From pension participation to retirement readiness

How better support can improve outcomes

Survey results 2026

WEALTH at work

part of the Wealth at Work group

Contents

Summary

Our latest research among 2,000 UK employees with defined contribution pensions suggests that retirement readiness remains a significant challenge.

About the survey: Research for WEALTH at work was carried out by Opinion Matters throughout 29/05/26 – 03/06/26 amongst a panel of 2,000 UK workers, aged 18+ who have a defined contribution pension.

Cost-of-living pressures, low levels of engagement, fragmented pension savings and poor retirement planning are preventing many employees from taking the actions needed to improve long-term outcomes. These challenges have implications not only for people's retirement prospects but also for wider workplace productivity and future workforce planning.

At the same time, regulatory developments such as the Pension Schemes Act 2026 are placing greater emphasis on member outcomes and the quality of support provided throughout the retirement journey.

WEALTH at work's research findings highlight clear opportunities for employers, trustees and pension schemes to support better member outcomes.

01

Retirement savings under pressure

Retirement savings under pressure

Concerns around retirement affordability are now widespread across the workforce, driven by ongoing cost-of-living pressures and uncertainty about future financial security.

38% of employees fear they may never retire due to cost-of-living pressures

83%* are concerned rising living costs will leave them less comfortable in retirement.

Up from 81%* in 2025, indicating a worsening outlook

82%* are concerned they will need to work longer to make up for a shortfall in pension savings

Up from 80%* in 2025, reinforcing expectations that retirement may be delayed

*Combining answer options "Very concerned" and "Somewhat concerned"

While awareness of retirement savings risks is increasing, this is not translating into improved preparation or action. Many employees continue to save at relatively low contribution levels, often without a clear understanding of whether their current savings will be sufficient to meet their retirement goals.

18%

responded that they believe less than 8% is being contributed to their pension

23%

say they are saving at the auto-enrolment minimum of 8%

29%

are contributing between 9% and 11%

20%

are saving 12% or more – the level recommended by the Living Pension benchmark for a minimum standard of retirement living

45%

believe they are saving enough for retirement

33%

say they cannot afford to increase contributions

30%

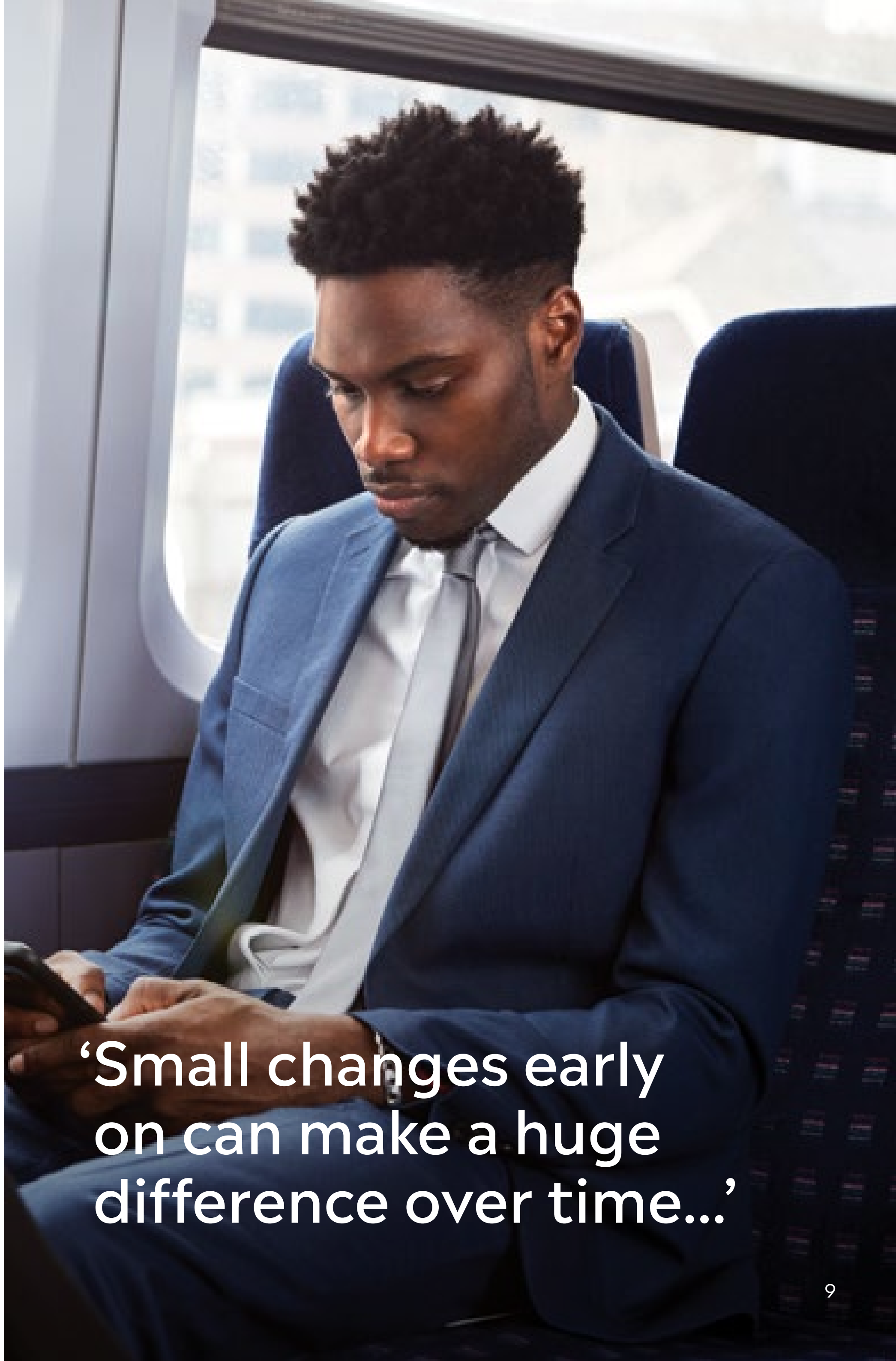
plan to increase contributions in the future

