



Employer pension contributions in the UK

—
The current landscape and the potential for innovation

Technical report

Introduction

This technical report is a companion to the report, [Employer pension contributions in the UK: the current landscape and potential for innovation](#) (PDF), which details the results and learnings from research that seeks to understand the employer pension contributions landscape and the reasons employers contribute to workplace defined contribution (DC) pensions at the levels they do. It also sought to understand the extent to which changes in employer pension contributions could be an effective lever to improve retirement income adequacy for UK employees.

In this research, Nest Insight aimed to address these gaps in understanding, looking across a broad range of employer types with a focus on workplace DC pension schemes, to answer the following kinds of questions:

- › How many of the 10 million workers brought into retirement saving through auto enrolment are offered additional employer contributions in some form? What are the levels of additional contributions? What contributions models are most prevalent?
- › How are pension contribution levels decided? What are employers' motivations for going beyond the minimum? Under what conditions would employers consider increasing contributions?
- › What alternative design options might make more effective use of limited employer budgets, in terms of potential end benefits to employees? What appetite is there to adopt these design options? How feasible would change be?

This technical report sets out in more detail the methodologies used for the research and is designed to be read in conjunction with the main findings report, as referenced above.

Overview of methodology

Objectives

This research seeks to understand the role that employers play in determining their own contribution levels and encouraging take-up of increased employee contributions in defined contribution (DC) workplace pension schemes. It aims to explore current practice, employer attitudes and the scope for broader adoption of higher contributions and more innovative matching strategies.

Specifically, the research objectives we set out to meet are:

- › Explore the current landscape of employer and employee contribution levels and structures and identify the prevalence of contribution levels above the required minimum levels, in terms of what is offered, and in actual take-up.
- › Understand employer decision making, and appetite and motivations for going beyond the minimum.
- › Explore the needs, appetite and scope for alternative design options that could make more effective use of employer budgets.

Methodology

We used a mixed research methodology approach to address these research questions, allowing a deep and robust understanding of the current landscape, why it has come to be this way, and how it might evolve. We outline our approach below.

Landscape review

To build our understanding of the current practices and thinking, as well as help us design the later two stages, our first stage included a review of the current landscape. For this review, we conducted desk research, expert interviews and secondary analysis of Nest administrative and customer relationship management (CRM) data.

Desk research

We started with a focused desk research phase to review existing sources of data on employer and employee contributions in the UK and internationally.

For our literature review, we included:

- › **Official data sources**, including the Office for National Statistics (ONS) Occupational Pensions Scheme Data and the Employers' Pension Provision Survey (EPP).
- › **Industry perspectives and research reports** including the Pensions and Lifetime Savings Association's (PLSA) Facing the Future UK Workplace Pension Schemes Survey and the Willis Towers Watson FTSE 350 employer survey.
- › **Learnings from behavioural research and papers**, including those written by leading academics James Choi, David Laibson, Brigitte Madrian and Shlomo Benartzi, looking at the impact on savings behaviours of different incentives to save more including different contributions structures.

An overview of sources and websites consulted for the desk research can be found in Appendix A.

Expert interviews

To stretch our thinking on different possible models and their potential benefits and drawbacks, we conducted interviews of around 45 minutes with 5 experts, including behavioural economists with expertise in this area, a technical expert at a master trust and policy leads from industry bodies.

The following topics were covered in the interviews:

- › Views on the role that employers can play in boosting retirement income adequacy and broader financial wellbeing, now and in the future.
- › Guiding theories and principles as well as perceived drivers and barriers for both existing and more innovative pension contributions structures and matching strategies.
- › Examples of effective and innovative pension contributions strategies seen both in practice and in academic research.

Interviews were conducted by video call and a topic guide covering the above topics was used to structure the interviews.

Nest data analysis

As a first exploration of the range and distribution of different contribution strategies that exist in the UK, we conducted secondary analysis of Nest administrative and CRM data. While the outcome of this analysis does not give us a fully representative picture of contribution strategies used by UK employers, it is nonetheless a large sample of UK employers and also helped us with the design and interpretation of the later stages of our research.

The sample for this analysis included employers who have made at least one contribution in the period March 2021 to October 2021 and comprised 507,000 employers making 34 million contributions in this period.

When referring to the findings of this analysis, please note the following specifics about Nest employer membership:

- › Nest's data is limited to those employers using Nest as their workplace pension, which include a high proportion of employers whose decisions were driven by the need to comply with auto enrolment requirements.
- › For many Nest employers, especially larger employers, the Nest data are limited to a subgroup of workers who are often lower-paid and higher-turnover segments of the workforce.
- › Administrative data can only show how an employer configured Nest, not the rationale for doing so. There are also blind spots in our analysis: for instance, an employer who appears to make up the full 8% minimum contribution in exchange for a 0% employee contribution may in fact be using a salary sacrifice arrangement, where the employee is in effect still paying the equivalent cost of a contribution.
- › The on-screen set-up process that most employers used to configure Nest was historically deliberately designed to guide them towards a simpler set-up, with defaults at the minimum contribution levels.

Qualitative research

The second stage included qualitative research with employers, advisors and influencers. In January 2022 and February 2022, we conducted 30 in-depth interviews. Each interview lasted between 45 minutes to an hour and was conducted online.

Sample

The sample included 22 employer pension decision makers across a range of sizes (employee numbers) and industries, and 8 employer advisors and influencers. Our sample was split as follows:

Table 1: Sample breakdown for qualitative research

| Employer sample | Number of interviews | Employer advisor and influencer sample | Number of interviews |
|---------------------------|----------------------|--|----------------------|
| Up to 250 employees | 4 | Employer benefit consultants | 4 |
| 250 – 999 employees | 4 | Union representatives | 2 |
| 1,000 – 4,999 employees | 4 | Industry bodies | 2 |
| 5,000 – 29,999 employees | 4 | | |
| 30,000 employees and more | 6 | | |

Topics covered

The interviews covered the following topics:

- › Business context and background.
- › Impact of external factors including Covid-19 and economic context.
- › Details on current pension arrangements offered and how this might sit within wider benefits offering and broader financial wellbeing strategies.
- › Details on current defined contribution (DC) pension contribution structure(s) offered and how this might vary for different groups.
- › Motivations and decision-making process behind current contribution arrangements, including influencers, budgeting and trade-offs.
- › Drivers for and barriers to adopting alternative and innovative contribution structures.

Some case studies and quotes have been generalised to protect anonymity.

Research stimuli

To stimulate discussion around drivers for and barriers to adopting alternative and innovative contribution structures, interviewees were shown simplified explanations of a range of contribution models that were identified in the earlier stages of the research. The moderator provided a more detailed explanation of each model while showing the stimulus to interview participants through screen-sharing. The research stimuli used for the interviews can be found in Appendix B.

Quantitative research

The final research stage involved a 20-minute online quantitative survey with 500 UK employer decision makers. The survey was conducted by YouGov and was in field between 23 March 2022 and 9 April 2022.

Objectives

The quantitative phase aimed to explore these themes further, with the following specific objectives:

- › Quantify prevalence of different contribution patterns, attitudes and motivations identified in the earlier stages of our research.
- › Quantify the relevance and appeal of alternative and more innovative structures.
- › Identify variation by employer characteristics including size (number of employees) and sector.
- › Quantify opportunities for employer contribution and matching strategies to play a larger role in supporting retirement income adequacy and/or broader financial wellbeing.

Sample and screening criteria

The sample was drawn from YouGov's UK business panel, which has been pre-screened across a number of variables, thereby enabling the identification of eligible individuals with responsibility for decisions involving pensions at their company.

