

Workplace pensions

Retirement ready?



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Introduction

Welcome to our latest report, **Workplace pensions – retirement ready?**

This is the fourth year we have conducted detailed research into employees’ attitudes towards retirement, how they engage with their workplace pension and the steps they are taking to prepare for later life. Building on previous findings, this year’s research¹ explores not only how people save for retirement, but how they think about it, what prompts them to start planning and whether they feel on track to achieve the lifestyle they want after work.

Automatic enrolment has brought millions of people into pension saving, giving many employees an important foundation for their future financial security. However, saving into a pension is only the starting point. People also need to understand how much they may need, whether their current savings are likely to be enough and what they can do to improve their retirement prospects.

Meanwhile, the high cost of living remains a significant pressure for many households. Our 2026 Financial Resilience research found that recovery from the cost of living crisis has been uneven, with many people still focused on day-to-day spending rather than longer-term goals. For those with limited disposable income or rising household costs, saving for retirement can be much more challenging.

Against this backdrop, **Workplace pensions – retirement ready?** explores how employees at different stages are approaching their retirement and what they are thinking. For instance, what prompts them to start considering their retirement? Are they confident they are saving enough? Do they understand the options available when accessing their pension savings? What support are they making use of and who do they trust?

Our findings reveal a wide range of experiences and highlight both opportunities and challenges. While some employees recognise the importance of retirement planning and actively monitor and manage their pensions, others have given it little thought. Confidence levels are also often low and understanding of key retirement concepts varies significantly. In addition, although a minority of employees are taking financial advice or guidance, most are not.

Our aim is that the insights in this report will encourage employers, advisers and pension providers to consider how best to support employees throughout their journey to retirement. We also hope the findings help people better understand their workplace pension, take greater control of their retirement planning and feel more confident about their future.

1. Our research was conducted online by Opinium in July 2026 among a sample of 3,500 UK employees with a workplace pension.



Workplace pensions continue to be one of the UK's great success stories – with many more people now saving towards their retirement. But there is still more to do to help people achieve the quality of retirement they aspire to. At Royal London, our ambition is to be the partner of choice for employers and advisers while continuing to invest in the tools, support and innovation needed to help employees engage with their finances, make better decisions and achieve better retirement outcomes.

Rory Marsh
Workplace Pensions Director



This report highlights a difference between retirement expectations and retirement readiness. While many employees are thinking about life after work, too few have a clear plan or have sought the support that could help. Improving understanding about pensions is a way to improve confidence and retirement outcomes.

Clare Moffat
Pensions and Tax Expert



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Key findings

1 Employees are thinking about retirement, but many have not turned this into a clear plan

- Just over half of employees (**51%**) have given their financial needs in retirement either *a lot* or *quite a lot* of thought, but fewer than one in five (**18%**) say they have a clear retirement plan.
- Almost three in ten employees (**28%**) have no retirement plan, while just over half (**51%**) only have a rough idea of how they are saving for retirement.
- Almost half (**48%**) have thought about the age they want to retire, while **45%** have thought about the lifestyle they want in retirement.

2 Confidence is closely linked to retirement thinking and planning

- Nearly three-quarters (**74%**) of employees who have thought *a lot* about their financial needs in retirement are confident they are saving enough compared to only **17%** of those who have not thought about retirement at all.
- Employees who are very confident started thinking about retirement four or more years earlier, on average, than those who are not confident or do not know whether they are saving enough.

3 Trusted support is available, but many employees do not use it

- Almost two-thirds of employees (**64%**) have never sought advice or help about how much to save into their pension. A similar proportion (**63%**) have never sought advice or help about their pension options at retirement.
- Approximately three-quarters (**76%**) of employees who used a professional financial adviser give them a trust score of eight to ten out of ten, yet just over one in ten employees (**11%**) used an adviser for pension-related help in the previous year.

4 Understanding of retirement income options is limited

- Almost half (**48%**) of employees paying into a defined contribution pension do not understand income drawdown or have not heard of it.
- There's a significant gender knowledge gap, with almost six in ten women (**59%**) paying into a defined contribution pension saying they do not understand income drawdown, compared with **37%** of men.
- More than a third of employees (**34%**) say their top priority is certainty that their bills will be paid for life while retaining flexibility to access additional money when needed.

5 Retirement expectations do not always match reality

- Employees estimate that they will need **£44,193** a year, on average, for a good standard of living in retirement.
- Younger employees aged 18-34 have the highest retirement income expectations, estimating that they will need **£58,413** a year for a good standard of living, compared with **£35,780** among employees aged 50-69.
- The average age employees would ideally like to retire is **62 years and four months**, but the age they realistically expect to retire is **65 years and six months**.

6 Women and mid-life employees risk being left behind

- More than a third of women (**35%**) have no retirement plan, compared with fewer than one in five men (**19%**).
- Just **16%** of women have sought advice about how much to save into their pension, compared with **26%** of men.
- More than two-thirds (**68%**) of employees aged 35-49 have never sought advice or help about their pension savings, while only **13%** have a clear retirement plan.

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Retirement expectations versus savings behaviour

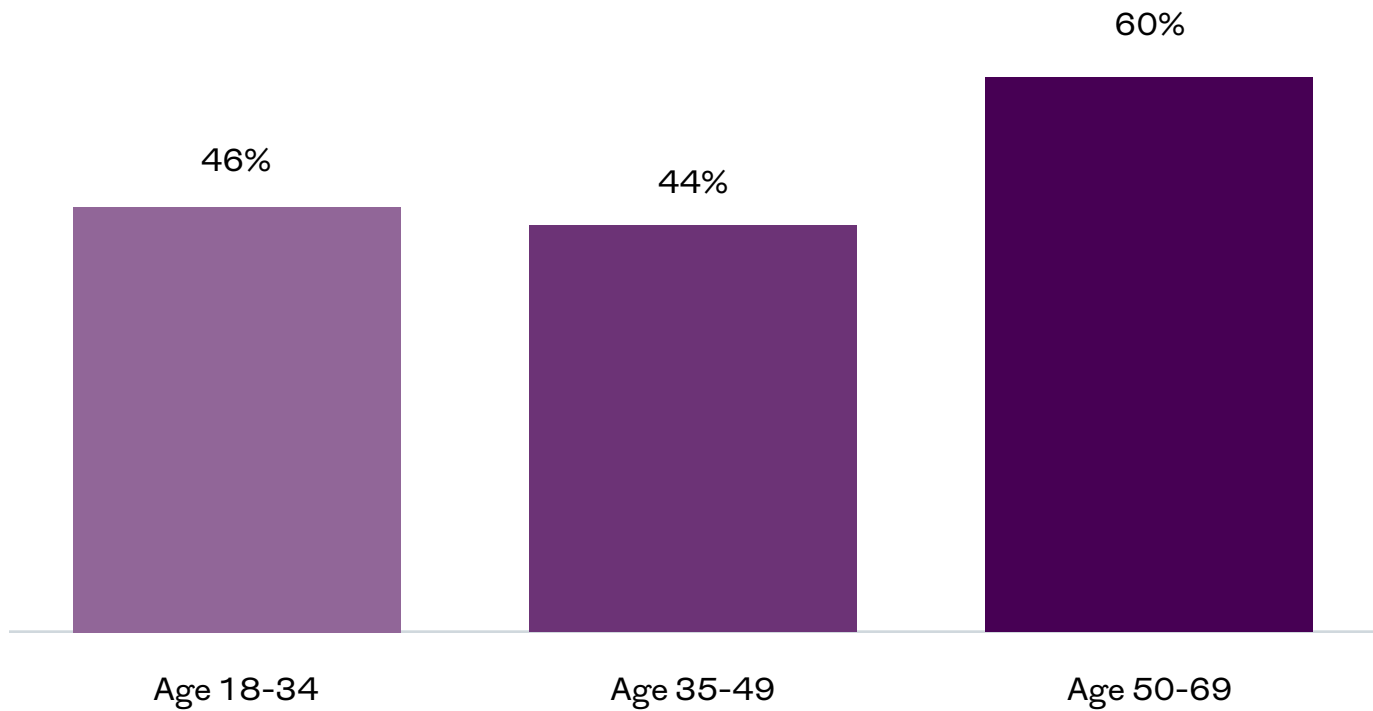
Some employees have ambitious retirement expectations, while others lack clarity about what they will need or whether their current pension savings are enough.

Thinking about retirement

A recurring theme of our research is that many employees with a workplace pension have started thinking about life after work but have yet to develop a detailed retirement plan. Just over half (51%) of employees with a workplace pension have given their financial needs in retirement ‘a lot’ or ‘quite a lot’ of thought but fewer than one in five (18%) have a clear retirement plan.

Older employees are more likely to have thought about retirement than younger ones, although the differences are smaller than might be expected, as the chart shows.

Employees who have given 'a lot' or 'quite a lot' of thought to retirement by age group



Income influences retirement thinking

As well as the influence of age, employees with a higher income are more likely to have thought about retirement. For example, 11% of those with a personal income below £30,000 say they’ve not thought about retirement. This compares to just 2% of those with a personal income above £60,000, and 1% of those earning £100,000 or more. The pattern is similar as household income levels increase.

More focused thinking following advice

Beyond income levels, there is a strong link between the extent to which workers are considering their retirement and whether they have taken financial advice, help or guidance on their pension savings.

Our data shows:

- **78%** of employees with a workplace pension who have taken financial advice about **how much to save into their pension** have thought about their financial needs in retirement *a lot or quite a lot*, rising to **84%** among those who have taken advice in the last 12 months.
- Similarly, **78%** of those who have sought financial advice **about their pension options** at retirement have given retirement considerable thought, increasing to **83%** among those who’ve done so in the last 12 months.
- This compares to **73%** of those who have sought less formal guidance on **how much to save into their pension** and/or **their pension options** at retirement, for example, from government sources, pension providers or friends and family.

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Low take-up of retirement advice

Since the introduction of pension freedoms in 2015, defined contribution savers have faced complex choices about how to access their pension savings. Their options include taking an income through drawdown, buying an annuity, withdrawing cash lump sums or a combination of approaches.

Yet despite the growing need for support, many people access their pension savings without taking advice. The Financial Conduct Authority’s Retirement Income Market Data for 2025-26 shows that only 45% of people with pension pots worth more than £30,000 took advice when accessing their savings. This fell to 21% of those with a defined contribution pension worth less than £30,000.

Meanwhile, our research reveals:

- **64%** of employees have never sought advice or help on **how much to save** into their pension. This rises to **67%** for 50-69-year-olds compared to **53%** of employees aged 18-34.
- Similarly, **63%** have never taken advice or help on **their retirement options**. Again, this rises with age to **64%** of 50-69-year-olds compared to **53%** of those aged 18-34.

