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Why do people opt-out or not opt-out of automatic enrolment? A focus group study of automatic enrolment into a workplace pension in the UK.

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Abstract

Automatic enrolment into a workplace pension (hereafter AE) is an important recent development in pension policy. An important question for this policy is why do people opt-out or not opt-out of AE? This question is important for understanding the power of suggestion associated with AE as well as responding to concerns that women might face undue pressure to opt-out. This paper addresses this question through a focus group study into the UK's new AE policy. Women were more likely than men to cite lack of affordability as a reason for opting out. Lack of information also seemed important for the power of suggestion associated with AE. Further research should explore how to make AE less gender blind as well as the types of information or advice that should be provided alongside AE.

Keywords: Automatic enrolment; behavioural economics; nudge theory; workplace pensions; UK

Word count: 6,993

Introduction

Automatic enrolment (AE) into a workplace pension is an important innovation in UK pension policy. From October 2012, workers in the UK who fall within a particular age and

income range are automatically enrolled into a workplace pension when they start a new job. Workers also contribute at a default rate if enrolled into a defined contribution scheme. Employees are free to opt-out of AE (The Pensions Regulator 2015). Early examples of AE occurred within particular companies in the United States. Studies into these schemes suggest that AE can boost the membership of a workplace pension (Madrian and Shea 2001; Choi et al. 2002; 2004). In one of the most cited studies into this policy, Madrian and Shea (2001) report evidence from a US health employer that changed its pension scheme from a voluntary opt-in to AE. They note that when the scheme required people to opt-out, those participating in the scheme went from 48.7% of old members to 85.9% of the new cohort. Madrian and Shea (2001) argue that their results show the ‘power of suggestion’, that is participation in a workplace pension scheme is suggested by AE. They say that procrastination is an important factor behind the power of suggestion. However, they call for more research into the factors behind the power of suggestion. They comment that if procrastination emerges because of the complexity in making savings decisions then policy-makers should explore how to make such decisions simpler. They contend that if procrastination occurs because people lack proper information or advice about AE, then education may be a better response. Madrian and Shea (2001) say that it is important to explore further the reasons behind the power of suggestion because the: ‘reasons underlying the behavioural differences will inform the discussion of how best to create savings incentives’ (Madrian and Shea 2001, 1184).

There is surprisingly little data though on public attitudes to pension reforms in general, as well as to AE in particular (Foster 2012; MacLeod et al. 2012; Jaime-Castillo 2013; Inland Revenue 2015). So far, three countries have introduced AE at a national level, that is the UK, Italy and New Zealand (Collard and Moore 2010; Collard 2013; Rinaldi 2011). The Italian

government introduced AE in 2007 as part of its reforms of its severance pay system called *Trattamento di Fine Rapporto* (Rinaldi 2011; Fornero and Monticone 2011). New Zealand introduced KiwiSaver in 2007 which automatically enrolls people into a special savings scheme when they start a new job (although others including children can opt-in to KiwiSaver) (Inland Revenue 2012; 2015). Limited research though exists on why people opt-out or not opt-out of AE in either the Italian or New Zealand schemes (Rinaldi 2011; Fornero and Monticone 2011; Inland Revenue 2012; 2015). The small work that has been done on opt-outs in New Zealand suggests that lack of affordability is the most common reason for opting out of KiwiSaver (Inland Revenue 2015).

Examining public attitudes is important for understanding the reasons why people do or do not opt-out of AE. Exploring the views of men and women is also significant for seeing whether men and women have different experiences of AE. Grady (2015) argues that the UK pension system is based on ‘heteropatriachal’ assumptions. This means that the pension system implicitly assumes that the typical worker is a full-time male worker with a full contributions record. She says that this ignores the inferior status of women in the labour market. Eurostat data from 2012 show that the average gross hourly earnings of women were about 16.4% less than men across the EU 28. In the UK, this gender pay gap was about 19.1%. Women earn less than men because they do most of the unpaid care in society and often have to work part-time to perform these caring duties. Eurostat statistics record that in 2012 34.9% of women worked part-time compared to 8.6% of men (European Commission 2014).