In addition to this pre-screening, further in-survey screening was included to ensure that all respondents completing the survey satisfied the following criteria:

- › Knowledge of how pension scheme decisions are made in their organisation, and how schemes are run.
- › A defined contribution (DC) scheme offered in their organisation.

Survey topics

The questionnaire predominantly contained closed questions and some open-ended questions. The following topics were included in the following order:

- › **Firmographics** including sector, legal structure, employee profile, payroll set up.
- › **Employee benefit offering.**
- › **Pension set-up** including number of schemes, type(s) of scheme(s), review and employee engagement.
- › **Pension contributions set-up** including auto enrolment offering, matching offering and take-up, reasons for offering minimum pension contribution levels or more, salary sacrifice offering and take-up.
- › **Pension contribution levels** including base / default and maximum levels offered within each scheme and/or sub section of a scheme, and whether these are based on qualified earnings or all earnings.
- › **Pension contribution decision making** including influence of decision makers, factors for decision making, budgeting and triggers for change.
- › **Responses to different contribution structure features and approaches** including ranking of key features and evaluation of alternative approaches.

The full questionnaire can be found in Appendix C.

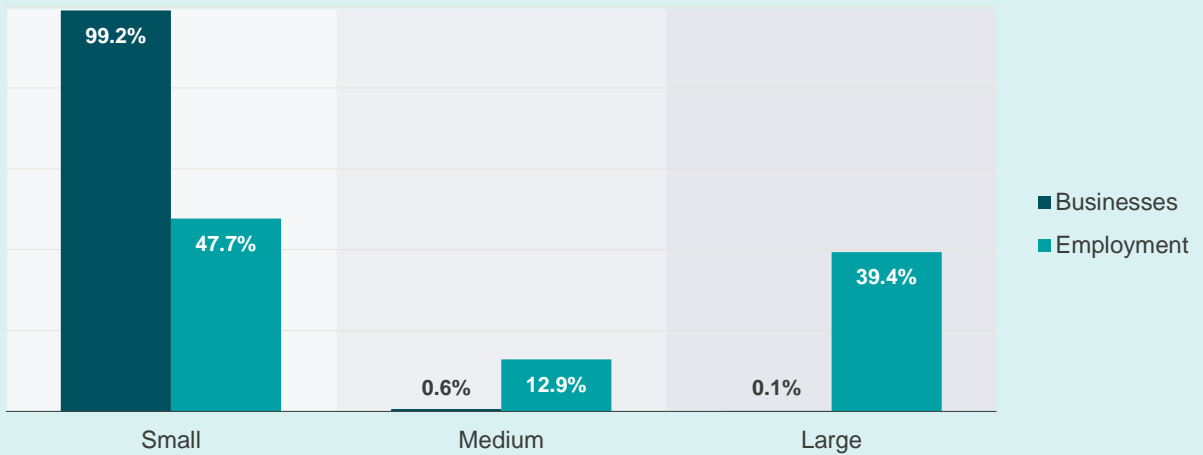
An important note on interpretation of survey data included in this report: looking at the employer population by contribution to employment, rather than the number of businesses of each size

Our focus in this research is on the role employers play in the workplace pension outcomes of their employees.

According to government business population estimates for 2021, 99.2% of the total business population is made up of small employers – those with 0–49 employees.¹ However small employers account for a much lower proportion of employment: 48% of employees work for a small employer.

¹ Department for Business, Energy & Industrial Strategy Business Population Estimates for the UK, 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1019907/2021_Business_Population_Estimates_for_the_UK_and_regions_Statistical_Release.pdf

Figure 1: Contribution of different sized employers to total UK business population and employment, as at the start of 2021



Source: Department for Business, Energy & Industrial Strategy, Business population estimates, 2021

If we were to simply consider the proportion of businesses responding to certain survey questions in different ways, the results would be highly skewed to the profile of smaller employers, even though they only employ around half of employees. We believe that this would give a distorted view of the landscape when our research questions are focused on the impact of employer pension contribution approaches on employees.

In our analysis and reporting we have therefore looked at the employer population through the lens of employment and weighted the survey data accordingly. This means that when we say, for example ‘4 in 10 employers do X’, this data has been weighted to be representative of employers based on their contribution to employment, rather than the incidence of that size of employer in the total business population. This therefore can also be interpreted as ‘4 in 10 employees work for an employer which does X’, and in places in this report we have stated the results in this way. Where we feel it is particularly important to show the difference between the weighted and unweighted data, we have added a footnote.

Data weighting

Initial quotas based on the Business Population Estimates 2021 figures² were set for fieldwork for:

- › business size by contribution to employment
- › industry
- › region.

The survey approach provided good reach across the employer population in terms of industry and region. However, as has been found in other research with employer decision makers, it was particularly difficult to recruit individuals working in large businesses. This meant that for business size in particular the achieved figures varied from the quotas. In the data processing phase of the project, the data were weighted back to the original quota figures, which meant that responses from large employers needed to be upweighted:

² Department for Business, Energy & Industrial Strategy Business Population Estimates for the UK, 2021

| Employer size | Achieved | Quota/ weighted figure | Grouping |
|---|----------|---------------------------|----------|
| 2 to 4 | 32.7% | 17.6% | Micro |
| 5 to 9 | | | |
| 10 to 19 | | | |
| 20 to 34, 35 to 49 | 29.7% | 18.6% | Small |
| 50 to 99 | 20.3% | 15.7% | Medium |
| 100 to 249 | | | |
| 250 to 499 | | | |
| 500 to 999, 1,000 to 4,999, 5,000 to 29,999, 30,000 or more | 17.3% | 48.1% | Large |

The discrepancies between the achieved sample and the weighted figures for employer size led to a relatively low weighting efficiency score for employer size of 48%. This was in contrast to region and industry which achieved weighting efficiency scores of 97% and 74% respectively. The overall weighting efficiency was 38%.

For further details on achieved quotas please see Appendix D and for subgroup sample sizes please see Appendix E.

Appendix A – Desk research sources

This section details the sources of literature in our desk research review.

- › ABI, **Automatic Enrolment: What will the next decade bring?**, 2022
- › Aon, **DC Pension Scheme and Wellbeing Survey 2022**, 2022
- › Beshears et al, **How do consumers respond when default options push the envelope?**, 2017
- › Benartzi (Voya), **Plan design during challenging times**, 2021
- › CBI/Mercer, **Pensions Survey 2021**, 2021
- › Department of Work and Pensions (DWP), **Automatic enrolment evaluation report**, 2018
- › Department of Work and Pensions (DWP), **Automatic enrolment evaluation report**, 2019
- › Department of Work and Pensions, **Employers' Pension Provision Survey**, 2018
- › EBRI, Van Der Hei, **The Impact of Automatic Enrolment in 401(k) Plans on Future Retirement Accumulations: A simulation Study Based on Plan Design Modifications of Large Plan Sponsors**, 2010
- › IAPF, Average Employer-Employee Contribution across Defined Contribution Pension Schemes, 2015
- › Mercer Marsh Benefits, **UK Employee Benefits and Technology Trends Report**, 2022
- › N Cominetti and F Odamtten, Resolution Foundation, **Living Pensions: An assessment of whether workers; pension saving meets a 'living pension' benchmark**, 2022
- › ONS, **Employee Workplace Pensions in the UK**, 2019
- › ONS, **Financial Survey of Pension Schemes (FSPS)**, 2019
- › ONS, **Occupational Pensions Scheme Survey (OPSS)**, 2019
- › PwC, **Global Workforce Hopes and Fears Survey**, 2022
- › PPI, **Auto enrolment – success worth building on**, 2020
- › PPI, **Pension charging structures and beyond**, 2019
- › PPI, **Increasing savings in automatic enrolment**, 2019
- › PPI, **DC Future Book 2021**, 2021
- › PPI, **How can today's pension savers prepare for tomorrow's retirement?**, 2021
- › PLSA, **WPSC Call for Evidence: Saving for later life – PLSA Response**, 2022
- › PLSA, **Facing the future**, 2020
- › PLSA, **Hitting the Target: A vision for retirement adequacy**, 2018
- › Scottish Widows, **2022 Retirement Report**, 2022
- › tPR, **Automatic enrolment commentary and analysis**, 2019
- › tPR, **DC trust scheme return data**, 2019
- › tPR, **DC trust-based pension schemes research: summary report**, 2021.
- › Wittwer, K, Beyond Auto-enrolment: Auto-escalation and Stretch Match, 2015
- › WTW, **FTSE350 DC Pension Survey 2021**, 2021
- › Vanguard, **Autoenrolment: The power of the default**, 2020
- › Vanguard, **How America Saves**, 2021
- › Vanguard, **Stretching the match: unintended effects on plan contributions**, 2018
- › Voya, **A Blueprint for Retirement Success**, 2016