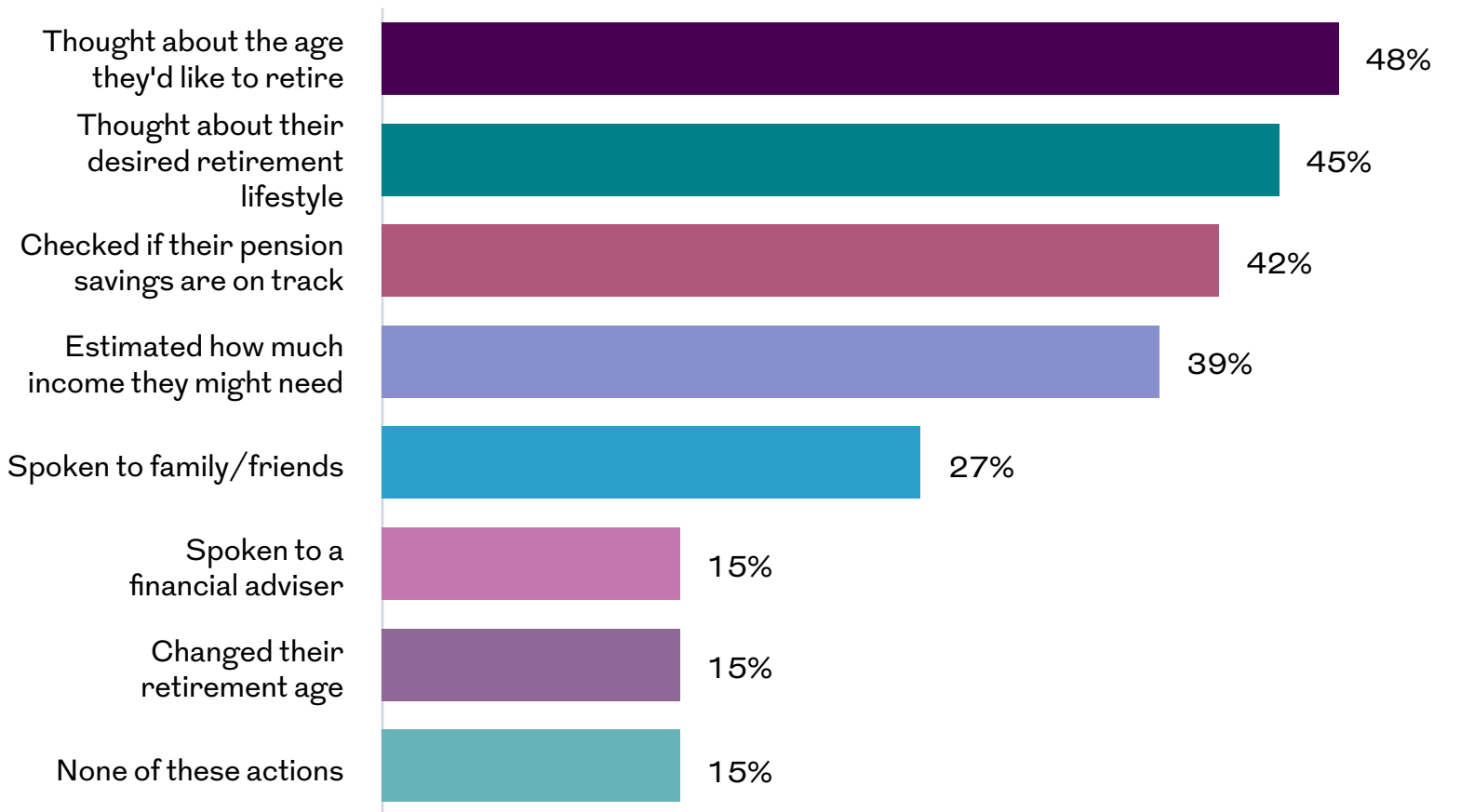
Decisions about retirement have lasting consequences, yet many people are ill-prepared to make them. We explore the take-up of advice and its impact on retirement planning in more detail later in the report.



Planning for retirement

Asking employees to quantify the extent to which they have thought about their retirement finances is subjective, so we also asked more specific questions about their retirement planning and the actions they have taken. While many employees have thought about retirement, fewer have taken practical steps to prepare for it.

What actions have employees taken in relation to their retirement?



We also found variations in actions taken across age groups. For example, 56% of 50-69-year-olds have thought about the age at which they’d like to retire versus fewer than four in ten (39%) 18-34-year-olds.

When it came to considering the lifestyle they would like in retirement, there was no difference between employees aged 18-34 and 35-49 (both 42%). Concerningly, though, only 50% of those in their 50s and 60s have thought about the lifestyle they want in retirement. Thinking about the age at which you want to retire and your desired lifestyle are two fundamental building blocks of retirement planning. Without these, it is difficult, if not impossible, to work out whether you are on track.

The least common actions taken by employees with a workplace pension were speaking to a financial adviser and changing the age at which they’d like to retire. Through our programme of consumer webinars, we know that awareness of the latter is relatively low.

The gap between awareness and planning became even clearer when we asked employees directly about their retirement preparations.

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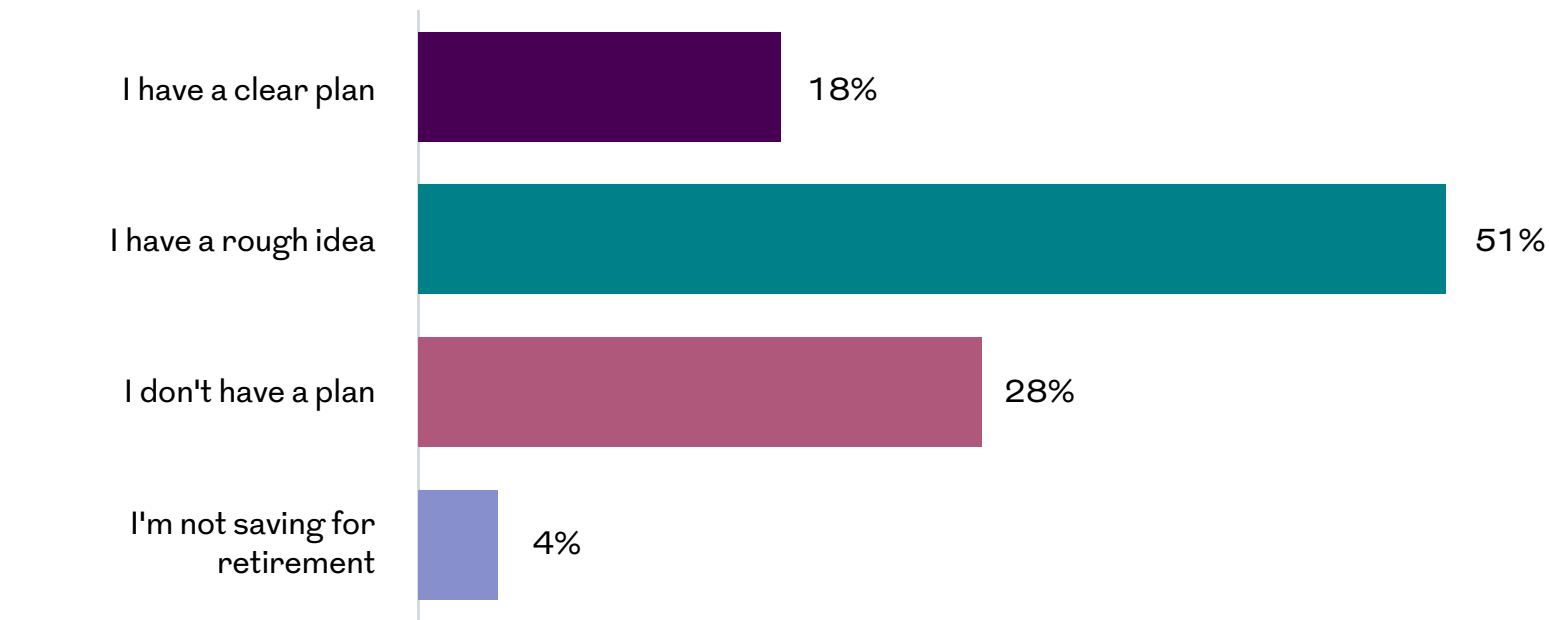
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Fewer than one in five employees with a workplace pension have a clear retirement plan.

How employees are preparing for retirement



As the chart shows, fewer than one in five employees with a workplace pension have a clear retirement plan. Those in mid-life are the least likely to have one. Just 13% of employees aged 35-49 have a clear plan, compared with 19% of 18-34-year-olds and one in five (20%) of 50-69-year-olds.

Planning awareness

Although most employees have not thought about their retirement in detail, many recognise the need to plan how they will generate an income when they stop working.

When asked about the type of retirement planning they think they should do, almost a third (31%) of employees with a workplace pension say they need to calculate how much income they will need and how to generate it. A further 27% say they should work out roughly what they need, while one in four (25%) expect to adjust their plans as they go. These findings highlight that there's no 'one size fits all' understanding of what retirement planning involves.

Women appear more likely than men to favour a structured approach to retirement planning, with 34% saying they need to work out how much they will need and how they will generate it, compared with 27% of men.

Income expectations

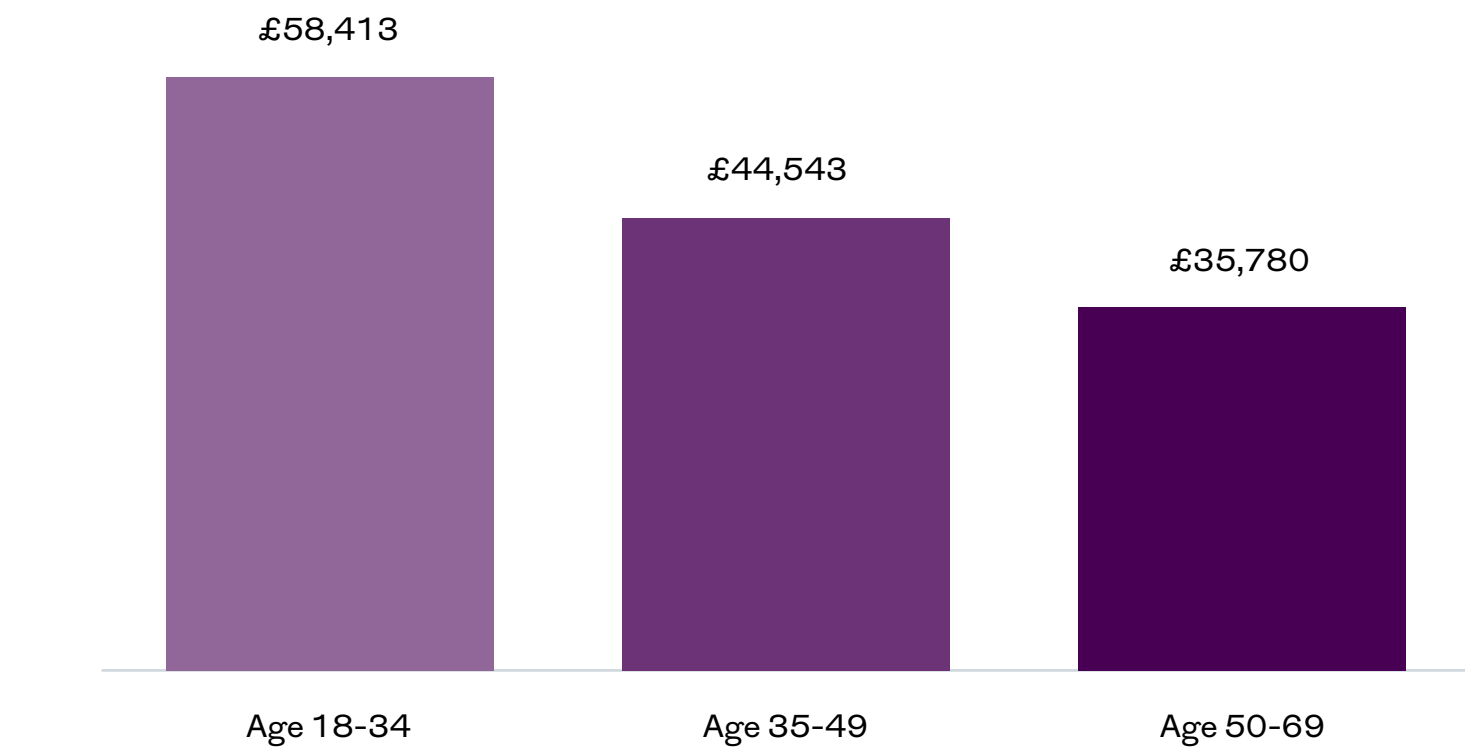
For the last three years we have asked employees with a workplace pension how much annual income they think they will need for a good standard of living in retirement. This year, we asked them to give their estimate in today's money, to strip out any effects of inflation.