EU Statistics on Income and Living Conditions for 2011 show that a gender pension gap outstripped a gender pay gap across the EU 28. For pensioners aged 65 to 79 years, men

were entitled to pensions that were on average 40% higher than those of women. The gender pension gap in the UK was 42% (Tinios et al. 2015). Grady (2015) claims that apparently gender blind reforms such as AE leave this underlying gender inequality untouched. Women can expect fewer benefits than men in AE because lower earnings limit their possible contributions. Furthermore, women are more likely than men to be excluded from AE because of low earnings. In 2014-15, 69% of the 170,000 workers who did not earn the £10,000 minimum to qualify for AE were women (Thurley 2016). Van de Ven (2012) states that AE will have a disproportionate impact on employer costs in low pay industries as many of these employers have not provided pensions previously. He says that employers might offset AE by cutting wages and this has gender implications because just under half of all women work in low pay industries compared to under 30% of men. Ginn and MacIntyre (2013) suggest that employers might put (illegal) pressure on employees, especially women, to opt-out to avoid paying employer AE contributions.

This paper addresses the gap in research on public attitudes to AE by presenting results from a qualitative study into why do people opt-out or not opt-out of UK AE. The first section describes UK AE. The second part considers the theoretical background to AE. Parts three and four outline the methods and results from this study. This is followed by a conclusion.

UK AE into a workplace pension

UK AE was introduced alongside wider reforms to UK pensions (Thurley 2015). One important change was the introduction of the single-tier pension after 6 April 2016. The value of the single-tier pension is about the basic level of means tested support (at least £151.25 per week in 2015/16). The single-tier pension was aimed at simplifying the system of pension

provision and boosting further saving. The Department for Work and Pensions (2013a) notes that people: ‘will receive the flat rate single-tier payment as a foundation on which to save, and will be further encouraged and supported to save into a workplace pension scheme through automatic enrolment’ (Department for Work and Pensions 2013a, 54).

AE was introduced from October 2012, with the largest employers introducing AE first. Employers with 250 or more workers in their largest Pay-As-You-Earn system were staged between October 2012 and February 2014. Employers with 50 to 249 employees were then staged between 1 April 2014 and 1 April 2015. Employers with fewer than 50 employees are staged between 1 June 2015 and 1 April 2017 (The Pensions Regulator 2014).

UK AE is aimed broadly at low to moderate earners. The UK government uses replacement rates to model whether or not people have adequate income in retirement. The replacement rate is income in retirement as a percentage of income in work. In the UK government approach, the pre-retirement income is defined as the gross income calculated before deductions for tax and pension contributions and is the average of positive earnings from age 50 to the state pension age. Retirement income is state and private pension income and is the average gross income from the state pension age onwards (Department for Work and Pensions 2013b). The ideal replacement rate is not necessarily 100% as people may have fewer income needs once retired (e.g. mortgages may be paid off). Target replacement rates are aimed at ensuring that people have a similar standard of living before and after retirement. The UK government claims that target replacement rates vary from 80% for very low earners (less than £12,000 a year) to 50% for high earners (over £51,300 a year) (Department for Work and Pensions 2013b). UK government analysis suggests the single-tier pension combined with saving in AE at the default rate should provide 93% of very low earners with

their target replacement rate. High earners are thought to have adequate pension provision through private pensions. AE is targeted at low to moderate earners as these people are thought to face a shortfall in their replacement rate. A specific target group for government policy are those people who were not saving in a pension scheme when AE was introduced or where people were a member of a scheme where the employer contributed less than 3% of a person's salary and this employer contribution was not into a defined benefit scheme (Department for Work and Pensions 2013b; 2015a).