Appendix B – Qualitative research stimuli

Figure 2: Stimulus shown in the interviews - existing contribution structures

STIMULUS 1: Some existing contribution structures...

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------|----|----------|----|------------|----|--|-------------------------------|-----|------------------|----|--|----------|------------------|-----|----------------------------------|----------|----|----|----|----------|----|----|----|----------|----|----|-----|
| <p>Auto-enrolment compliant</p> <p>Complying with AE legislation on qualifying or all earnings:</p> <table border="1"> <tr><td>Employee</td><td>4%</td></tr> <tr><td>Employer</td><td>3%</td></tr> <tr><td>Tax relief</td><td>1%</td></tr> </table> | Employee | 4% | Employer | 3% | Tax relief | 1% | <p>Non-contributory employer contribution</p> <p>Component of contribution structure or all of it, for example:</p> <table border="1"> <tr><td>Employee</td><td>0%</td></tr> <tr><td>Employer</td><td>8%</td></tr> </table> | Employee | 0% | Employer | 8% | <p>Escalating match</p> <p>For example, equal matching 1:1</p> <table border="1"> <tr><td>Employee</td><td>4%</td><td>5%</td><td>6%</td></tr> <tr><td>Employer</td><td>6%</td><td>7%</td><td>8%</td></tr> </table> <p>Or double matching 1:2</p> <table border="1"> <tr><td>Employee</td><td>4%</td><td>5%</td><td>6%</td></tr> <tr><td>Employer</td><td>7%</td><td>8%</td><td>10%</td></tr> </table> | Employee | 4% | 5% | 6% | Employer | 6% | 7% | 8% | Employee | 4% | 5% | 6% | Employer | 7% | 8% | 10% |
| Employee | 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax relief | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee | 4% | 5% | 6% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer | 6% | 7% | 8% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee | 4% | 5% | 6% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer | 7% | 8% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Above AE compliance employer contribution</p> <p>Employer contributing more than 3%, for example:</p> <table border="1"> <tr><td>Employee</td><td>4%</td></tr> <tr><td>Employer</td><td>6%</td></tr> <tr><td>Tax relief</td><td>1%</td></tr> </table> | Employee | 4% | Employer | 6% | Tax relief | 1% | <p>External quality mark</p> <p>For example PLSA Quality Mark</p> <table border="1"> <tr><td>Minimum overall contributions</td><td>12%</td></tr> <tr><td>Employer minimum</td><td>6%</td></tr> </table> <p>or PLSA Quality Mark Plus</p> <table border="1"> <tr><td>Minimum overall contributions</td><td>15%</td></tr> <tr><td>Employer minimum</td><td>10%</td></tr> </table> | Minimum overall contributions | 12% | Employer minimum | 6% | Minimum overall contributions | 15% | Employer minimum | 10% | <p>Something else...?</p> | | | | | | | | | | | | |
| Employee | 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax relief | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum overall contributions | 12% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer minimum | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum overall contributions | 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer minimum | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Interviewees were shown examples of existing contribution structures as identified in the earlier stages of the research.

Figure 3: Stimulus shown in the interviews – alternative, innovative contribution structures

STIMULUS 2: Some different contribution structures...

| | | |
|--|---|--|
| <p>Stretch match</p> <p>Stretching the employer additional match budget over a broader range of employee contributions to manage employer contribution budgets whilst continuing to incentivise higher employee saving.</p> | <p>Fixed-pound match</p> <p>Offering employees e.g. a £500 employer contribution a year if they increase their own contribution by one percentage point.</p> | <p>Auto escalation</p> <p>e.g. Save More Tomorrow – employee commits now to an increased contribution at the time of a future <u>payrise</u> (with or without employer match)</p> |
| <p>Higher default settings</p> <p>Giving employees option to opt down to minimum contributions rather than opting in to higher contributions</p> | <p>Employer pension matching for alternative saving options</p> <p>e.g. employer pension contributions are made if employees are contributing the equivalent employee contribution amount to paying off student debt</p> | <p>Something else...?</p> |

Interviewees were shown examples of innovative contribution structures as identified in the earlier stages of the research

Appendix C – Quantitative questionnaire

This section details the questionnaire used to survey respondents, including scripting instructions.

Section A: Screener

[SCR1] What level of knowledge do you have about how pension schemes are decided and run in your organisation? SINGLE CODE

| | |
|---------|--------------------------------------|
| 1 | I have a lot of knowledge about this |
| 2 | I have some knowledge about this |
| 3 CLOSE | I have no knowledge about this |

[SCR2] Including yourself, approximately how many people are employed by the organisation that you work for? SINGLE CODE

Please only include employees whose pay and benefits are decided on and controlled by your organisation.

| | | | |
|---------|-------------|-----|-----------------|
| 1 CLOSE | 1 (just me) | 8 | 100 to 249 |
| 2 | 2 to 4 | 9 | 250 to 499 |
| 3 | 5 to 9 | 10 | 500 to 999 |
| 4 | 10 to 19 | 11 | 1,000 to 4,999 |
| 5 | 20 to 34 | 12 | 5,000 to 29,999 |
| 6 | 35 to 49 | 13 | 30,000 or more |
| 7 | 50 to 99 | 977 | Don't know |

[SCR4] Do you / your organisation have to provide a pension scheme under UK pension duties? SINGLE CODE

| |
|--|
| <p>Answer 'yes' if:</p> <ul style="list-style-type: none"> You / your organisation employ at least one person aged between 22 and State Pension age who earns more than £192 per week (£833 per month or £10,000 per year) <p>Answer 'no' if:</p> <ul style="list-style-type: none"> you're a director of a business with no employees you're freelance or self-employed your business only has directors, none of whom has an employment contract your business is no longer active you have one or more employees but they are all under age 22 or over State Pension age but they all earn less than £192 per week (£833 per month or £10,000 per year) |
|--|

| | |
|---------|-----|
| 1 | Yes |
| 2 CLOSE | No |

[SCR3] We are now going to ask about pension schemes offered in your organisation.