- Average annual retirement income that all employees with a workplace pension estimate they'll need – **£44,193**.
- Median annual retirement income that all employees with a workplace pension estimate they'll need – **£32,500**.

This compares to average UK earnings of £39,260 a year, based on analysis of weekly earnings by the Office for National Statistics (ONS).

However, expectations differ significantly by age, with younger employees expecting to need significantly more for a good standard of living in retirement.

Expected average annual income needed for a good retirement by age group



Younger employees are more likely to have particularly ambitious (some may argue, unrealistic) income expectations. Around 13% of 18-34-year-olds believe they will need at least £100,000 a year in retirement in today's money, compared with around 3% of employees aged 50-69.

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The £35,780 annual income that people in their 50s and 60s expect to need for a good standard of living in retirement is broadly in line with the £32,700 income that could pay for a *moderate Retirement Living Standard* for one person living outside London, according to Pensions UK. However, the Retirement Living Standards assume no housing costs and that any tax due has already been deducted. Our [2026 Financial Resilience Report](#) shows that, while only 11% of retirees currently pay rent or a mortgage, 44% of UK adults aged 18-34 expect to have housing costs in retirement. This is due to a combination of more young people renting and taking out mortgages over a longer term.

Our [Financial Resilience Report](#) also shows that a third (33%) of 18-34-year-olds rent their homes compared to just over a fifth (22%) of those aged 50-69. And while 28% of 18-34-year-olds took out a mortgage with an original term of 35 years or longer, just 1% of people who've retired did the same when they bought their home.

Younger generations may therefore need to plan for higher retirement incomes to meet these costs.



Younger workers are far more likely than those aged 50-69 to believe they will need at least £100,000 a year in retirement, on average.

Understanding retirement income options

Many employees are approaching retirement without a strong understanding of how they might turn their pension savings into an income.

Income drawdown is one of the main ways that people with a defined contribution pension can access their pension savings. Unlike an annuity, it gives them greater flexibility in how much income they take and when.

However, almost half of employees (48%) paying into a defined contribution pension either do not understand income drawdown or have not heard of it, while more than half (52%) say they understand it.

Understanding of this income option is particularly low among women. Almost six in ten (59%) female employees paying into a defined contribution workplace pension do not understand income drawdown or have not heard of it, compared with 37% of men.

Even among those aged 50-69 who are likely to be closer to retirement, almost half (45%) do not understand it or have not heard of it.

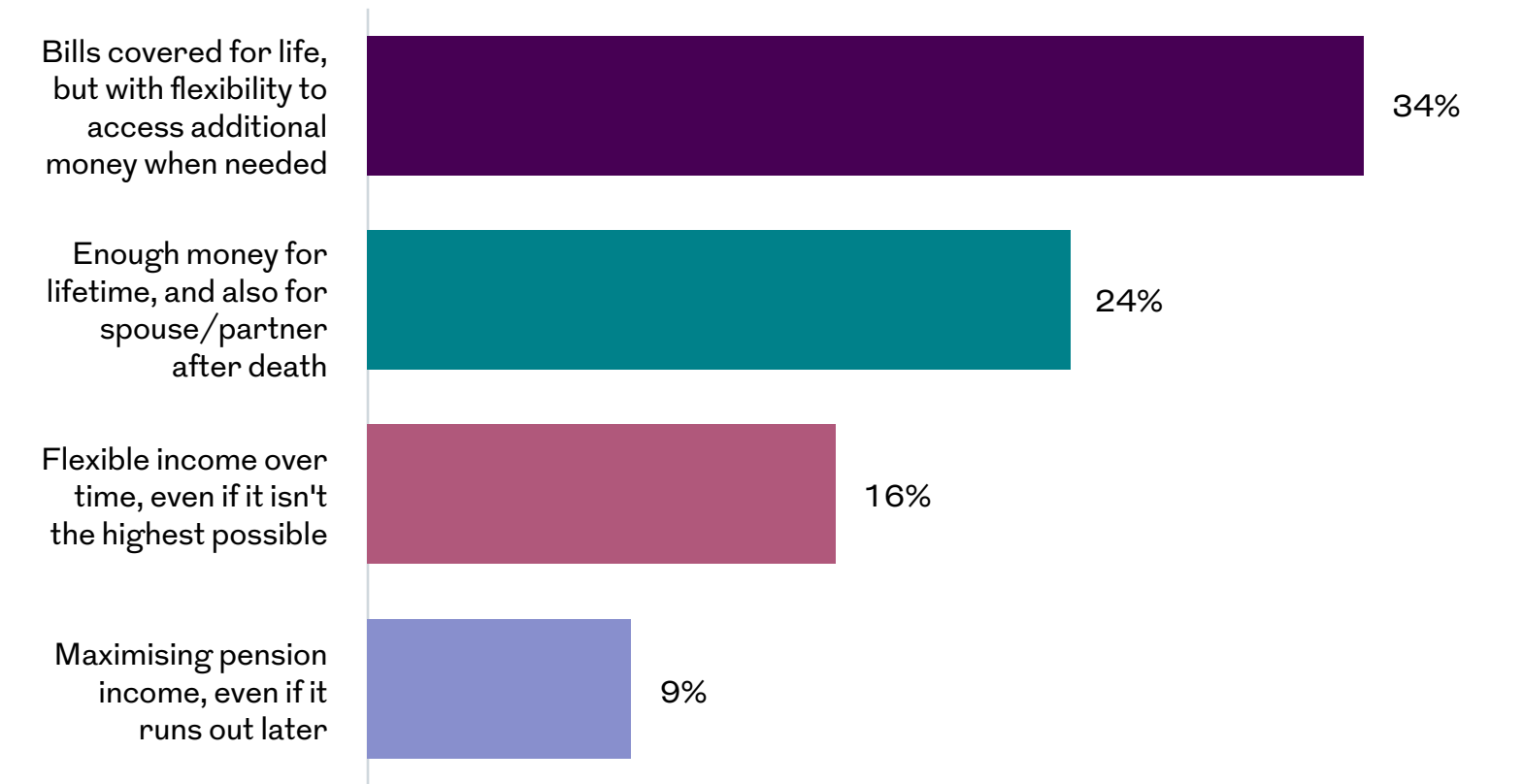
Generating a retirement income from drawdown isn't necessarily straightforward, as people must decide where to invest their pension money and how much to withdraw each year. Therefore, this lack of knowledge is particularly concerning, given that only 11% of those aged 50-69 have taken financial advice relating to their pension in the last year.

Security and flexibility are key priorities

When considering how much income they would like to generate in retirement, employees highly value security and flexibility. More than a third (34%) say their top priority is having certainty that their bills will be paid for the rest of their lives, while retaining the flexibility to access additional money when needed.

However, almost one in ten (9%) want to maximise their income, even if this means running out of money during retirement. That percentage could be an underestimate if more people understood how much, or how little, their pension could provide. At the same time, people may be underestimating how long their pension savings will need to last. [ONS figures](#) show that the number of people aged 90 or over in the UK increased by 53% to 625,000 between 2004 and 2024. As people live longer, there is a greater risk of pension savings running out sooner than expected and of them spending their later years on a low income.

Retirement income priorities



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Employees are generally more concerned about long-term financial security in retirement than taking investment or income risks.

These findings are broadly in line with how employees aged 50 and over, who know how they will take money out of their pensions, say they plan to access their savings. The most popular approach for this group combines taking tax-free cash with an ongoing retirement income.

- 35% plan to take one or more tax-free lump sums and use income drawdown. Of these, 23% expect to take one tax-free lump sum and 13% plan to take tax-free cash as a series of lump sums.
- A further 21% expect to combine a tax-free lump sum with an annuity.
- Only 15% of this particular age group expect to take one or more taxable lump sums, where 75% of the lump sum is taxable and 25% is tax-free.

Overall, our findings suggest that employees favour a combination of flexibility and financial security, rather than relying on a single approach to fund their retirement.

At the same time, a degree of uncertainty still remains about retirement income choices. More than one in ten employees (11%) say none of the options presented reflects how they expect to access their pension savings. A similar percentage expect to cash in one or more pension pots (10% combined).

Other retirement income options

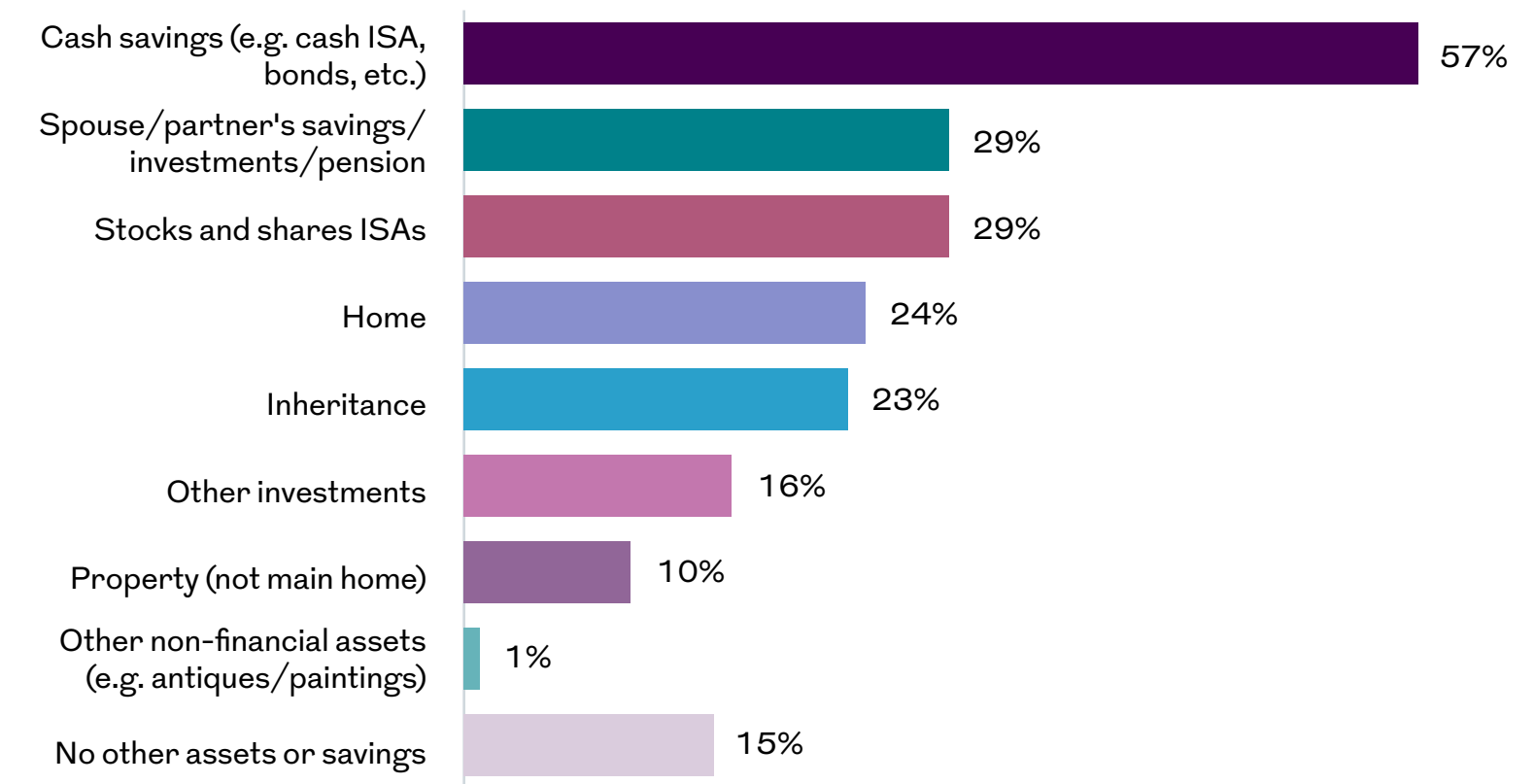
Many employees also believe they will draw on a range of other assets to support their retirement, reinforcing the importance of an overall plan and not viewing income generation in retirement as a single default solution.