What this means

When meeting day-to-day living costs become difficult, it's often long-term savings that take a back seat. But even small changes early on can make a huge difference over time, particularly when combined with employer contributions and investment growth.

> A key challenge is that pensions can feel complex and distant, making it easy for people to disengage. This highlights the importance of ongoing financial education support throughout members' working lives.

Providing practical support on managing finances during periods of financial strain can play an important role in improving financial resilience. This includes budgeting, debt management and making the most of workplace savings and benefits, can play an important role in improving financial resilience. Programmes should also help members understand contribution levels, the value of increasing savings over time, how to maximise employer matching opportunities, and the importance of regularly reviewing their pension arrangements and investments.



02

Pension knowledge and confidence

Pension knowledge and confidence

There are clear gaps in employees' understanding of key pension concepts, particularly around how their savings are invested.

27% of employees are unaware their pension is invested in a range of funds

This is up from 21% in 2025 suggesting understanding is declining

32% would like a better understanding of how their pension is invested

While many employees say they understand their pension contributions, many remain unclear about whether those contributions will be enough to achieve their retirement goals.

80%

say they know how much they contribute to their pension

77%

say they understand employer contributions

10%

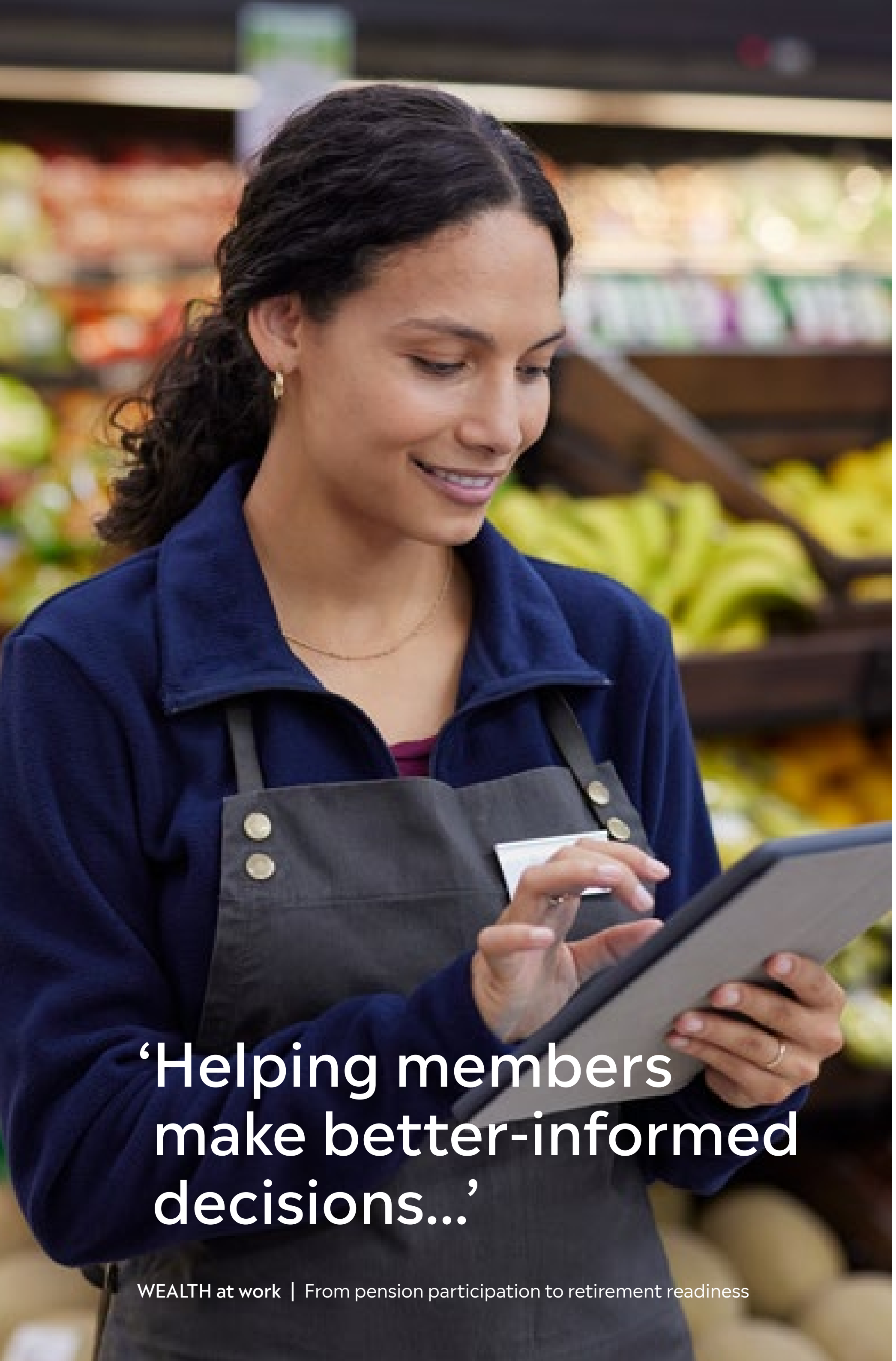
don't know how much is being contributed

32%

are not confident they are saving enough for retirement

36%

want more information about how much they need to retire comfortably



What this means

When members lack knowledge about how pensions work, how their money is invested, or how much they may need in retirement, it becomes harder for them to make informed decisions and take appropriate action.

> This can lead to members remaining in default arrangements without reviewing whether these continue to meet their needs, delaying important decisions about contributions and investments, or disengaging from retirement planning altogether.

Improving pension knowledge and confidence is therefore critical to helping members make better-informed decisions and achieve stronger retirement outcomes.

03

Engagement challenges

Engagement challenges