Which of the following types of pension scheme does your organisation provide? MULTI CODE

Please select all that apply. If you are unsure about what these schemes are, please hover over the text for more information.

| | |
|------------------------|----------------------------------|
| 1 CLOSE IF ONLY SRC3=1 | Defined benefit scheme (DB) |
| 2 | Defined contribution scheme (DC) |
| 977 | Don't know |

Hover-over definitions:

| |
|--|
| <p>Defined benefit scheme (DB)</p> <p>A defined benefit pension scheme promises a specific retirement income. At retirement, employees receive a defined amount based on earnings and length of membership in the scheme. One example of a defined benefit scheme is a final salary scheme.</p> |
| <p>Defined contribution scheme (DC)</p> <p>In a defined contribution pension scheme, the amount an employee gets in retirement is not guaranteed. Both employees and employers may make contributions into the pension. At retirement, employees receive an amount based on total contributions and growth through investments performance over time. Many employers use this kind of scheme to meet their automatic enrolment duties, for example with Nest, NOW, Smart Pension, The People's Pension, Legal & General, etc.</p> |

Section B: Firmographics

[F1] Which ONE of the following industry sectors best describes the one your organisation operates in? SINGLE CODE

If none are appropriate, then please select 'Other' and type in a more suitable response.

| | | | |
|---|-----------------------------------|-----|------------------------------------|
| 1 | Agriculture, Forestry and Fishing | 10 | Real Estate Activities |
| 2 | Mining and Quarrying | 11 | Prof., Scientific and technical |
| 3 | Manufacturing | 12 | Admin. and Support Service |
| 4 | Construction | 13 | Education |
| 5 | Wholesale and Retail Trade | 14 | Health and Social Work |
| 6 | Transportation and Storage | 15 | Arts, Entertainment and Recreation |
| 7 | Accommodation and Food Service | 16 | Other Service Activities |
| 8 | Information and Communication | 955 | Other [open] Please specify |
| 9 | Financial and Insurance | | |

[F5] We're interested in understanding more about the make-up of your organisation. Roughly, how well do each of the below describe employees at your organisation? SINGLE CODE PER VARIABLE

| | |
|------|--|
| F5_1 | Men |
| F5_2 | Women |
| F5_3 | Workers in highly skilled jobs (likely to be university / higher educated) |
| F5_4 | Workers in manual / unskilled jobs |
| F5_5 | Salaried workers |
| F5_6 | Hourly-paid workers |
| F5_7 | Employees who leave the organisation after less than 2 years of employment |
| F5_8 | Employees who have worked for the organisation for more than 10 years |

| | |
|---------|--|
| (SCALE) | |
| 1 | This describes all of our employees |
| 2 | This describes most of our employees |
| 3 | This describes some of our employees |
| 4 | This doesn't describe any of our employees |
| 977 | Don't know |

[F6] Roughly, how many of your employees have annual earnings across each of the following bands? SINGLE CODE PER VARIABLE

| | |
|------|---------------------|
| F6_1 | Under £10,000 |
| F6_2 | £10,000 - £29,999 |
| F6_3 | £30,000 - £49,999 |
| F6_4 | £50,000 - £99,999 |
| F6_5 | £100,000 - £149,999 |
| F6_6 | £150,000 or more |

| | |
|---------|--|
| (SCALE) | |
| 1 | This describes all of our employees |
| 2 | This describes most of our employees |
| 3 | This describes some of our employees |
| 4 | This doesn't describe any of our employees |
| 977 | Don't know |
| 998 | Prefer not to say |

[F7] What proportion of each of the following types of employee does your organisation have? SINGLE CODE PER VARIABLE

| | |
|------|-------------------------------|
| F7_1 | Permanent full-time employees |
| F7_2 | Permanent part-time employees |
| F7_3 | Temporary full-time employees |
| F7_4 | Temporary part-time employees |
| F7_5 | Contractors |

| | |
|---------|--|
| (SCALE) | |
| 1 | This describes all of our employees |
| 2 | This describes most of our employees |
| 3 | This describes some of our employees |
| 4 | This doesn't describe any of our employees |
| 977 | Don't know |

[F8] Which of the following best describes your organisation's payroll process? SINGLE CODE

| | |
|-----|--|
| 1 | We fully outsource payroll to a third-party payroll bureau, accountant, or bookkeeper |
| 2 | We partially outsource payroll, but we prepare some of the payroll information in-house |
| 3 | We run all payroll in-house, using standard 'off the shelf' software (e.g. Sage, QuickBooks, Xero) |
| 4 | We run all payroll in-house, using our own payroll system or a bespoke version of proprietary software (e.g. SAP, iTrent etc.) |
| 955 | Other [open] Please specify |
| 977 | Don't know |

Section C: Employee benefits

Next, we'd like to ask you some questions about employee benefits at your organisation.

[B1] Which of the following benefits, if any, does your organisation offer to employees? SINGLE CODE PER VARIABLE

| | | | |
|------|---|-------|---|
| B1_1 | Company car | B1_8 | Life assurance / death in service benefit |
| B1_2 | Critical illness / income protection | B1_9 | Payroll or hardship loans |
| B1_3 | Cycle to work scheme | B1_10 | Payroll saving |
| B1_4 | Health / dental cash plan (e.g. Simply Health, Health Shield) | B1_11 | Salary advance / earned wage access |
| B1_5 | Discounted canteen / food vouchers | B1_12 | Season ticket loan for travel |
| B1_6 | Gym / leisure membership | B1_13 | Shopping discounts / vouchers |
| B1_7 | Health insurance / private medical insurance | B1_14 | Support with childcare |

| | |
|---------|------------------------------|
| (SCALE) | |
| 1 | Offered to all employees |
| 2 | Offered to some employees |
| 3 | Not offered to any employees |
| 977 | Don't know |

[B2] Who do you consider to be most responsible for ensuring employees are financially secure during their working life?

Please rank from most (1) to least responsible (3).

| | |
|---|----------------|
| 1 | The employee |
| 2 | The employer |
| 3 | The government |

[B3] And now, who do you consider to be most responsible for ensuring employees have enough pension savings to have a financially secure retirement?

Please rank from most (1) to least responsible (3).

| | |
|---|----------------|
| 1 | The employee |
| 2 | The employer |
| 3 | The government |
| 4 | Don't know |

Section D: Pension schemes

We would now like to ask you about the pension scheme(s) at your organisation.

You don't need to be a pensions expert to answer these questions. If you're not sure about the answer to a question, please do not worry - try your best to answer, or you can select 'don't know'. All your feedback is valuable to us, including 'I don't know' responses.

[P1] Earlier in the survey, you said that your organisation doesn't currently provide a **defined benefit scheme (DB)**. Has your organisation previously offered this? SINGLE CODE

Hover-over definition:

| | |
|---|--|
| Defined benefit scheme | |
| A defined benefit pension scheme promises a specific retirement income. At retirement, employees receive a defined amount based on earnings and length of membership in the scheme. One example of a defined benefit scheme is a final salary scheme. | |

| | |
|-----|------------|
| 1 | Yes |
| 2 | No |
| 977 | Don't know |

[P2] Roughly what percentage of your organisation's workforce would you estimate are currently in or eligible for a defined benefit (DB) scheme? RANGE: 0 – 100%

| | | |
|-----|------------|-----|
| 0 | _____ | 100 |
| 977 | Don't know | |

Section E: Defined contribution schemes

The rest of the questions we ask will be focused on defined contribution (DC) schemes. If your organisation has both **defined benefit** and **defined contribution** schemes, please now answer thinking only about your defined contribution scheme(s).