More than half (57%) expect to use cash savings alongside their pension. However, depending on what an individual has saved, this may or may not make a meaningful contribution to their retirement income. Data from our [2026 Financial Resilience Report](#) shows that employees with a defined contribution workplace pension have average cash savings of £18,784. Cash savings, while important, tend to lose value over the longer term. Younger employees counting on cash savings may find their buying power eroded by the time they retire.

As the chart shows, almost a quarter (23%) of employees plan to use an inheritance to fund their retirement. However, consumer research we carried out in 2026 shows that only 7% of UK adults expect to receive an inheritance in the next ten years and know how much they will receive.

Almost one in six employees do not expect to have any other assets or savings available, suggesting a significant minority anticipate relying on their pension savings alone to fund retirement.

Other assets employees expect to use in retirement



Retirement age expectations

On average, employees would ideally like to retire at the age of 62 years and 4 months but realistically expect to retire over three years later, at 65 years and 6 months. This gap is particularly pronounced among younger employees, as the table shows. While some may want to continue working, it could also be due to the realisation that retirement at an earlier age is unaffordable. Both the ideal and expected retirement ages are below the age at which someone can receive their State Pension.

Age group	Ideal retirement age	Expected retirement age
18-34	60.1	64.4
35-49	61.4	65.4
50-69	64.1	66.1

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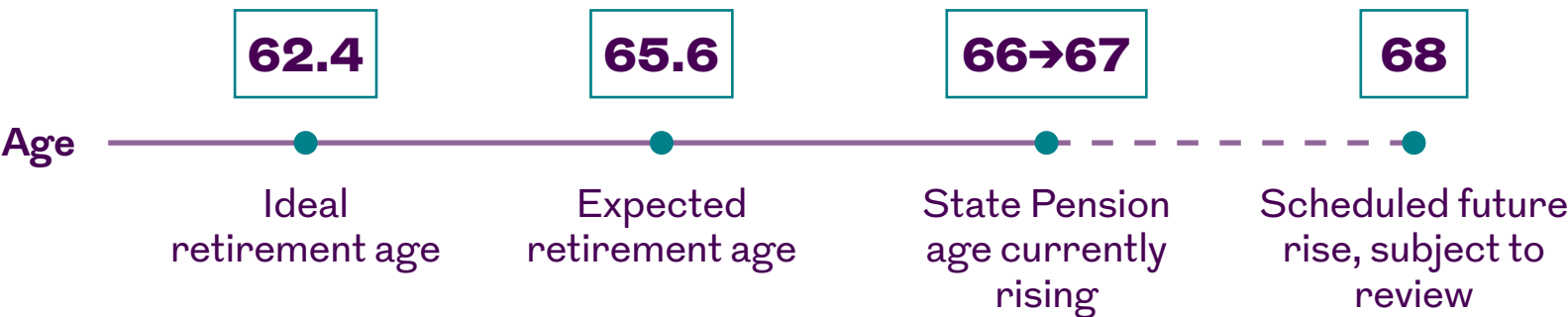
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According to the [Office for National Statistics](#), life expectancy for someone aged 18 at the time of writing is 85 years for men and 89 years for women, on average. Therefore, retiring at 60 could mean funding 25 years or more in retirement.

Those who retire early may also need to bridge a bigger gap before they are old enough to receive their State Pension. The State Pension age is currently increasing from 66 to 67, with a further rise to 68 scheduled for 2044-2046. However, the government's [third State Pension age review](#), launched in July 2025, is considering whether this timetable remains appropriate. Depending on its findings, more people may have to wait until age 68 to receive the State Pension.

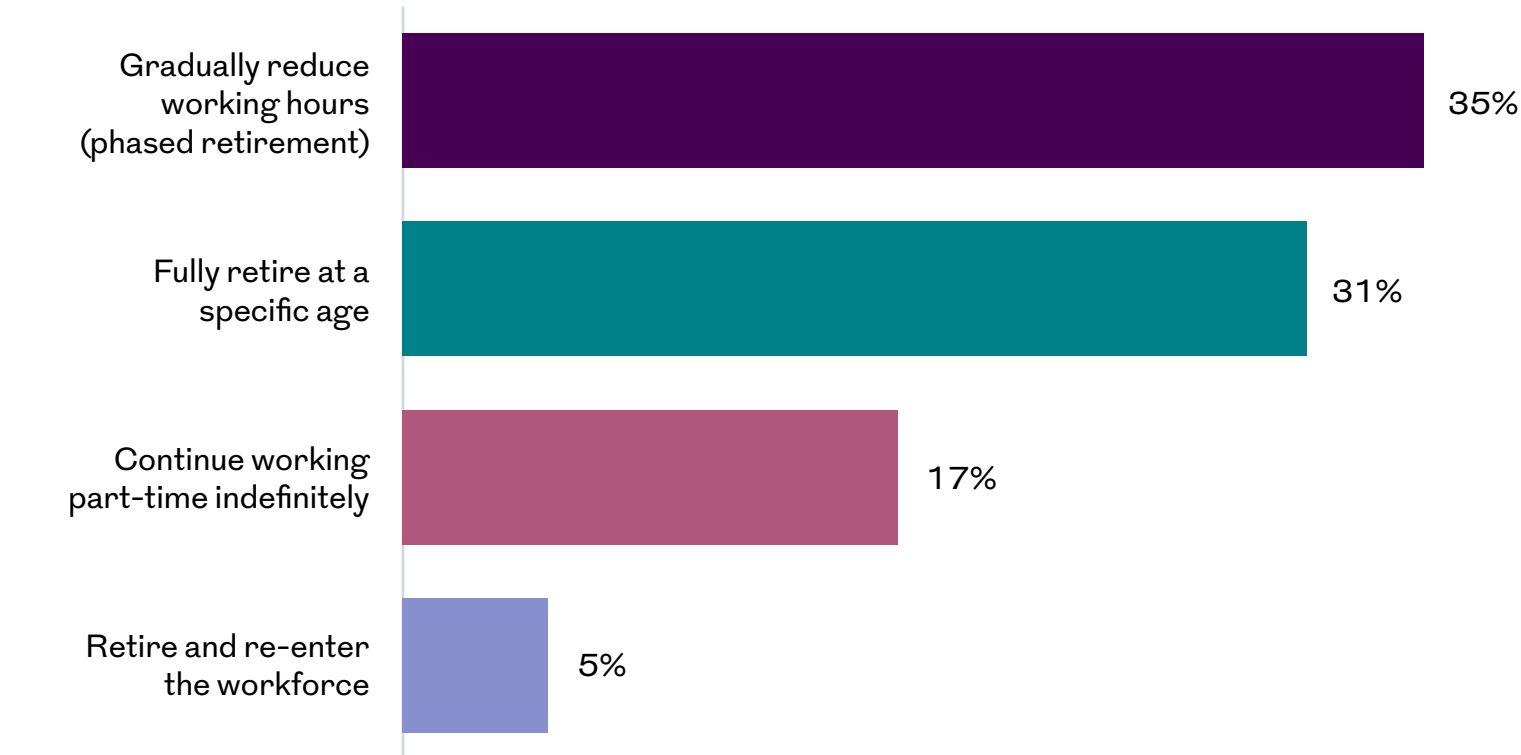
Ideal versus expected retirement age



Retirement reality

Many employees appear to envisage retirement as a gradual reduction in work, rather than a cliff-edge stop. The trend for more people to retire gradually brings with it a demand for different levels of support and ongoing reviews as they transition from work to full retirement.

How employees expect to retire



Women are particularly likely to favour a phased transition into retirement, with over a third (37%) expecting to gradually reduce their working hours versus 32% of men.

However, when it comes to broader retirement planning, there is a disconnect between expectations and preparation. While many have thought about when they would like to retire and the income they expect to need, as we stated earlier, fewer than one in five (18%) have a clear retirement plan. Among 50-69-year-olds, this is only two percentage points higher, at 20%.

This indicates that many people have retirement aspirations but are uncertain about the practical steps needed to achieve them or are yet to take any action.



What does this mean?

Our findings suggest that many employees have started to engage with retirement but have not yet translated that engagement into a detailed plan. This gap between thinking and taking action is particularly important given the complexity of retirement decisions and the length of time many people may spend in retirement.

- **For employees**, there could be difficult choices ahead if their savings are unlikely to generate the income they expect in retirement. This ‘adequacy disconnect’ reinforces the importance of having a clear plan for life after work.
- **For employers**, there is an opportunity to help employees of all ages move from thinking about retirement to taking practical steps, and to promote the importance of pension planning.
- **For financial advisers**, our research revealed a sizeable group of employees who could benefit from support but have not yet sought it. Given the limited understanding among many employees of important issues such as their options at retirement and how other assets can be used, advisers have a role to play in closing that planning gap. This is particularly important as more employees plan to retire gradually.

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The advice gap

Employees who use different sources of retirement support tend to have high levels of trust in them. However, many still make pension decisions without seeking advice or guidance.

When making workplace pension and retirement decisions, employees are likely to have access to a wide range of information and support. From financial advisers and government-backed guidance services to pension providers, employers, charities, family and friends, and now, an increasing variety of digital tools.

Despite this, relatively few employees actively seek help. This is notable given that many respondents are unsure whether they are saving enough for retirement and face complex decisions about how to access their pension savings when the time comes.