Two conditions define eligibility for AE. First, people need to be aged 22 years old or over but below the state retirement age. Second, people need to earn within a particular income range. The trigger for AE is set as the threshold for paying income tax. This means that the earnings trigger for AE was £9,440 in 2013-2014 and £10,000 in 2014-2015. The thresholds for qualifying earnings define the income range from which pension contributions can be made. The lower threshold for qualifying earnings is at the National Insurance Primary threshold. The minimum level for qualifying earnings was £5,668 in 2013-14 and £5,772 in 2014-2015. The upper limit for qualifying earnings is set at the National Insurance Contributions upper earnings threshold. This was £41,450 in 2013-2014 and £41,865 in 2014-2015 (The Pensions Regulator 2015).

Under AE, there will be a minimum of an 8% contribution from a person's qualifying earnings into retirement savings in a defined contribution scheme. Employers have to contribute at least 3% of this 8% total contribution rate. The full default rate is being introduced gradually and will take full effect from April 2019. Thus, there is currently a rising default rate under AE. Up to 30 September 2017, there is a minimum total contribution rate of 2% (with employers contributing at least 1%). From 1 April 2018, the minimum total

contribution rate will rise to 5% (with a minimum employer contribution of 2%). The 8% total contribution rate will apply from 1 April 2019 (HM Treasury 2015).

Employees have to opt-out through an opt-out notice. They have up to one calendar month to opt-out once they are enrolled in a scheme if they wish to receive a full refund of their contributions. If people opt-out later, then their payments may stay in the pension until they retire. AE policy requires that employers issue and collect opt-out notices. This policy spells out the minimum content of these notices. The notice must inform the employee that the employer cannot ask or force the employee to opt-out, that people will be re-enrolled after about three years and if they change jobs the person will be re-assessed for AE (The Pensions Regulator 2016).

Employers are allowed to adapt any existing occupational pension scheme to meet the requirements for AE (though some commentators worry this might lead to a levelling down of existing pension provision (Van de Ven 2012)). These requirements vary depending on the type of existing pension (such as defined contribution, defined benefit or a hybrid scheme) (Department for Work and Pensions 2014a). Government has also set up a pension provider in case an employer does not set up their own scheme. This is called the National Employment Savings Trust (NEST). NEST is set up as a public benefit company. Any surplus is reinvested in the company and is not paid as dividend payments to shareholders (National Employment Savings Trust Corporation 2015a).

Evidence on UK AE

The Department for Work and Pensions and NEST have both published research on public attitudes to AE. This work looks mainly at the reasons for opt-outs rather than the views of

those who do not opt-out. This research covers both qualitative research (interviews) as well as official statistics on opt-out rates (Bourne, Shaw and Butt 2010; Department for Work and Pensions 2013c; 2014b; 2014c; 2015b; National Employment Savings Trust 2015b).

One theme of existing studies is that opt-out rates vary for different age groups. The Department for Work and Pensions (2015b) says that opt-out rates were 7% for workers aged under 30, 9% for those aged between 30 and 49 and 23% for those aged 50 or over. Lack of affordability or other provisions for retirement were cited in general as the main reasons for opting out. Workers aged 50 or over also mentioned the relatively short time they would spend in AE as a key reason for opting out. The limited time in AE meant these workers expected that their personal contributions would only yield poor returns.

There is less research on the reasons for not opting out. Furthermore, the treatment of the impact of AE on gender is brief. This paper adds to previous studies by exploring why people do not opt-out of AE as well as examining the views of women toward AE in more detail.

Why do people opt-out or not opt-out from AE?

Behavioural economics provides the main rationale for AE (Pensions Commission 2004; Thaler and Sunstein 2008; House of Lords Science and Technology Select Committee 2011). Behavioural economics spans a wide set of approaches and so is not a unified theory. Nevertheless, a common thread in behavioural economics is the idea that common psychological biases shape individual decision-making. Typical biases include a tendency to stick to the status quo or an aversion to losses (Thaler and Sunstein 2008; Oliver 2013).