Despite concerns about retirement affordability, engagement with pensions remains relatively low. Many employees are not regularly reviewing or interacting with their pension, highlighting the ongoing challenges around member engagement.

of employees have taken no action on their pensions

have checked their pension value

have logged into their pension account or app

When asked how actively employees review their pension (for example, checking contributions, investments or how much they're on track to retire with).

say they never review their pension

What this means

Auto-enrolment has been highly successful in increasing pension participation, but engagement has not kept pace. While employees are saving, many remain passive participants and may not be taking the steps needed to maximise their retirement outcomes.

Regular engagement is important because it enables individuals to monitor their progress, review contribution levels, understand how their pension is invested, and identify any potential shortfalls before they become more difficult to address. The findings suggest that increasing engagement remains a key challenge and an important opportunity to improve long-term retirement outcomes.

‘The findings suggest that increasing engagement remains a key challenge’

04

Pension fragmentation and visibility

Pension fragmentation and visibility

The growth of automatic enrolment, combined with increased job mobility, means many employees now hold multiple pension pots accumulated across different employers. While this is a natural consequence of modern working patterns, it can make it more difficult for individuals to track their savings and understand their overall retirement position.

62% of employees have more than one pension pot

5% don't know how many pensions they have

Fragmentation can reduce visibility of retirement savings and increase the risk of pensions being overlooked. Without a clear view of their total pension savings, members may find it harder to assess whether they are on track for retirement or make informed long-term financial decisions.

- An estimated 3.3 million pension pots are 'lost' with a combined value of £31 billion (Pensions Policy Institute 2024).
- 27% say they would engage more with their retirement savings if they had a single combined view of all their pensions.

Pensions dashboards are expected to be rolled out to the public from 2027 onwards, enabling individuals to view their pension savings from multiple providers in one place. While this is expected to improve visibility and engagement, many members may still benefit from support in understanding their retirement position and deciding whether consolidating pension pots is appropriate for their circumstances.