Hover text definitions

| |
|---|
| <p>Defined benefit scheme: A defined benefit pension scheme promises a specific retirement income. At retirement, employees receive a defined amount based on earnings and length of membership in the scheme. One example of a defined benefit scheme is a final salary scheme.</p> <p>Defined contribution scheme: In a defined contribution pension scheme, the amount an employee gets in retirement is not guaranteed. Both employees and employers may make contributions into the pension. At retirement, employees receive an amount based on total contributions and growth through investments performance over time.</p> |
|---|

[P3] How many different defined contribution (DC) schemes does your organisation have? SINGLE CODE

| | |
|---|-------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3-5 |
| 4 | More than 5 |

[P4] What percentage of your employees who are auto-enrolled in your defined contribution (DC) pension scheme(s) would you estimate opt out of the plan? SINGLE CODE

If you have more than one scheme, please give an approximate average across all the schemes you have.

| | |
|-----|-------------|
| 1 | 0% |
| 2 | 1-9% |
| 3 | 10-19% |
| 4 | 20-29% |
| 5 | 30% or more |
| 977 | Don't know |

[P5] You said that your organisation provides a defined contribution (DC) scheme. Which of the following types of DC scheme does your organisation provide? SINGLE OR MULTI CODE (DEPENDING ON NUMBER OF SCHEMED OFFERED)

| | |
|-----|---|
| 1 | A multi-employer scheme run by a master trust provider (e.g. Nest, NOW, Smart Pension, The People's Pension, Legal & General) |
| 2 | A scheme provided for our organisation on a contract basis by an insurance company (e.g. a Group Personal Pension) |
| 3 | A scheme run or sponsored by my organisation (we run our own scheme) |
| 955 | Other [open] Please specify |
| 977 | Don't know |

[P6] Which of the following statements describes the reason(s) why you have more than one defined contribution (DC) scheme? ASK IF CODED 2, 3, 4 OR 5 AT P3, MULTI CODE, RANDOMISE

Please select all that apply.

| | |
|---|---|
| 1 | We offer different schemes to different employees based on seniority / job grade |
| 2 | We offer different schemes to different employees based on the length of time they have been employed |
| 3 | We offer different schemes to different employees because of mergers and/or acquisitions |

| | |
|-----|---|
| 4 | We offer different schemes to different employees because we have continued to honour old benefits for some employees after we have rolled out a new scheme |
| 5 | We offer different schemes to employees based on their own preference |
| 6 | We introduced a new scheme to meet our automatic enrolment obligations, but also kept in place one or more existing schemes |
| 955 | Other [open] Please specify |
| 977 | Don't know |

[P7] How often does your organisation review the following? SINGLE CODE PER VARIABLE

| | |
|------|---|
| P7_1 | Pension investment options offered to employees |
| P7_2 | Payroll system / provider |
| P7_3 | Pension contribution structure |
| P7_4 | Pension scheme provider |

Hover text definition

| |
|--|
| <p>Pension contribution structure</p> <p>the levels that employer and employee contributions are set at</p> |
|--|

| | |
|---------|---|
| (SCALE) | |
| 1 | Once a year or more |
| 2 | Once every couple of years |
| 3 | Once every 3-5 years |
| 4 | On an ad-hoc basis |
| 5 | Only when we have to (e.g. for compliance or cost reasons) |
| 955 | Other |
| 966 | Not applicable - we don't review this / have no plan to do so |
| 977 | Don't know |

[P8] In the last 12 months, which of the following channels has your organisation used to communicate about pensions to employees, if any? MULTI CODE, RANDOMISE ORDER

Please select all that apply.

| | |
|---|---|
| 1 | Digital information portal / dedicated intranet section |
| 2 | Email |
| 3 | Employee inductions |
| 4 | In-person workshops / sessions |

| | |
|-----|--|
| 5 | Online workshops / sessions / webinars |
| 6 | Posters / leaflets |
| 955 | Other [open] Please specify |
| 977 | Don't know |
| 966 | None of the above |

Section F: Employer pension contributions

Next, we'd like to understand what employer pension contributions your organisation offers to employees who are eligible for a pension.

For the following questions, if you have more than one pension scheme, please think across your whole employee population considering all schemes.

The total minimum pension contribution in the UK for eligible employees is 8% of earnings, including a minimum contribution of 3% from the employer.

[PC1] For employees who are eligible for a workplace pension, which of the following does your organisation offer? SINGLE CODE

| | |
|-----|--|
| 1 | The minimum required employer contribution of 3% for all eligible employees |
| 2 | The minimum required employer contribution of 3% for some employees and more than 3% for other employees |
| 3 | More than the minimum employer contribution of 3% for all employees |
| 977 | Don't know |

[PC2] For what percentage of your eligible employees does your organisation contribute more than 3%? Please estimate if you are not sure. ASK IF CODED 2 AT PC1. RANGE: 0 – 100%

| | |
|-----|----------|
| 0 | 100 |
| 977 | Not sure |

[PC3] For which categories of employee does your organisation contribute more than the minimum required to some employees' pensions? MULTI CODE, RANDOMISE

Please select all that apply.

| | |
|---|--|
| 1 | Seniority - we contribute more for employees at certain levels or in certain roles |
| 2 | Matching - we contribute more for employees who contribute more than the minimum themselves |
| 3 | Length of tenure - we contribute more for employees who have been with the organisation for a certain length of time |

| | |
|-----|---|
| 4 | Historical contractual arrangements - we contribute more for some employees to honour previous commitments (e.g. because of TUPE) |
| 5 | Age - we contribute more for employees when they reach a certain age |
| 955 | Other [open] Please specify |
| 977 | Don't know |

Hover text definition

| |
|---|
| <p>Matching</p> <p>A matched contribution structure allows the employee to receive a higher rate of employer contribution if they opt to contribute above the default employee contribution level, up to defined maximum rates of employer and employee contributions.</p> |
|---|

[PC4] Do you offer matched contributions to any of your employees? SINGLE CODE

Hover text definition

| |
|---|
| <p>Matched contributions</p> <p>A matched contribution structure allows the employee to receive a higher rate of employer contribution if they choose to contribute above the default employee contribution level themselves.</p> <p>For example, an employer might have a default contribution of 3% from the employer and 5% from the employee, but would contribute 4% if the employee increases their contribution to 6%, and 5% if the employee increases their contribution to 7%.</p> |
|---|

| | |
|---|---|
| 1 | Yes, we offer matched contributions to all employees |
| 2 | Yes, we offer matched contributions to some employees |
| 3 | No, we don't offer any matching contributions |

[PC5a] Roughly what proportion of your employees are eligible for matched contributions from the employer if they contribute more themselves? SHOW IF CODED 2 AT PC4. RANGE: 0 – 100%

| | |
|-----|-----------|
| 0 | _____ 100 |
| 977 | Not sure |

[PC5b1] Roughly what percentage of your employees who are eligible for matched contributions from the employer if they contribute more themselves actually take it up? SHOW IF CODED 2 AT PC4.

| | |
|---------|---|
| PC5b1_1 | Take up some of the match they are eligible for |
| PC5b1_2 | Take up all of the match they are eligible for |

| | |
|-----------|--|
| PC5b1_3 | Take up all of the match they are eligible for and also contribute more themselves through payroll |
| PC5b1_4 | Do not take up any matched contributions |
| PC5b1_977 | Don't know |

[PC6a] You've said your organisation offers more than the legal minimum 3% employer contribution for some or all of your employees. What are the reasons for this? SHOW IF CODED 2 OR 3 AT PC1, MULTI CODE, RANDOMISE

Please select all that apply.

| | | | |
|---|--|-----|--|
| 1 | It is expected in our sector | 7 | It is good for employee recruitment |
| 2 | We were advised on this strategy by an external advisor (e.g. an accountant, employee benefits consultant) | 8 | It is good for employee retention |
| 3 | A senior leader / leaders decided it based on their opinion or experience | 9 | We consulted with employee representative groups or unions |
| 4 | We took into account how our defined contribution (DC) scheme employer contributions compared to a defined benefit (DB) pension scheme (e.g. when we closed a DB scheme) | 10 | We wanted to be independently accredited as a good pension scheme (e.g. followed contributions levels in line with Pensions Quality Mark or Quality Mark Plus) |
| 5 | We modelled retirement outcomes / considered salary replacement ratios for our employees | 955 | Other [open] Please specify |
| 6 | We want to do as much as we can to support our employees to save for retirement | 977 | Don't know |