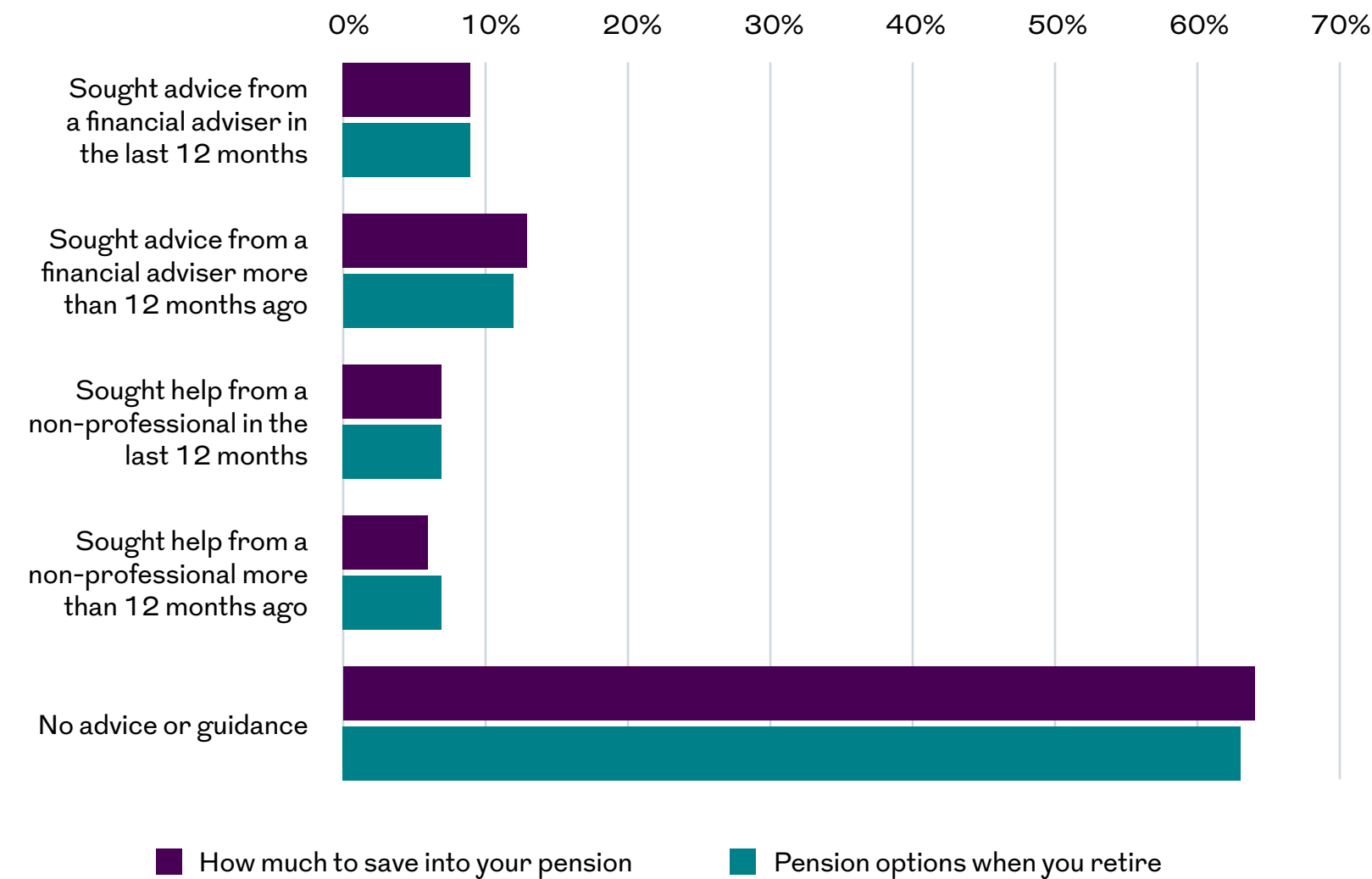
As the previous section highlighted, most employees are thinking about retirement to varying degrees, but few have formulated a detailed plan. In this section, we examine who employees turn to for support, which sources they trust and why so many continue to approach retirement decisions without advice or guidance.



Navigating pension decisions without support

Automatic enrolment has significantly increased workplace pension participation, with around nine in ten eligible employees saving in a workplace pension in 2025, according to data from the Department for Work and Pensions (DWP). However, encouraging employees to engage, especially with retirement planning, remains challenging. Our research shows that many employees have not sought support to understand whether they are saving enough or how they might access their pension savings in the future.

Are employees taking retirement advice or guidance?



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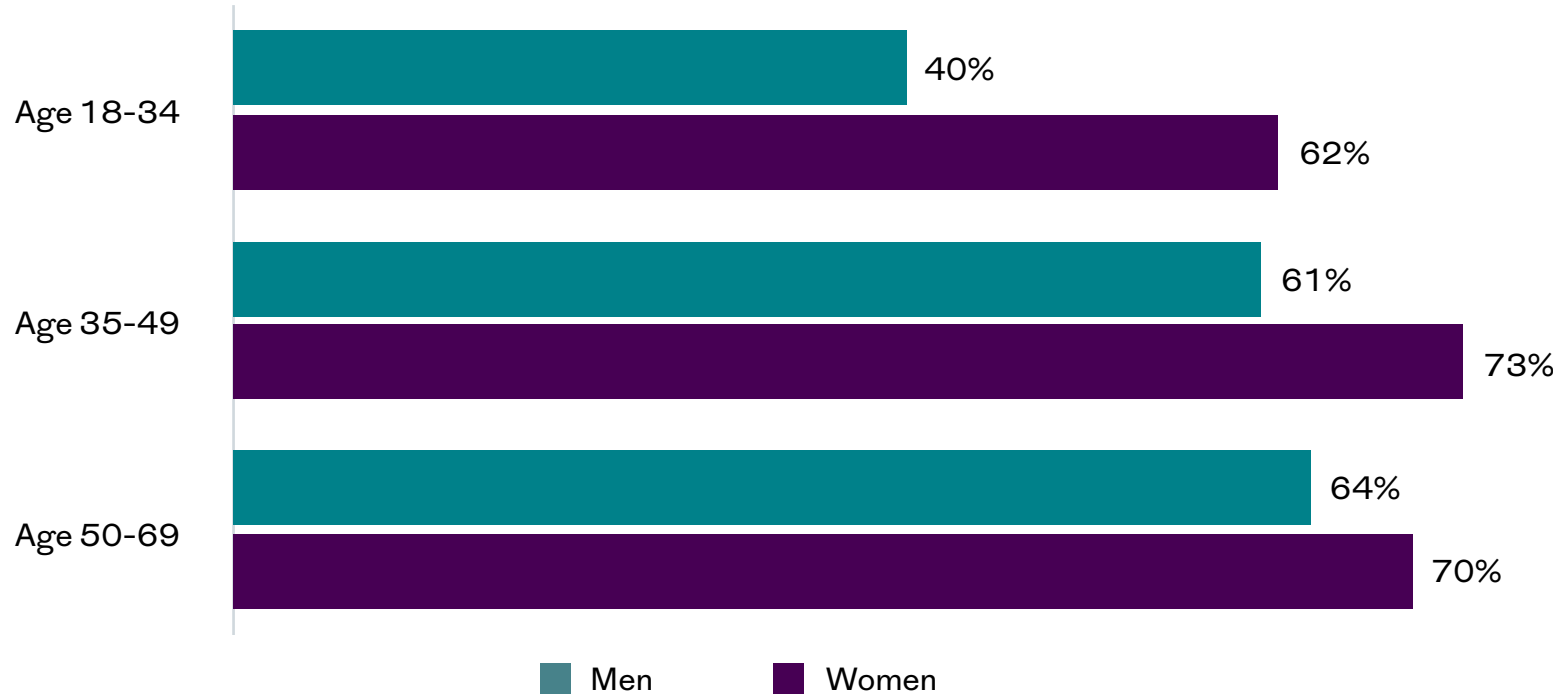
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Women are particularly unlikely to seek support, especially those aged 35-49.

Employees who have not sought advice or guidance relating to saving into their pension, by age and gender



There was little difference in advice-seeking behaviour between those currently paying into a defined contribution pension (63%) and those paying into a defined benefit pension (61%). This is interesting because defined benefit pensions typically specify the level of contributions paid in and leave little choice in how savings are accessed at retirement. Defined contribution pension holders, however, face more decisions about how much to pay in and what happens at retirement.

Those who had sought advice or guidance were much more likely to have a clear retirement plan. While only 69% of employees with a workplace pension have a clear or rough plan for retirement, this rises to 93% among those who have sought advice from a financial adviser on how much to save into a pension and 94% of those who have sought advice on their pension options at retirement.

These findings suggest that engagement with advice and guidance is closely linked to broader retirement planning behaviour.

Financial advisers are highly trusted

While most employees with a workplace pension don't take advice, research shows that those who do have high levels of satisfaction.

We examined levels of trust among those who had used a range of advice, guidance and information sources and found that professional financial advisers are the most trusted source of pension support.

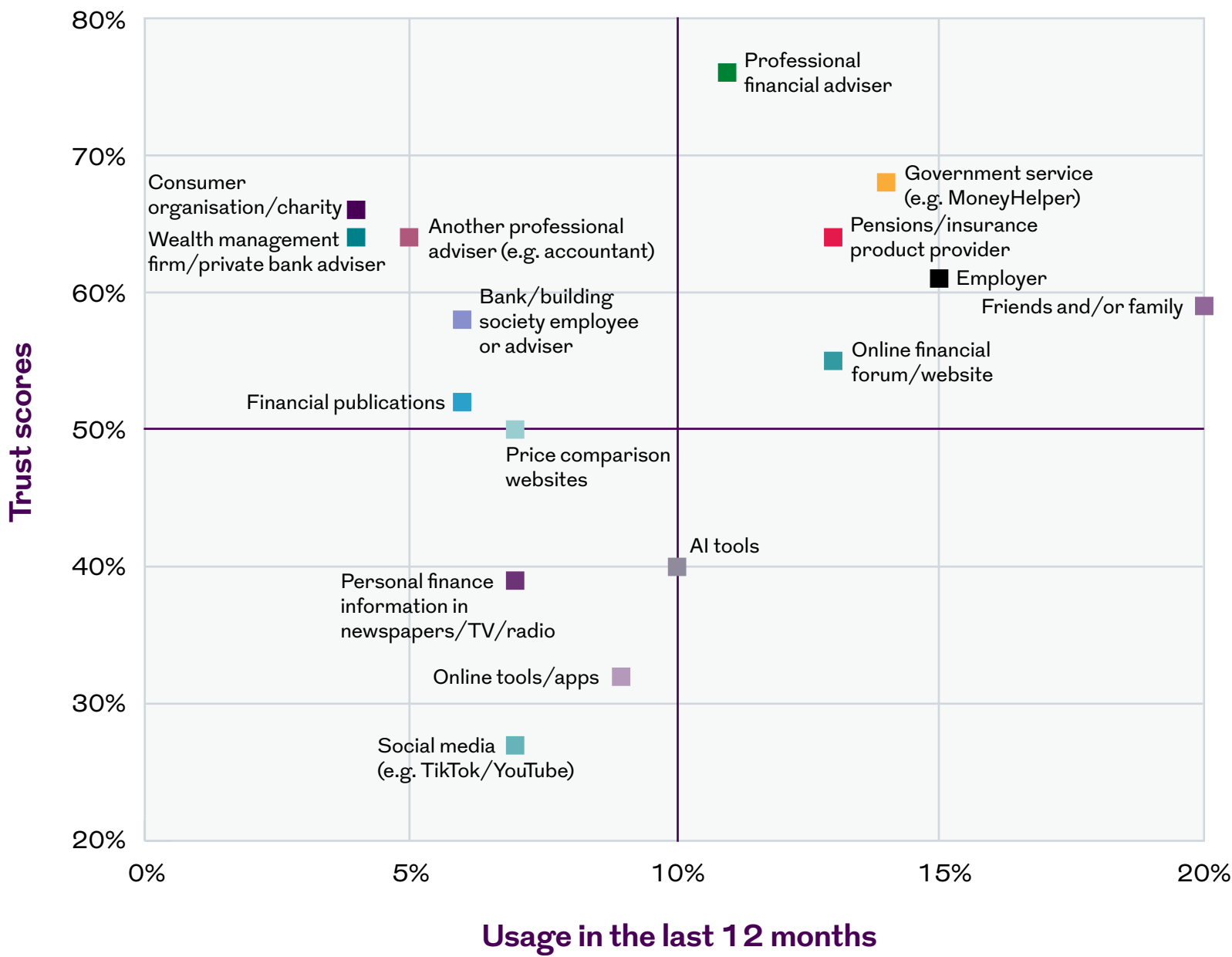
Of the employees who received advice from a financial adviser about pension-related matters in the last year, approximately three quarters (76%) gave them a trust score of between eight and ten out of ten. Only 4% gave them a score of 0-4. This is echoed in the Financial Conduct Authority's Financial Lives 2024 survey, which found that 87% of consumers who received financial advice found it clear and understandable, while 85% said they were confident in it.

