you want to find out more about Pension Credit or other income-related benefits when you retire, you can call The Pension Service on 0845 60 60 265. If you have a hearing or speech difficulty, you should call using textphone on 0845 60 60 285. Lines are open from 8am to 8pm Monday to Friday. If you want an information leaflet on Pension Credit, call 0800 99 1234 or textphone 088 169 0133. Lines are open from 8am to 8pm Monday to Friday and 9am to 1pm on Saturdays.

The Financial Services Authority (FSA) publishes useful booklets for consumers about pensions. You can find these on their website at www.fsa.gov.uk/consumer or by calling their Consumer Helpline on 0845 606 1234.

Employees’ questions

The Employee Pensions Information Pack contains lots of useful information and has a list of useful contacts where they can get more help.

Note

No 1 In certain circumstances an employee may be entitled to Pension Credit or other income-related benefits when they retire. This can apply if they haven’t saved before and are close to retirement, or if they are a relatively low earner, particularly if you do not make a contribution to the pension scheme. However, you should not advise your employees on possible future eligibility. Instead, if they want to know more, you should suggest they contact The Pension Service on 0845 60 60 265 or a financial adviser.

This Pensions Information Pack is a prototype and has been produced only for the purposes of the Department for Work and Pensions’ pilot.
We have produced this pack with the valuable help of representatives from the following organisations: Association of British Insurers, Association of Independent Financial Advisers, Engineering Employers' Federation, National Consumer Council, Small Business Council and Trades Union Congress.

This pack is for guidance only. It is not a complete statement of the law. The contents of the pack do not represent financial or legal advice and are presented for information only. We recommend that you always take professional advice if you are not sure on any matter related to employees’ pensions or giving information about pensions saving.

This pack reflects the rules in force in June 2004. The Government is reviewing the way advice in the workplace on pensions from employers is regulated, so some of those rules might change. If they do, we will update this guidance.

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