[PC6b] For what reason(s) does your organisation offer a 3% employer contribution (the legal minimum) for some, but not at all, of your employees? SHOW IF CODED 2 AT PC1, MULTI CODE, RANDOMISE

Please select all that apply.

| | | | |
|---|---|----|---|
| 1 | We offer a 3% default contribution in a matching structure, and contribute more for some employees if they contribute more themselves | 9 | Some or all of our employees are only employed on short-term / temporary contracts |
| 2 | It is the amount recommended by government | 10 | We do not need to contribute more for all employees because it is not expected / the norm in our sector |
| 3 | We have concerns about being seen to give advice on recommended contributions levels | 11 | We prioritise putting money into other benefits |

| | | | |
|---|---|-----|--|
| 4 | Our accountant or advisor set up our contribution levels for us | 12 | We prioritise putting money into base salary |
| 5 | We selected the default setting in our payroll software / pension provider set up | 13 | We were advised on this strategy by an external advisor (e.g. an accountant, employee benefits consultant) |
| 6 | We cannot afford to contribute more than the minimum for all employees | 955 | Other [open] Please specify |
| 7 | It is too complicated to contribute more than the minimum for all employees | 977 | Don't know |
| 8 | Some or all of our employees do not value pensions for it to be worth contributing more | | |

[PC7] For what reason(s) does your organisation offer a 3% employer contribution (the legal minimum) for all of your employees? SHOW IF CODED 1 AT PC1, MULTI CODE, RANDOMISE

Please select all that apply.

| | | | |
|---|---|-----|--|
| 1 | We did not know it was possible to contribute more than 3% as an employer | 9 | Some or all of our employees are only employed on short-term / temporary contracts |
| 2 | It is the amount recommended by government | 10 | We do not need to contribute more because it is not expected / the norm in our sector |
| 3 | We have concerns about being seen to give advice on recommended contributions levels | 11 | We prioritise putting money into other benefits |
| 4 | Our accountant or advisor set up our contribution levels for us | 12 | We prioritise putting money into base salary |
| 5 | We selected the default setting in our payroll software / pension provider set up | 13 | We were advised on this strategy by an external advisor (e.g. an accountant, employee benefits consultant) |
| 6 | We cannot afford to contribute more than the minimum | 955 | Other [open] Please specify |
| 7 | It is too complicated to contribute more than the minimum | 977 | Don't know |
| 8 | Some or all of our employees do not value pensions for it to be worth contributing more | | |

[PC13] Does your organisation offer a salary sacrifice pension arrangement for employees eligible for a pension? SINGLE CODE

Hover text definition

Salary sacrifice: Salary sacrifice (or salary exchange) is a tax-efficient way to make pension contributions. An employee agrees contractually to a reduction in their gross pay (by an amount equal to their employee pension contributions) and in exchange, the employer agrees to pay increased employer pension contributions instead. Using salary sacrifice means that the employee and the employer both pay less in National Insurance contributions.

| | |
|-----|--|
| 1 | Yes, for all employees eligible for a pension |
| 2 | Yes, for some employees eligible for a pension |
| 3 | No |
| 977 | Don't know |

1.1 Section G: Employer pension contributions levels

In this section, the survey was routed based on responses to p3 (number of pension schemes operated within the organisation).

Included here are the paths for those operation one and two pension schemes. Those operating three or more pension schemes followed a similar path to those operating two schemes.

PATH 1 - THOSE OPERATING ONE DC PENSION SCHEME

[PL1a] You said you have one DC pension scheme at your organisation. Are all employees in this scheme treated the same or does the scheme have sub-sections with different rules for different employees? SHOW IF CODED 1 AT P3, SINGLE CODE

For example, you could have different sub-sections with different contribution levels for different job grades or lengths of employment...

| | |
|---|---|
| 1 | All employees are treated the same in this scheme |
| 2 | There are different sub-sections in this scheme for different groups of employees |

[PL1b] You said that there are different sub-sections within your scheme. How many sub-sections are there?

| | |
|---|------------------------|
| 1 | 2 sub-sections |
| 2 | 3 or more sub-sections |

[PL2] Do you operate a relief at source or a net pay pension scheme?

| | |
|-----|--------------------------------------|
| 1 | We operate a relief at source scheme |
| 2 | We operate a net pay scheme |
| 977 | Don't know |

Hover over definitions:

| |
|---|
| <p>Relief of source scheme</p> <p>Employee contributions are deducted from net pay after income tax has been calculated. Pension tax relief is then added to the employee contribution by the pension provider.</p> |
| <p>Net pay scheme</p> <p>Employee contributions are deducted from gross pay before income tax is calculated. This means that pension tax relief is already included and does not need to be added by the pension provider.</p> |

[PL3a1] What are the **base/default** employer and employee contributions in this scheme as a percentage of pay? Please round up to the nearest whole number. The minimum employer pension contribution in the UK for eligible employees is 3%.

If you operate a **relief at source scheme**, please give the employee contribution as a percentage of net pay. If you are doing the minimum contribution this will be 4%.

If you operate a **net pay scheme**, please give the employee contribution as a percentage of gross pay. If you are doing the minimum contribution this will be 5%.

| | |
|-----------------------|-------------------|
| Employer contribution | Range 0 - 100 (%) |
| Employee contribution | Range 0 – 100 (%) |
| 977 | Don't know |

[PL4] Are there any additional contribution levels above the base/default levels in this scheme?

| | |
|---|--|
| 1 | No, there is only one level in our contribution structure |
| 2 | Yes, we have one or more additional contribution levels with higher employer contributions if employees contribute more themselves |
| 3 | Yes, we have one or more additional contribution levels for other reasons [open] Please specify |
| 4 | Don't know |

[PL5a2] What is the **maximum total employer contribution** that the employee can receive in this pension scheme and what **total employee contribution** does the employee need to make to get this maximum contribution? Please round up to the nearest whole number. SHOW IF CODED 2 OR 3 AT PL4

Please round up to the nearest whole number.

| | |
|-----------------------|-------------------|
| Employer contribution | Range 0 - 100 (%) |
| Employee contribution | Range 0 – 100 (%) |
| 977 | Don't know |

[PL8] Which of the following do you calculate pension contributions on for this scheme?

| | |
|-----|---|
| 1 | Qualifying earnings – currently this means you only make contributions on earnings between £6,240 and £50,270 |
| 2 | All earnings |
| 977 | Don't know |

PATH 2 - THOSE OPERATING TWO AND MORE DC PENSION SCHEMES

The following questionnaire flow applies to those operating two pension schemes. Those operating 3 or more schemes followed the same path but were asked to report on the three biggest schemes within their organisation.

You previously said that your organisation offers 2 defined contribution (DC) schemes. Could you please provide a brief name for each scheme? This is just to help you remember which scheme you are answering for in future questions. For example, you might have a 'head office scheme' and 'retail workers' scheme, or a 'salaried scheme' and hourly paid scheme'.

[PL9_1] Your name for the **first** scheme – OPEN TEXT BOX

[PL9_2] Your name for the **second** scheme – OPEN TEXT BOX

[PL10] Roughly, what proportion of your employees does each scheme cover?

| | |
|---------------|-------------------|
| First scheme | Range 0 - 100 (%) |
| Second scheme | Range 0 – 100 (%) |
| 977 | Don't know |

[PL2b] For each scheme, do you operate a relief at source or a net pay pension scheme?