There are already signs that employees are taking action.

have consolidated their pensions

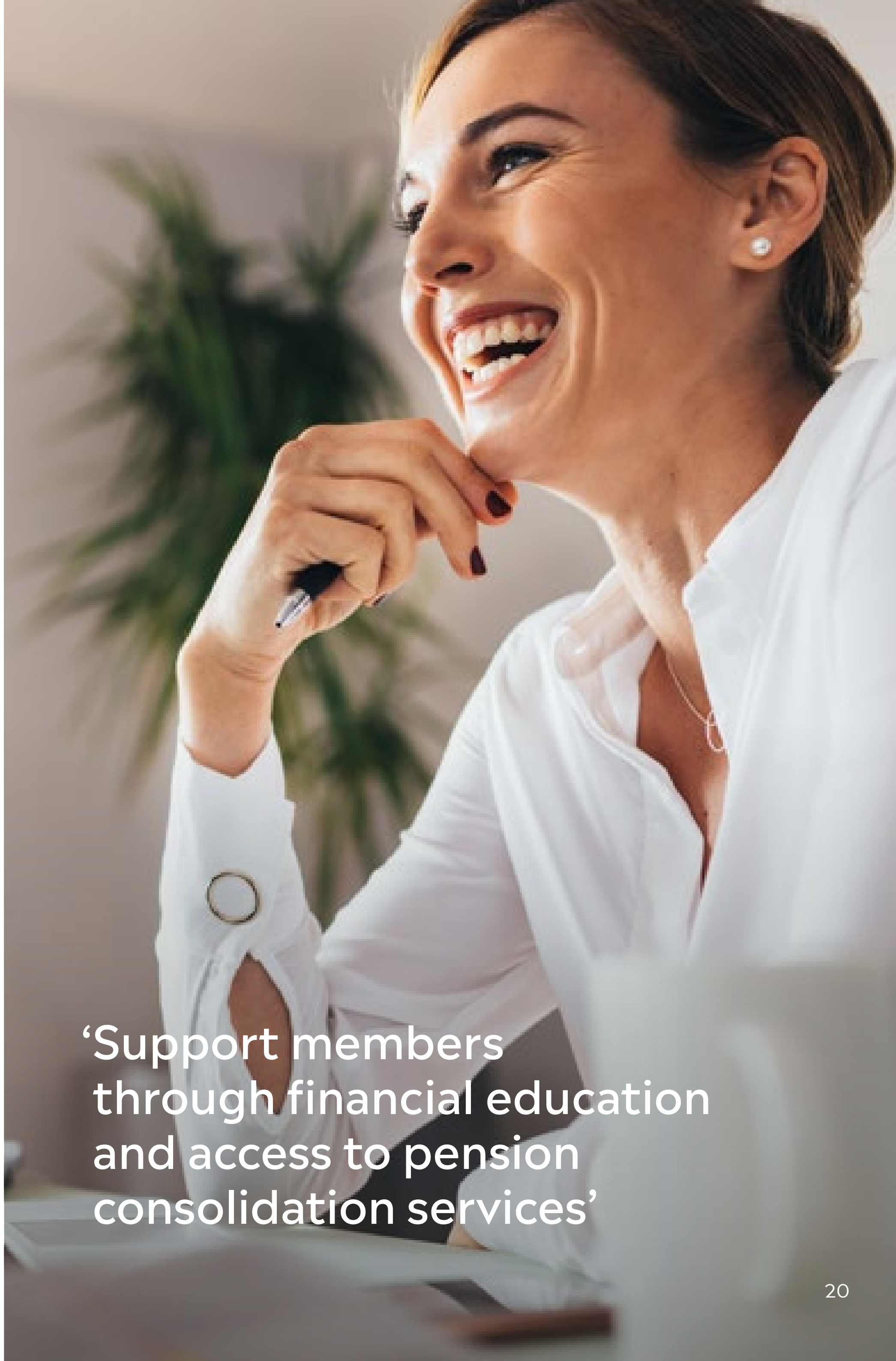
are considering or planning to consolidate their pensions

What this means

Having a clear view of retirement savings is an important foundation for effective planning and engagement. When pension savings are spread across multiple providers and schemes, it can become more difficult for members to monitor their progress, understand their retirement outlook and take action where needed.

> The research findings suggest that improving visibility could play an important role in increasing engagement with retirement savings.

Alongside developments such as pensions dashboards, there is also an opportunity to support members through financial education and access to pension consolidation services that help them understand and manage their retirement savings more effectively.