Government-backed guidance services, such as MoneyHelper or Pension Wise, consumer organisations like Citizens' Advice, as well as other advisers, pension providers and employers also rank highly for trust.

However, high levels of trust do not necessarily translate into take-up. Just over one in ten (11%) employees say they've used a financial adviser in the last year, almost the same proportion (10%) who have used AI for help with their pension.

Bearing in mind how new AI tools such as Chat GPT, Claude and Google Gemini are, it is interesting that 40% of employees who have used them trust them. While it is lower than many other sources of help, it is one to keep monitoring.

Pension support and advice sources – trust versus usage in the last 12 months



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Financial advisers are highly trusted by those who use them – but only 11% of employees with a workplace pension used one in the last year.

These findings reinforce that employees continue to place the greatest trust in regulated, professional or institutional sources of support, alongside employers.

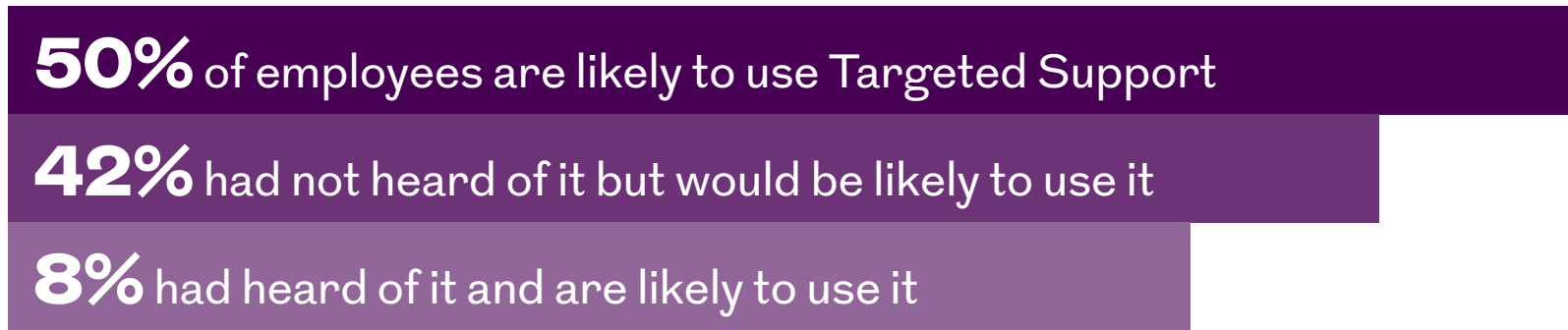
Younger employees (aged 18-34) use more varied sources, with friends and/or family coming out on top, followed by social media and AI.

Awareness of Targeted Support

Targeted Support, which launched in April 2026, enables financial services providers to offer tailored recommendations to groups of customers with similar circumstances and needs, instead of being limited to providing generic information. It is designed to complement, not replace, fully individualised financial advice. For many people, it will act as a bridge, helping them make better decisions today, while building confidence and engagement that may lead to them taking individual advice in the future. The recommendations it makes will be much more actionable than the generic guidance most people receive today, and, importantly, providers can offer it to customers for free.

Given how recently it was introduced, low awareness among employees with a workplace pension is understandable. However, it is encouraging that many would consider using this service.

Our data shows that 50% of employees with a workplace pension said they were likely to use it. This includes over four in ten employees (42%) who had not heard of it, but once Targeted Support was explained to them said they would be likely to use it.



Interestingly, women who had not heard of Targeted Support would be more likely to use it than men (47% compared to 37%), but there was very little difference across the three age groups.

- 18-34-year-olds – 45%
- 35-49-year-olds – 41%
- 50-69-year-olds – 43%

Employees currently paying into a defined contribution pension who have not heard of Targeted Support are more likely to use it (46%) than employees paying into a defined benefit pension (40%).

This level of interest in Targeted Support, combined with the ability to offer it free of charge, creates a significant opportunity for pension providers to engage with millions of employees who are currently saving into a workplace pension, but not benefiting from financial advice. More importantly, Targeted Support can help turn pension saving into better retirement outcomes.



What does this mean?

Our findings reveal a substantial advice and support gap, but it is encouraging that the advisers and organisations best placed to help employees are highly trusted by those who already use them.

Despite this, many employees continue to make pension decisions without engaging with these trusted sources and, in some cases, engaging with sources they do not trust.

- **For employees**, the findings highlight the importance of understanding their retirement options and seeking support before decisions become urgent. Almost two-thirds (64%) have never sought help with how much to save into their pension, despite the complex retirement decisions they face.
- **For employers**, the workplace is a trusted source of support and one that employees are likely to have used in the last 12 months. This creates both an opportunity and a responsibility to provide meaningful support as employees navigate their retirement journeys.
- **For financial advisers**, the challenge ahead may be less about building trust and more about helping people recognise when advice could benefit them. Employers could help bridge that gap by providing more opportunities for conversations about retirement in the workplace.

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The confidence divide

Retirement engagement varies. Men, higher earners and younger employees are more likely to take an active approach, but others risk being left behind.

How confident employees feel about retirement varies considerably. While some believe they are on track to achieve the retirement they want, others are uncertain about whether they are saving enough or making the right decisions.

Our findings suggest that confidence is closely linked to planning, understanding and engagement, with differences emerging by gender, age and income.

Confidence linked to engagement and planning

One of the clearest themes from our research is the relationship between confidence, engagement and advice.

Nearly three-quarters (74%) of employees who have 'thought about their financial needs in retirement *a lot*' are confident they are saving enough for retirement. This compares to 61% of those who've 'thought about retirement *quite a lot*' and only 17% of those who 'have not thought about retirement at all'.

Employees who are very confident they are saving enough also started thinking about retirement four or more years earlier, on average (age 37), than those who are not at all confident (age 41) or who are unsure whether they are saving enough (age 42).

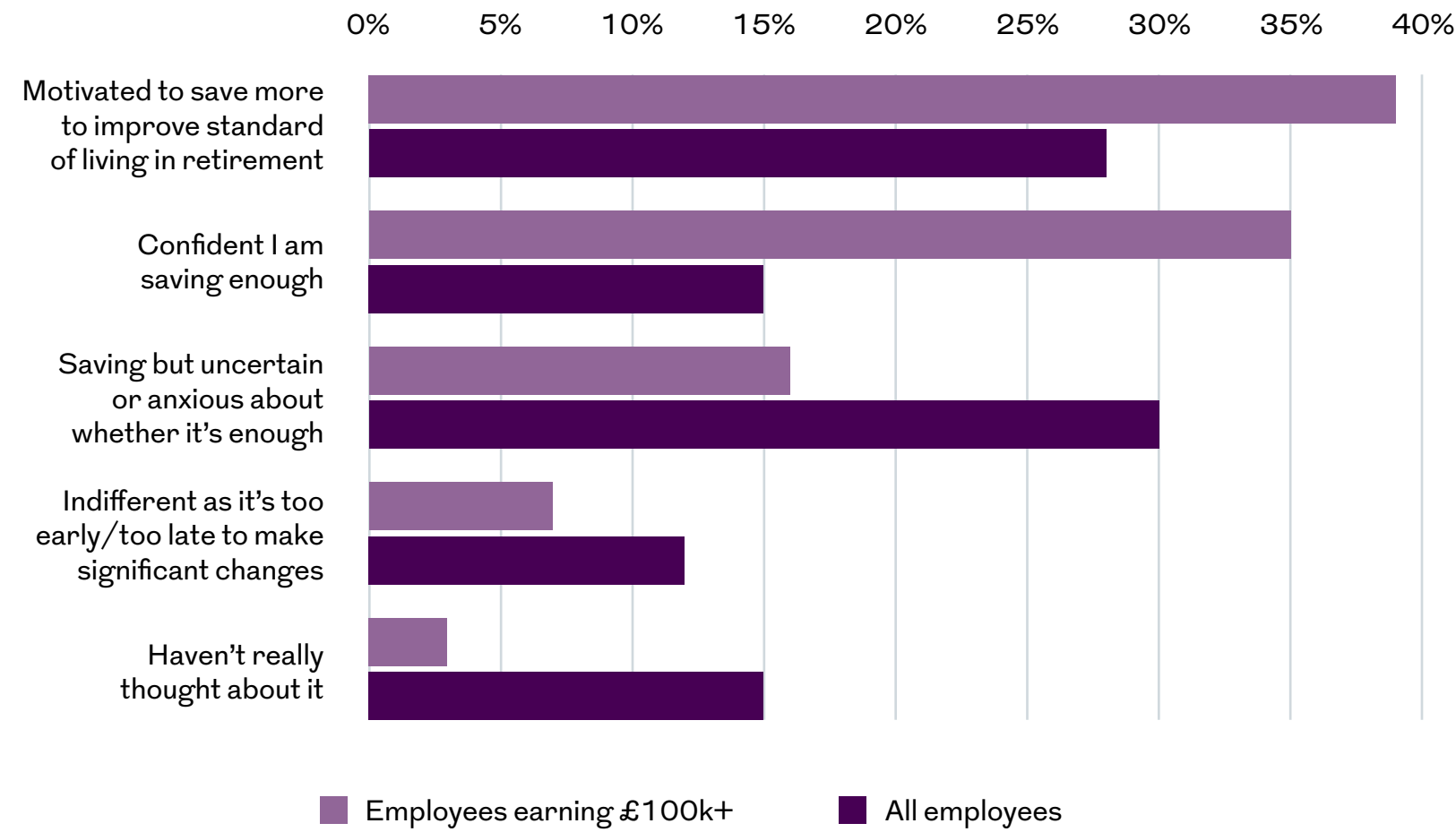
Higher income does not mean greater confidence

While higher earners are generally more likely to seek support and engage with retirement planning than those on a lower income, uncertainty remains.

When asked how they feel about their pension savings, only around a third of employees earning more than £100,000 a year are very confident they are putting enough away for retirement.