ROWS

| | |
|---------------|--|
| First scheme | |
| Second scheme | |
| 977 | |

SCALE

| | |
|---|--------------------------------------|
| 1 | We operate a relief at source scheme |
|---|--------------------------------------|

| | |
|-----|-----------------------------|
| 2 | We operate a net pay scheme |
| 977 | Don't know |

Hover over definitions:

| |
|---|
| <p>Relief of source scheme</p> <p>Employee contributions are deducted from net pay after income tax has been calculated. Pension tax relief is then added to the employee contribution by the pension provider.</p> |
| <p>Net pay scheme</p> <p>Employee contributions are deducted from gross pay before income tax is calculated. This means that pension tax relief is already included and does not need to be added by the pension provider.</p> |

[PL3b1] What are the **base/default** employer and employee contributions in **[the first scheme]** as a percentage of pay? Please round up to the nearest whole number. The minimum employer pension contribution in the UK for eligible employees is 3%.

If you operate a **relief at source scheme**, please give the employee contribution as a percentage of net pay. If you are doing the minimum contribution this will be 4%.

If you operate a **net pay scheme**, please give the employee contribution as a percentage of gross pay. If you are doing the minimum contribution this will be 5%.

| | |
|-----------------------|-------------------|
| Employer contribution | Range 0 - 100 (%) |
| Employee contribution | Range 0 – 100 (%) |
| 977 | Don't know |

[PL3b2] What are the **base/default** employer and employee contributions in **[the second scheme]** as a percentage of pay? Please round up to the nearest whole number. The minimum employer pension contribution in the UK for eligible employees is 3%.

If you operate a **relief at source scheme**, please give the employee contribution as a percentage of net pay. If you are doing the minimum contribution this will be 4%.

If you operate a **net pay scheme**, please give the employee contribution as a percentage of gross pay. If you are doing the minimum contribution this will be 5%.

| | |
|-----------------------|-------------------|
| Employer contribution | Range 0 - 100 (%) |
| Employee contribution | Range 0 – 100 (%) |
| 977 | Don't know |

[PL4b_1a] Are there any additional contribution levels above the base/default levels in **[the first scheme]**?

| | |
|---|---|
| 1 | No, there is only one level in our contribution structure |
|---|---|

| | |
|---|--|
| 2 | Yes, we have one or more additional contribution levels with higher employer contributions if employees contribute more themselves |
| 3 | Yes, we have one or more additional contribution levels for other reasons [open] Please specify |
| 4 | Don't know |

[PL4b_1b] Are there any additional contribution levels above the base/default levels in [the second scheme]?

| | |
|---|--|
| 1 | No, there is only one level in our contribution structure |
| 2 | Yes, we have one or more additional contribution levels with higher employer contributions if employees contribute more themselves |
| 3 | Yes, we have one or more additional contribution levels for other reasons [open] Please specify |
| 4 | Don't know |

[PL5b3] What is the **maximum total employer contribution** that the employee can receive in the **[first pension scheme]** and what **total employee contribution** does the employee need to make to get this maximum contribution? Please round up to the nearest whole number. SHOW IF CODED 2 OR 3 AT PL4b_1a

Please round up to the nearest whole number.

| | |
|-----------------------|-------------------|
| Employer contribution | Range 0 - 100 (%) |
| Employee contribution | Range 0 – 100 (%) |
| 977 | Don't know |

[PL5b4] What is the **maximum total employer contribution** that the employee can receive in the **[second pension scheme]** and what **total employee contribution** does the employee need to make to get this maximum contribution? Please round up to the nearest whole number. SHOW IF CODED 2 OR 3 AT PL4b_1b

Please round up to the nearest whole number.

| | |
|-----------------------|-------------------|
| Employer contribution | Range 0 - 100 (%) |
| Employee contribution | Range 0 – 100 (%) |
| 977 | Don't know |

[PL8] Which of the following do you calculate pension contributions on for each scheme?

ROWS

| |
|---------------|
| First scheme |
| Second scheme |
| 977 |

SCALE

| | |
|-----|---|
| 1 | Qualifying earnings – currently this means you only make contributions on earnings between £6,240 and £50,270 |
| 2 | All earnings |
| 977 | Don't know |

Section H: Pension decision-making

We would now like to ask you about how decisions are made at your organisation regarding pensions contributions specifically (rather than other aspects of your pension provision).

[D1] To what extent are the following involved in the decision-making process for determining pensions contributions levels in your organisation? SINGLE CODE PER VARIABLE

Please select one option per row.

| | | | |
|------|---|-------|--|
| D1_1 | CEO/Chairperson | D1_10 | Employee committee |
| D1_2 | CFO | D1_11 | Pensions committee |
| D1_3 | Managing Director or Business Owner | D1_12 | Pension Trustee(s) |
| D1_4 | Other board level manager / director | D1_13 | Accountant |
| D1_5 | Financial Controller / Director / Manager | D1_14 | Employee benefits consultant or advisor |
| D1_6 | HR department / Head of HR | D1_15 | Provider of payroll software or services |
| D1_7 | Reward department / Head of Reward | D1_16 | Bookkeeper |
| D1_8 | Pensions Department / Head of Pensions | D1_17 | Industry bodies |
| D1_9 | Union(s) | | |

SCALE

| | |
|-----|---|
| 1 | Make decisions about pension contributions |
| 2 | Consulted on decisions about pension contributions, but do not make the decision |
| 3 | This exists at my organisation, but has no influence on decisions about pension contributions |
| 4 | This does not exist / play a role in my organisation |
| 977 | Don't know |

[D2] Which of the following factors were considered when deciding the organisation's pension contributions levels? MULTI CODE, RANDOMISE

Please select all that apply.

| | | | |
|---|--|---|---|
| 1 | Attracting new employees / recruitment | 7 | Minimising the financial cost to the organisation |
|---|--|---|---|

| | | | |
|---|--|-----|--|
| 2 | Motivating and retaining current employees | 8 | Supporting employees to be financially secure in retirement |
| 3 | Benchmarking against other similar organisations | 9 | Engaging employees in saving for their retirement |
| 4 | Legal compliance | 10 | Supporting older employees to retire at the right time for them and the organisation |
| 5 | Ease of administration | 955 | Other [open] Please specify |
| 6 | Ease of communication | 966 | None of these |

[D3] How does your organisation budget for employer pension contributions? SINGLE CODE

| | |
|-----|---|
| 1 | We assume that everyone eligible for the pension will receive the maximum employer pension contribution we offer |
| 2 | We make assumptions in our budgeting about what take up rates of employer contributions will be (e.g. assuming only three-quarters of eligible employees will take it up) |
| 3 | We don't budget for employer pension contributions |
| 977 | Don't know |

[D4a] If significantly higher number of employees took up the opportunity of receiving the maximum employer pension contributions available to them at your organisation in future, what financial impact would this have? MULTI CODE

Please select all that apply.

| | |
|---|--|
| 1 | No real financial impact - we already budget for this |
| 2 | We might have to reduce spending on pay and other benefits such as delaying or reducing future pay rises |
| 3 | We might have to make cuts in other areas of our budget |
| 4 | Don't know |

[D5] Here are some factors that might result in an organisation deciding to change its pension _contributions_ arrangement. Which, if any, might make your organisation open to reviewing or changing its pension contributions strategy / approach? MULTI CODE, RANDOMISE

Please select up to 3 that are most likely to be relevant at your organisation.

| | |
|---|---|
| 1 | If we acquired / merged with another organisation |
| 2 | If we changed our payroll provider / system |
| 3 | If there was a significant change in the number of employees we have (increasing or decreasing) |
| 4 | If we needed to improve our competitiveness in the job market |
| 5 | If there was a change in the organisation's performance (doing better or worse) |
| 6 | If we changed our pension provider |

| | |
|-----|--|
| 7 | If we wanted to improve our staff turnover levels |
| 8 | If there were changes to legal automatic enrolment eligibility such as lowering the eligible age or earnings threshold |
| 955 | Other [open] Please specify |
| 977 | Don't know |
| 966 | None of these |

Section I: Pension contribution approaches

Finally, we would like to ask you about some different possible pension contribution approaches.