The origins of modern behavioural economics lie in work on ‘bounded rationality’. Within neoclassical economics, rational agents are assumed to calculate the costs and benefits of different options based on all the relevant information at the time. Research into bounded rationality highlights the limits or bounds on such calculation. This does not mean that people are irrational. Rather, bounded rationality invokes a different type of rationality from that used within neoclassical economics (Allais 1953; Simon 1955; Kahneman and Tversky 1979).

Thaler and Sunstein (2008) acknowledge their debt to work on bounded rationality. They contrast their nudge theory with the main life-cycle approach used within standard economic theory. According to life-cycle theory, people save money when they are working in order to pay for consumption once they are retired. People design a savings plan to smooth consumption over their lifetime (Attansio, Banks and Wakefield 2005; Crawford, Disney and Emmerson 2012).

Thaler and Sunstein (2008) argue that there are two key problems with such life-cycle models. First, people find it almost impossible to design an optimal lifetime savings plan. Ring (2012) claims that the complexity of making pension choices create difficulties for people to make any sort of rational decision at all. Ring (2012) argues that uncertainty over pension outcomes and the risks of pension investment mean that trust is important in pension decisions. He adds that AE may make trust more important as more people will be switched into defined contribution schemes and so people will have to trust that employers and financial institutions will provide suitable schemes. These considerations highlighted the

importance of examining within the focus groups the role that a lack of information or complexity of choices played in decisions to remain in AE.

Second, Thaler and Sunstein (2008) argue that even if people can design an optimal savings plan, people find it difficult to stick to such a plan. People have a range of competing demands at different points of their life such as student debt or housing costs and this may mean that retirement savings are not always a priority (Creedy, Gemmell and Scobie 2015; Foster 2016). Existing work also suggests that planning for a pension is age related, with people not thinking much about pension provision until their 30s or 40s and women think about this later than men (MacLeod et al. 2012; Scottish Widows 2015). These issues meant that it was important to study if gender or age shaped decisions about whether or not to opt-out of AE.

Methods

The exploratory nature of the research meant that qualitative methods were deemed most appropriate for this study. Qualitative methods allow a high degree of sensitivity to the views of participants (Bloor, Frankland, Thomas and Stewart 2000; Stewart, Shamdasani and Rook 2007; Barbour 2007). Qualitative methods were well suited for this study as they allowed the research to investigate a range of possible reasons for why people did or did not opt of AE. This probing was important given that people may have given little thought to not opting out of the pension. These methods were also important for discovering issues that were raised by the participants themselves. This evidence gathering was particularly significant as there was little prior data on public attitudes to AE.

Focus groups were used in this study. Discussion within the focus groups allowed a range of views to be explored and highlighted common themes among participants. Recommended practices for focus groups were used in this research. For example, the moderator for each group facilitated discussion among all members of the group and allowed reflection once common themes were identified (Bloor, Frankland, Thomas and Stewart 2000; Stewart, Shamdasani and Rook 2007; Barbour 2007).

A market research company was used to recruit participants for the focus groups. This used standard market research filters, such as not using people who had taken part in a similar project in the recent past. People were recruited on the basis of informed consent and a £30 payment was made to cover travel expenses and as a reward for taking part in the study. People were informed about the aim and purpose of this project at the start of each focus group. Permission was sought and granted for the focus groups to be audiotaped and transcribed. The group discussions lasted about one hour each.

Greater London was chosen as a location to conduct this research as there were a broad range of large employers that had already introduced AE. The focus groups were convened in April and early June 2014. During the recruitment process a maximum limit of eight people was set on the membership of each focus group. This number was picked as this allowed discussion to occur in each group. 44 people overall took part in this study. The numbers involved in this study are comparable to similar qualitative research elsewhere (Opinion Leader Research 2006; GfK NOP Social Research 2010).