1. Chart combines financial advice and non-professional help, whether in the last 12 months or earlier.

How employees feel about their pension savings – higher earners versus all employees



We know that people with higher incomes are more likely to take advice from a financial adviser than those with lower incomes. The chart below compares employees earning more than £100,000 a year with all employees, showing whether they have taken advice on how much to save into their pensions.

Higher earners are twice as likely to seek advice or guidance on pension saving¹



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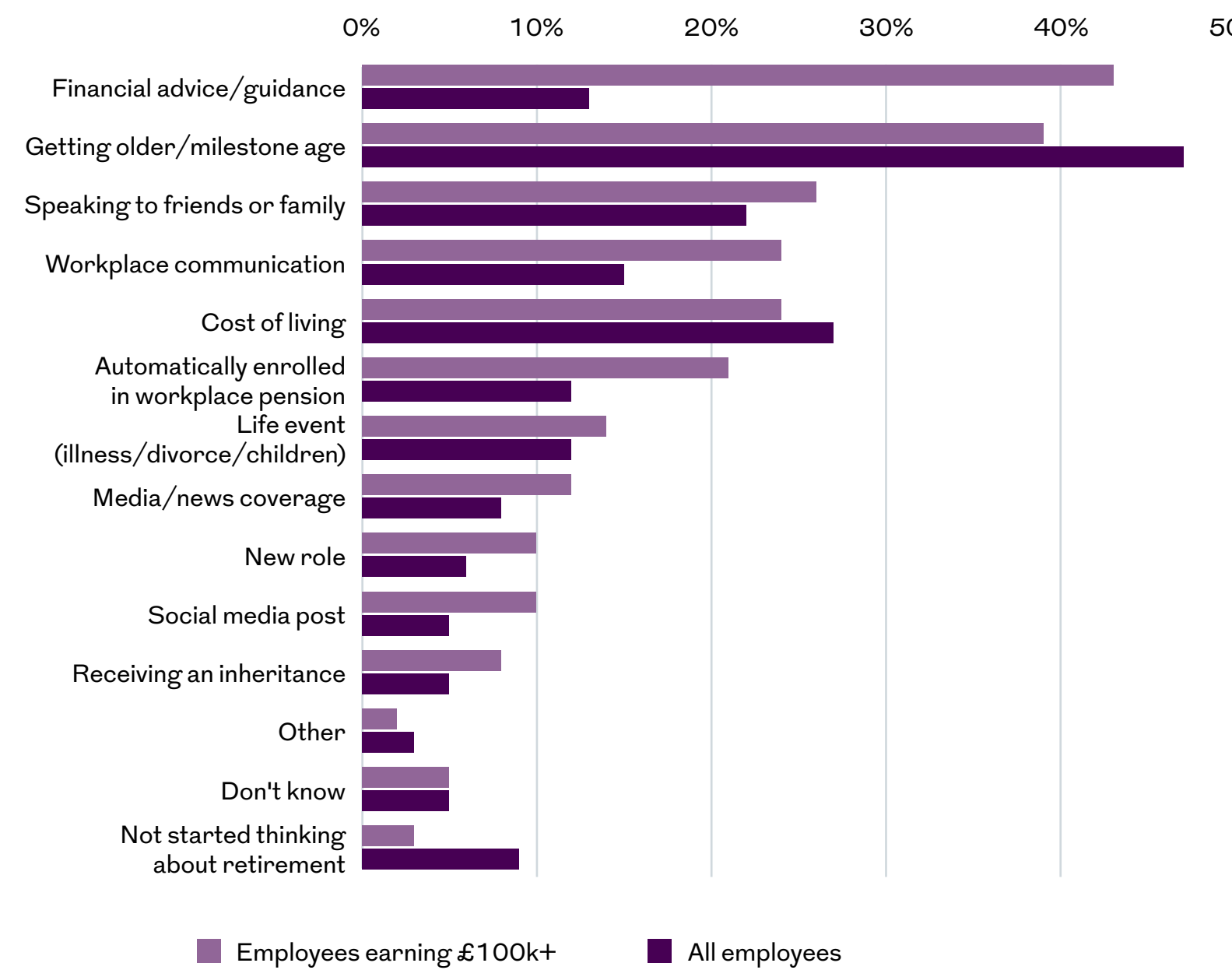
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For most employees, getting older or reaching a milestone age is the most common reason they started thinking about retirement. However, for those earning £100,000 or more, taking financial advice or guidance was more likely to prompt them to think about retirement. This suggests that retirement is more likely to be part of a plan for these higher earners, rather than a consequence of reaching a certain age.

What prompts employees to think about retirement?

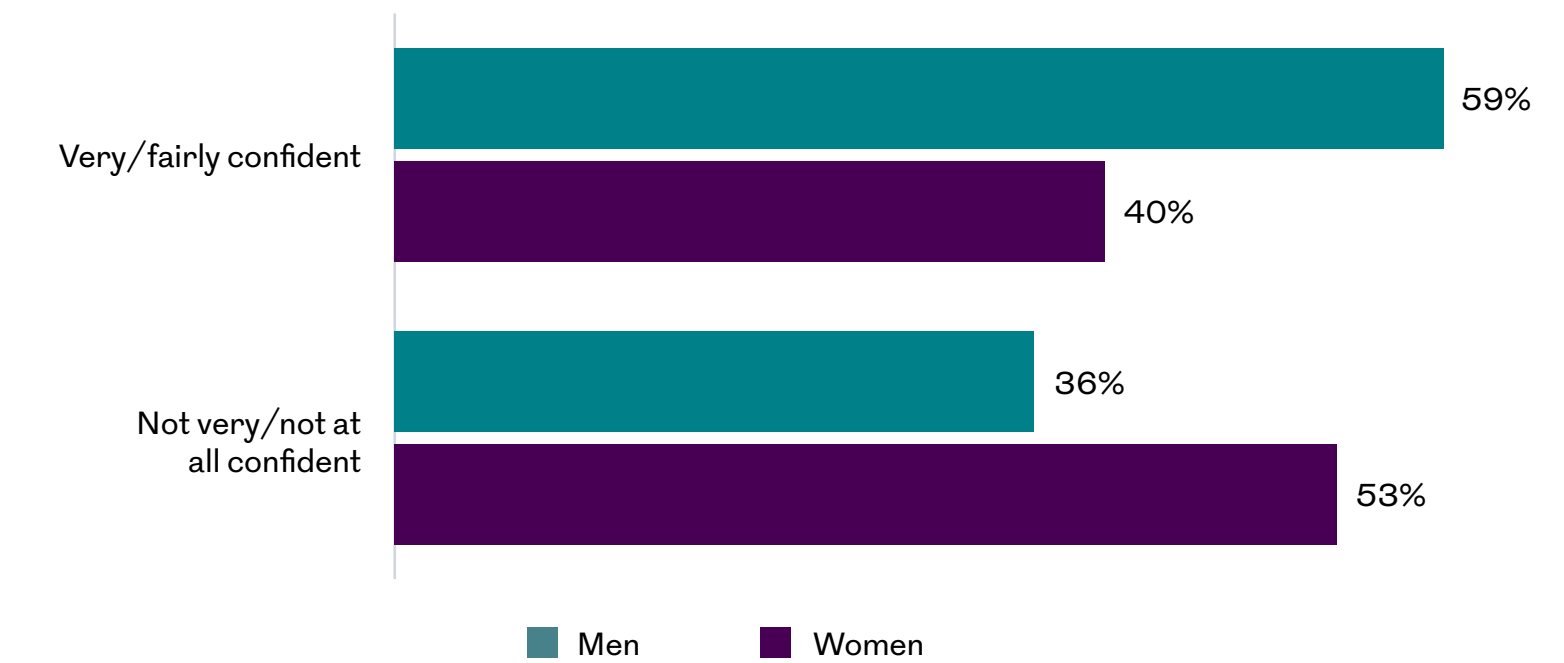


While higher-income employees are more likely to seek help with their pension than lower earners, sizeable knowledge gaps remain. Around one-third (35%) of employees earning £100,000 or more do not know how they will eventually access their pension savings.

Women are less confident and less engaged

A significant gender divide runs through our findings, particularly in levels of confidence and engagement with retirement savings, as the chart shows.

Men are more confident they are saving enough for retirement



Men are more likely than women to say they have a clear retirement plan (23% versus 13%), and the gender gap is even wider among those employees with no plan at all. More than a third (35%) of women say they do not have a retirement plan, compared with fewer than one in five men (19%). Among women aged 25-34, this rises to 42%, compared to 17% for men of the same age.

This lower level of planning is reflected in advice-seeking behaviour. Just 16% of women have sought advice from a financial adviser about how much to save into their pension, compared with more than a quarter (26%) of men.

The same pattern emerges when looking at retirement engagement and preparedness. Twice as many women as men say they never check their pension savings (16% versus 8%). Similarly, only one in eight (12%) women say they are confident they are saving enough for retirement compared to almost one in five (19%) men.

Lower confidence among women may be a consequence of the gender pension gap. The Department for Work and Pensions (DWP) estimates that women aged 55-59 with uncrystallised private pension wealth have, on average, 48% less saved than men of the same age.

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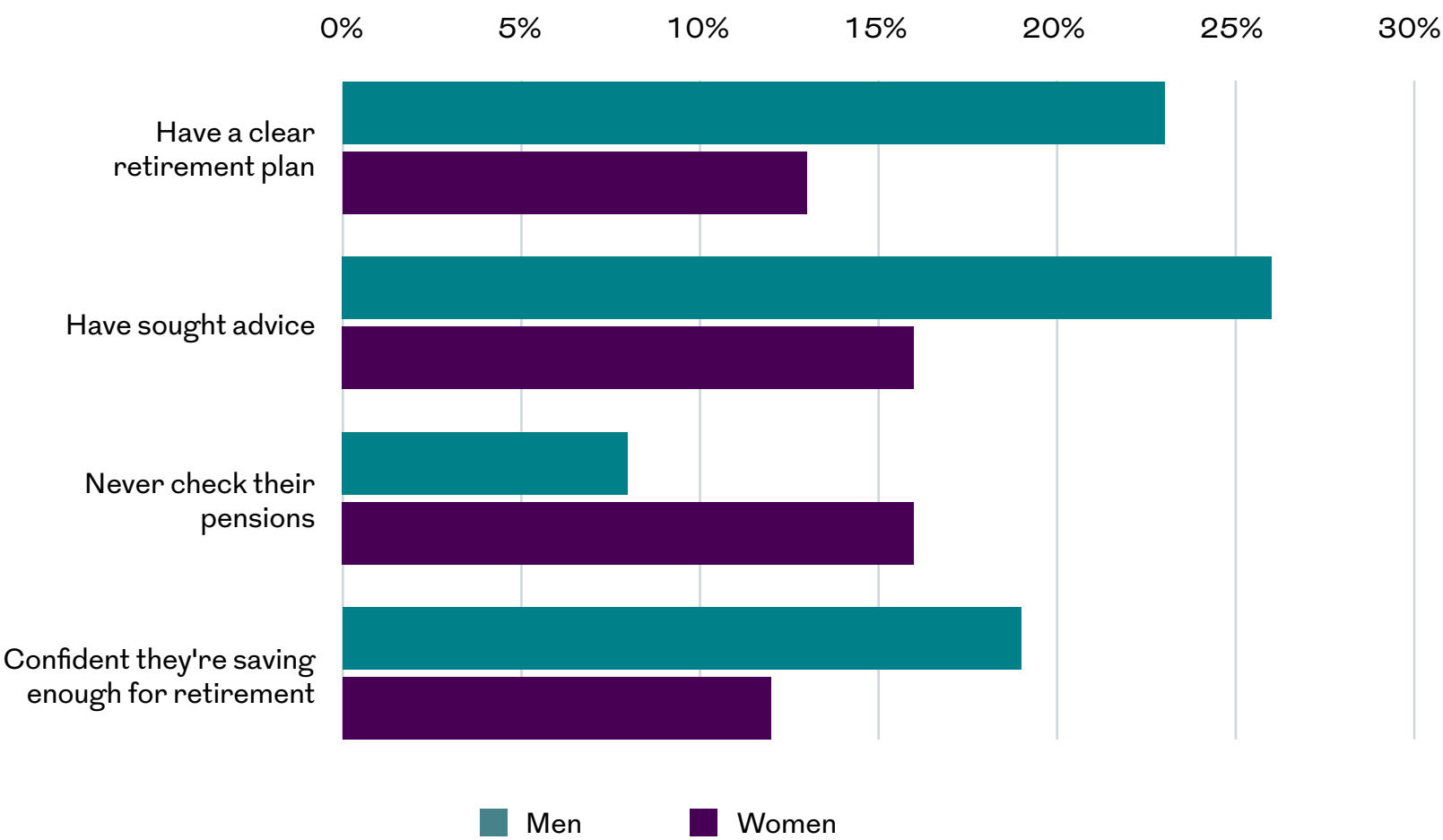
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Women are less likely to plan, seek advice or check their pensions