05

The growing need for retirement guidance

The growing need for retirement guidance

As individuals approach retirement, decision-making becomes more complex and consequential.

However, the research shows many employees in this group still lack clarity around what their pension will provide and what their income needs will be.

This creates a significant risk of reactive or poorly informed decisions at retirement.

Among employees aged 55 and above:

39% do not have a clear retirement income goal

27% have looked at what they might have at retirement

19% say they are unsure what their pension will be worth when they retire

Despite this lack of clarity, many are still making important decisions;

The need for support peaks at retirement but many feel unsupported at this stage.

Among employees aged 55 and above:

40% have delayed retirement

38% feel unsupported by their workplace when it comes to understanding their pension

28% would like help setting a retirement income goal

What this means

These findings come at a time when the Pension Schemes Act 2026 is placing greater emphasis on the support available to individuals as they approach and enter retirement. This includes a move towards more structured retirement journeys and the introduction of pre-selected or 'default' retirement income pathways.

> Alongside this, research from the Pensions Policy Institute (PPI), highlights that well-designed Guided Retirement solutions can improve decumulation outcomes, particularly when delivered as part of an ongoing process.

However, whilst default pathways are receiving increased focus, they are not a complete solution for all. Many members will need personalised guidance to navigate increasingly complex retirement decisions. This support can help people make informed retirement decisions with confidence and is likely to become best practice as Guided Retirement solutions are introduced. Delivering effective retirement support at scale is likely to require collaboration between employers, trustees, pension providers and specialist retirement support services.

06

The opportunity for trusted workplace support

The opportunity for trusted workplace support

Employees are seeking support with their pensions, yet many are not accessing it through trusted or regulated channels. Instead, a significant proportion rely on informal sources of information, while employer provided support remains underutilised.

28% of employees rely on informal or unregulated sources for guidance about their pensions*

25% turn to their pension provider

12% turn to their employer

14% have not sought any pension guidance at all

*(friends, family, colleagues, AI tools or online forums)

Many employees would welcome greater support from their workplace.

30% say they feel unsupported by their workplace when it comes to getting help to understand their pensions

Up from 26% in 2025, indicating a widening gap

25% would like support on how to increase pension contributions

23% would like financial education and one-to-one guidance from their employer

> 'Reliance on informal and unregulated sources can increase the risk of poor decision-making...'

What this means

The findings highlight a clear opportunity for employers, trustees and pension schemes to collaborate and strengthen their role as a trusted source of retirement support. Reliance on informal and unregulated sources can increase the risk of poor decision-making, particularly given the growing influence of social media and financial influencers or 'finfluencers', who may not provide regulated or personalised guidance.

The relatively low use of employer support suggests the challenge is not just availability, but also awareness, accessibility and relevance. This indicates that more may need to be done to ensure support is visible, engaging and tailored to members' needs.

> As regulatory focus on retirement support and member outcomes continues to develop, employers, trustees and pension providers have an opportunity to strengthen the support available throughout the retirement journey.

Financial education, personalised retirement guidance and access to regulated investment advice can help members make informed decisions, improve engagement and ultimately achieve better retirement outcomes. These benefits can also extend beyond retirement readiness, supporting broader financial wellbeing and workforce productivity.

07

Improving retirement outcomes

Improving retirement outcomes

WEALTH at work's research findings reveal a clear gap between pension participation and retirement readiness. While automatic enrolment has been successful in getting more people saving, many employees remain concerned about their ability to afford retirement and are not taking the actions needed to improve their long-term outcomes.

Cost-of-living pressures, low levels of engagement, gaps in pension knowledge, fragmented savings, and uncertainty about retirement planning are all contributing to this challenge. At the same time, many employees say they would value greater support but are not currently accessing trusted sources of guidance.

> Against a backdrop of increasing regulatory focus on member outcomes and retirement support, there is a significant opportunity for employers, trustees and pension schemes to help bridge these gaps.

By working together to provide a combination of financial education, retirement guidance, pension consolidation support and access to regulated investment advice, employers, trustees and pension schemes can help members better understand their options, make more informed decisions and improve their retirement prospects.

The challenge is no longer simply getting employees to save into a pension. The next phase is helping them understand, engage with and make the most of their retirement savings. Organisations that provide effective support throughout this journey will be better positioned to improve member outcomes and help employees achieve greater financial confidence both before and during retirement.

WEALTH at work
is a leading financial wellbeing, retirement and workplace savings specialist

Contact us to improve your employees' financial future today

wealthatwork.co.uk
0800 234 6880
info@wealthatwork.co.uk

WEALTH at work
part of the Wealth at Work group