The age bands used in the Department for Work and Pensions (2013c; 2014b; 2014c; 2015b) studies were also used here, namely people in their 20s or 30s, 40s and 50s. Studying opt-

outs and not opt-outs in each of the age cohorts meant that the research was interested in six groups of the eligible population for AE. Three of the groups were made up of opt-outs among the three age cohorts, namely people in their 20s or 30s, 40s or 50s. Three of the other groups were made up of people who had not opted-out. Each of these non opt-out groups contained a mix of employees. Some of these people were not members of a workplace pension before AE was introduced. They form a specific target group for this policy. An Employers' Pension Provider Survey in 2013 reports that 66% of employers that had introduced AE had increased their total contributions (Department for Work and Pensions 2014d). The introduction of AE might change the reasons why existing members belong to a scheme. To explore this possibility the groups of non opt-outs also included employees who were members of a workplace pension once AE was introduced

An extra seventh group of opt-outs of people in their 20s or 30s was also convened as there were fewer people in the original 20s or 30s opt-out group than the other groups. Thus, there were seven groups in all in this research.

The eligible population meant participants were aged between 22 years of age and the state retirement age. People also needed to earn an income between the trigger for AE and the upper limit for qualifying earnings. For 2014-2015, this meant people earning between £10,000 and £41,865. To allow the research to study the impact of gender on opt-outs, roughly equal numbers of men and women were convened in each focus group.

Two main questions were asked in the focus groups. First, how much do people know about AE? Examining awareness of AE was important for assessing the extent to which people were making informed decisions about whether or not to opt-out of AE. Lack of awareness of

pensions is a relevant issue in the UK. The Department for Work and Pensions commissioned surveys in 2009 and 2012 of attitudes to pensions in Great Britain. These surveys found there was low public knowledge of state pensions (Clery, Humphrey and Bourne 2009; MacLeod et al. 2012). It was not possible in the time available to explore all aspects of the different types of scheme. Instead, the research focused on awareness of the requirements for defined contribution schemes. This was because the Employers Pension Provision Survey in 2013 suggested that defined contribution schemes were the most common type of scheme offered by private sector employers for new enrolees (Department for Work and Pensions 2014d).

The second set of questions asked people the reasons for opting out or not opting out. The discussion of not opt-outs adds to previous Department for Work and Pensions' research.

The research used a standard approach for analysing qualitative data (Strauss and Corbin 1990; Charmaz 2000; Foster 2012). This involved a threefold process of open coding, axial coding and selective coding. Open coding involved writing analytical memos that can pick important themes. Foster (2012) observes that these memos need not be mutually exclusive and so several memos can apply to the same extract. Following Foster (2012), the approach used in this study was to revisit the open coding once several transcripts had been obtained. The aim was to avoid imposing a prior theoretical framework that might limit the data collection. Axial coding refined the open coding by merging codes with similar meanings. Selective coding involved returning to the data after the axial coding and analysing this at a higher level of abstraction.

The quotations used below are illustrative of the main themes that arose in the discussions. Qualitative research of the type reported here allows for 'moderatum generalization' (Payne

and Williams 2005; Foster 2012). This means an intermediate level of generalization between universal generalization and no generalization at all. Foster (2012) remarks that such *moderatum* generalization is often unavoidable in qualitative research.

Results

Are people aware of AE?

The focus groups echoed findings from earlier research that suggested poor knowledge of pensions (Clery et al. 2009; MacLeod et al. 2012). Most people did not know the starting age for AE. Common responses were 16 or 18 years old which was cited because they were the school leaving age or the age of majority. People tended to guess that the upper age range was the state retirement age. Very few participants mentioned an income band for AE.

There was uncertainty about which employers were required to provide AE. A common response was that AE might only apply to large or medium sized employers. Participants often suggested that smaller employers would be excluded. These responses were unsurprising, perhaps, given that large employers were in the first wave of employers providing AE and many participants belonged to large employers and so drew on their own experience.