Our results reflect a concerning combination of lower confidence and lower engagement for female employees. For some women, this could create a cycle in which uncertainty about retirement is accompanied by disengagement, preventing them from accessing the information and support that could help them.

Younger workers engaged but not confident

Since our first workplace pensions report in 2024, our findings have consistently challenged the widespread assumption that younger employees are not engaged with their pensions.

Once again, our latest data shows that employees aged 18-34 are more likely than their older colleagues to seek both professional and informal advice or support about their pension savings. Among 18-34-year-olds, 42% have sought some professional or informal support regarding saving into their pension, compared to only 28% of 35-49-year-olds and 30% of those aged 50-69.

Younger employees are also more likely to actively engage with their workplace pensions. One in ten employees (10%) aged 18-34 checks their pension at least weekly, compared with 6% of those aged 50-69.

However, this greater engagement does not necessarily make them more confident. Only 12% of employees aged 18-34 say they are confident they are saving enough for retirement compared with 20% of those aged 50-69.

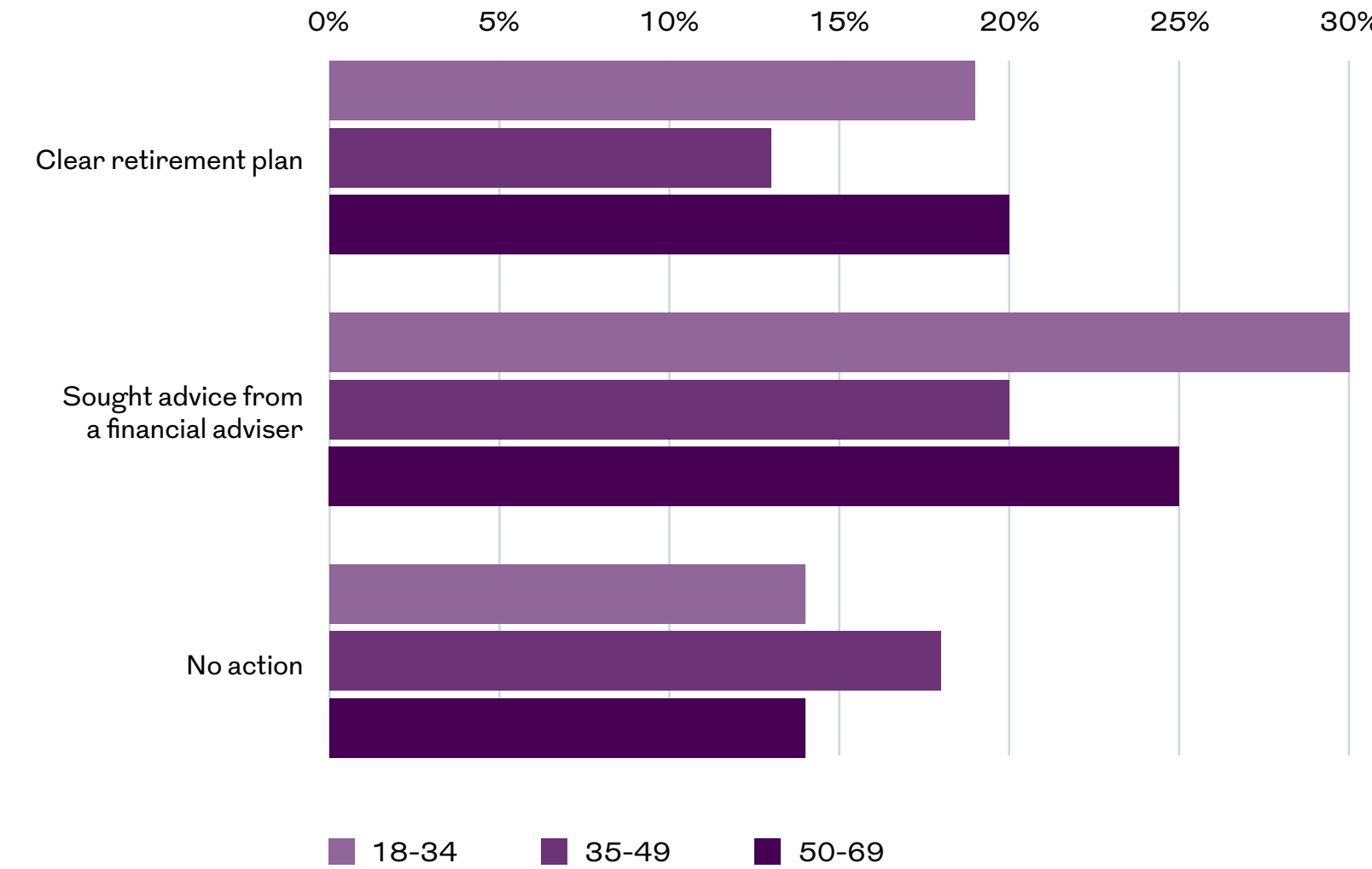
This could be because younger employees, with potentially 30 or more years until retirement, may find it harder to judge whether their savings so far will ultimately provide the retirement income they want. It could also be because they are less likely to have had the opportunity to save into a defined benefit pension, with its more generous and lower risk structure.

Are mid-life employees falling behind?

When asked the age at which they first started thinking about retirement, the average age across the sample is 39 (median 40). However, employees aged 35-49 appear least engaged in turning those thoughts into retirement planning or action.

As the chart shows, they are more likely than younger and older employees to say they have taken no action on their pension and are less likely to have a clear retirement plan. They are also the least likely age group to seek professional support, with more than two-thirds (68%) saying they have never sought any advice or help about their pension savings.

Mid-lifers are less likely to have a plan or seek advice



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Yet awareness does not appear to be the issue. Almost half (44%) of employees aged 35-49 have thought about their financial needs in retirement *a lot* or *quite a lot*. At the same time, almost one-third (31%) say they are uncertain or anxious about whether their pension savings will be enough.



Many mid-life employees are thinking about retirement, but lack the confidence, support or clear plan to get there.

Taken together, our findings suggest that many mid-life employees may be experiencing a retirement planning squeeze. Mid-life is a time when children are likely to be a priority, perhaps alongside caring for elderly parents. As a result, retirement planning may never make it to the top of the ‘to-do’ list. Equally, they may be thinking about retirement without necessarily having the confidence, support or a clear plan to get there.

However, the launch of Targeted Support earlier this year could bridge the gap between awareness and action. Half (50%) of this age group say they would be likely to use it, compared to 34% who say they would be unlikely to do so.

Bridging the confidence gap

Our research reveals a clear confidence divide. Men, higher earners, younger employees and those who seek advice are generally more engaged with their pensions and retirement planning. However, women, many mid-life employees and those with lower levels of pension understanding are more likely to be uncertain about whether they are on track.

While workplace pensions have encouraged millions of employees to save for retirement, our findings suggest that helping people engage with retirement planning remains a significant challenge.



What does this mean?

- **For employees**, getting older is the biggest catalyst for thinking about retirement, but the adequacy disconnect highlights the risks of leaving it too late. Planning is linked to greater confidence, as is higher income levels. But planning matters for everyone, particularly those with lower incomes, who may need to engage earlier to achieve their retirement ambitions.
- **For employers**, this means recognising that different groups across their workforce may need different support. Women and mid-life employees, for example, often report lower confidence and engagement and may benefit from additional guidance, including Targeted Support.
- **For financial advisers**, the strong link between planning and confidence highlights the value of trusted support. The challenge is ensuring that more clients who are in a position to take financial advice seek it out and benefit from it.

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Looking ahead

Automatic enrolment’s success in getting employees to save means that the industry’s challenge is less about encouraging participation and more about helping employees turn pension saving into genuine retirement readiness.

From participation to retirement readiness

Throughout our report, the evidence shows that many employees are thinking about retirement, but often without the confidence, understanding or support needed to make informed decisions.

Retirement planning can be complex. Employees face decisions about how much to save, how much income they may need, how they might access their pension when the time comes and how to supplement their income with other assets. Many also expect longer retirements and to gradually transition out of work, all against a backdrop where financial resilience is proving increasingly harder to achieve.

The opportunity for financial advice

This presents a significant opportunity for financial advisers to improve retirement readiness among employees who may benefit from tailored advice. Employees who have sought advice tend to be more engaged with retirement planning and more likely to have considered their options in detail. Yet few currently take professional advice, even though advisers are the most trusted sources of support among those who do.

The challenge then may be less about convincing people of the value of advice and more about helping employees recognise when it could benefit them, with support available at key decision points throughout their retirement journey.

The role of employers

Our findings are equally relevant for employers. Workplace pensions have successfully established a culture of saving, but many employees continue to look to their employer for information and support when making retirement decisions. Such support must therefore be meaningful to ensure employees can plan with confidence.

With less predictable retirement patterns and more employees expecting a phased retirement, employers will play an important role in helping them understand their options and engage with long-term planning. Both the challenges of supporting more varied retirement journeys, and the opportunities offered by emerging solutions, such as Targeted Support, give employers further reason to consider the value they can provide.

Measuring future success

The next phase of workplace pension success will be measured not simply by participation, but by whether employees are saving enough, are prepared for retirement and have the confidence to act. This is becoming increasingly important as policymakers and the pensions industry consider how to improve retirement outcomes. The interim report of the second Pensions Commission, published in May 2026, warned that many future retirees are projected to reach later life without sufficient private pension savings. It highlighted the need for higher rates of saving and broader pension coverage to achieve adequate retirement incomes in the future.

Helping employees build confidence, improve their understanding and turn retirement aspirations into practical plans will not fully solve the adequacy issue alone, but they can make a significant difference in improving retirement outcomes and financial resilience in the years ahead.





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