[A1] If you were able to start from scratch and design the ideal pension contribution structure for your organisation, what would it look like? OPEN TEXT BOX

Please provide as much detail as possible in the box below.

[A2] If your organisation was to start from scratch and implement a new pension contributions approach, which of the following features would you consider a priority?

Please rank the 3 highest priorities.

| | |
|-----|--|
| 1 | Boosting retirement saving for those on the lowest incomes |
| 2 | Contributing more for those who are most engaged with retirement saving |
| 3 | Encouraging employees to save more money for their retirement themselves |
| 4 | Giving employees the flexibility to choose the pension contribution amount that suits them best |
| 5 | Equality - offering the same employer pension contribution to all employees |
| 6 | Supporting higher-earning employees to manage their annual and lifetime pension saving allowances |
| 7 | Supporting employees to save in ways other than a pension (e.g. for emergency savings or a home deposit) |
| 8 | Minimising costs for the organisation |
| 977 | Not sure |

[A3a] You said that **[PIPE IN TOP PRIORITY AT A2]** is the top priority for your organisation if your organisation were to start from scratch and implement a new pensions contribution approach. Why do you say this? OPEN TEXT BOX

[A4a1] How appealing is the following pension contribution approach to your organisation, now or in future? SINGLE CODE

| |
|--|
| 'Save more tomorrow' auto escalation: An employee can commit now to automatically increasing their pension contribution in future, for example when they get a pay rise or after a year |
| Escalating match: The employer offers a tiered matching system, in which employer contributions increase the more an employee contributes, usually up to a maximum level |
| Higher defaults with the option to opt down: Giving employees the option to opt down to minimum contributions from a higher default, rather than them having to opt in to making higher contributions |
| Non-contributory employer contribution: The employee does not need to contribute to get an employer contribution |
| Salary sacrifice: A tax-efficient way to make pension contributions. An employee agrees contractually to a reduction in their gross pay (by an amount equal to their employee pension contributions) and in exchange, the employer agrees to pay increased employer pension contributions instead. Using salary sacrifice means that the employee and the employer both pay less in National Insurance contributions. |
| Hybrid approaches combining pension saving and other forms of saving: Employees can choose to divert some of the pension contributions made by their employer into other saving accounts for (e.g. for emergency savings or a home deposit) |

SCALE

| | |
|---|----------------------|
| 1 | Very appealing |
| 2 | Somewhat appealing |
| 3 | Neutral |
| 4 | Not very appealing |
| 5 | Not appealing at all |
| 6 | Don't know |

[A6] How likely or unlikely is your organisation to implement a different approach to pension contributions in the next 2-5 years? SINGLE CODE

| | |
|---|-------------------|
| 1 | Very likely |
| 2 | Somewhat likely |
| 3 | Not very likely |
| 4 | Not likely at all |
| 5 | Don't know |

[A7] Do you have any other comments to make on any of the topics we have discussed today? OPEN TEXT BOX

| |
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| |
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Appendix D – Quantitative samples achieved

Region

| Region | Achieved | Quota/weighted figure |
|--------------------------|----------|-----------------------|
| North East | 2.8% | 2.8% |
| North West | 10.2% | 9.4% |
| Yorkshire and the Humber | 8.4% | 7.4% |
| East Midlands | 6.4% | 6.6% |
| West Midlands | 8.6% | 8.0% |
| East of England | 12.5% | 10.2% |
| London | 13.7% | 18.6% |
| South East | 14.7% | 15.7% |
| South West | 9.6% | 9.3% |
| Wales | 4.4% | 3.7% |
| Scotland | 7.2% | 6.1% |
| Northern Ireland | 1.6% | 2.2% |

Industry

| Industry | Achieved | Quota/weighted figure |
|------------------------------------|----------|-----------------------|
| Agriculture, forestry and fishing | 1.4% | 2.7% |
| Mining and quarrying | 0.8% | 0.5% |
| Manufacturing | 10.6% | 4.8% |
| Construction | 9.8% | 16.3% |
| Wholesale and retail trade | 11.8% | 10.0% |
| Transportation and storage | 4.4% | 5.6% |
| Accommodation and food service | 3.2% | 3.6% |
| Information and communication | 8.4% | 6.3% |
| Financial and insurance | 5.0% | 1.8% |
| Real estate activities | 3.6% | 2.4% |
| Prof., scientific and technical | 8.4% | 15.2% |
| Admin. and support service | 2.4% | 8.3% |
| Education | 7.4% | 5.3% |
| Health and social Work | 8.6% | 6.1% |
| Arts, entertainment and recreation | 6.4% | 5.0% |
| Other service activities | 8.2% | 6.1% |

Business size

| Business size | Achieved | Quota/weighted figure | Grouping |
|---|----------|-----------------------|----------|
| 2 to 4 | 32.7% | 17.6% | Micro |
| 5 to 9 | | | |
| 10 to 19 | 29.7% | 18.6% | Small |
| 20 to 34, 35 to 49 | | | |
| 50 to 99 | 20.3% | 15.7% | Medium |
| 100 to 249 | | | |
| 250 to 499 | 17.3% | 48.1% | Large |
| 500 to 999, 1,000 to 4,999, 5,000 to 29,999, 30,000 or more | | | |

Appendix E - Subgroup analysis

In the report, sub-group analysis was conducted across a range of questions. The tables below show the sub-groups used, how they were defined and the number of respondents in each group. Please note that not all sample sizes add up to 502 due to the way the subgroups are determined in some of the questions.

Business size

| Group | Definition | n |
|-------------|-------------------------|-----|
| Micro/Small | 2-49 employees | 313 |
| Medium | 50-249 employees | 102 |
| Large | More than 250 employees | 87 |

Pay

| Group | Definition | n |
|-------------------------|---|-----|
| Low to moderate earners | All or most of their employees earn under £30k | 202 |
| Mixed | All or most of their employees earn between £30k and £50k | 77 |
| Higher earners | All or most of their employees earn more than £50k | 35 |

Gender

| Group | Definition | n |
|--------|------------|-----|
| Male | Male | 304 |
| Female | Female | 195 |

Skill level

| Group | Definition | n |
|--------------------------------|--|-----|
| All or mostly highly skilled | All or most of their employees work in highly skilled jobs | 157 |
| All or mostly manual/unskilled | All or most of their employees work in manual/unskilled jobs | 102 |
| Mixed | Some of their employees work in highly skilled jobs and some work in manual/unskilled jobs | 118 |

Tenure

| Group | Definition | n |
|-----------------------------------|---|-----|
| All or mostly short tenure | All or most of their employees tend to leave the organisation after less than 2 years of employment | 19 |
| All or mostly long tenure | All or most of their employees have worked for the organisation for more than 10 years | 162 |

Contract type

| Group | Definition | n |
|--|---|-----|
| All or mostly salaried | All or most of their employees are salaried workers | 289 |
| All or mostly hourly | All or most of their employees are hourly-paid workers | 109 |
| Mixed | Some of their employees are salaried workers and some are hourly-paid workers | 63 |
| All or mostly temporary employees / contractors | All or most of their employees are temporary employees/contractors | 20 |
| All or mostly permanent | All or most of their employees are permanent employees | 417 |

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Contact us:

insight@nestcorporation.org.uk

To find out more, visit our website:

nestinsight.org.uk

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