There was patchy knowledge across the focus groups of the default rate for AE (and little sense of the tax advantages of pensions). Among those who did not opt-out, there was some knowledge that the minimum employer contribution was 1% when AE was first introduced. However, across all groups there was little sense that the default savings rate would rise eventually to 8%. Furthermore, people did not have much idea of why 8% was picked as the default savings rate.

Maybe it is the Chancellor's lucky number. (Over 50s, opt-out, female).

Nearly all participants were aware that they were able to opt-out from AE. The actual opting-out process was usually described as very easy. Participants said that they had been informed about this by their human resources department and that people were able to opt-out easily, for example through email.

The focus groups also explored knowledge of the single-tier pension. The aim was to see whether the single-tier pension had shaped decisions of whether or not to opt-out of a workplace pension. There was poor knowledge of the single-tier pension and so the single-tier pension did not impact on decisions about whether or not to opt-out.

Why do people not opt-out?

To isolate the UK government's target group for this policy, participants were asked whether or not they were a member of a pension scheme when AE was introduced. Members of the UK government's target group for AE tended to be concentrated in the 20s, 30s or 40s age cohorts.

Among those in the target group, status quo bias seemed to be important for their decision not to opt-out.

When I came out of University, I had my student loan to pay, so at the time I felt I need to focus on repaying that first. Obviously that was coming directly out of my salary and then I was just lazy, so I appreciate the fact that this opting in scheme to get things to a

certain level, I need to do, I need to do it, I just never got around to it. Then obviously through work, we got notification that we would automatically opted in. I just thought, oh you have saved me a job. (20s or 30s, not opt-out, female).

An important reason behind the power of suggestion for the target group was that AE had simplified the decision about how to be a member of a workplace pension.

I didn't know how to get involved in a pension and now it is done automatically and the amount that is going out every month, I am not really missing it too much. (20s or 30s, not opt-out, male).

A lack of appropriate information or advice seemed to be a more significant reason though behind the power of suggestion.

Who is going to give individual, real, true independent advice? I don't know, that would concern me. You might think you are getting independent advice and it is not, so how will I know which one to go for? (Over 50s, not opt-out, female).

There was less engagement with AE among participants who were already a member of a pension scheme when AE was introduced. One issue among these people was that there was little sense of whether their pension scheme had changed since AE. Those people who were members of a defined contribution scheme could not say whether or not their total contribution rate had changed since AE.

Why do people opt-out?

Previous Department for Work and Pensions (2014b; 2014c; 2015b) research highlights that lack of affordability or the presence of preferable alternatives to pensions are key reasons that people opt-out of AE. The research in the focus groups for this paper confirmed these earlier findings. Lack of affordability was cited as a prime reason for opting out, particularly, though not exclusively, for younger cohorts in their 20s, 30s or 40s.

There was little evidence from the groups that employers had placed (illegal) pressure on women to opt-out. However, women were more likely than men in all opt-out groups to cite lack of affordability as a reason for opting out. This tendency was consistent with a gender pay and pension gap in the UK. Tighter financial constraints on women meant that female participants were more likely to cite affordability as a reason for opting out.

I'm a teacher, so you have to have a pension. About six years ago I had my son, and my partner and I split up, so I couldn't afford to have my pension, and my pension is ridiculous when it comes out, it's about, well at that time it was about £300, £400. I just couldn't afford to and then when this new scheme came in, they put me back in it and then I had to re opt back out. (20s or 30s, opt-out, female).

Men were more likely than women to mention the presence of more financially attractive alternatives to a pension as a reason for opting out.

Another difference between men and women was over the role that childcare played in decisions to opt-out. This is consistent with other research that suggests that the financial

costs of raising children is felt more strongly by women than by men (Scottish Widows 2015). None of the male opt-outs cited childcare as a reason for opting out. However, a couple of women in the group of opt-outs aged 20s or 30s mentioned childcare as their main reason for opting out. For these participants, the childcare costs were high because the children were of pre-school age. These responses also underline how people face competing cost pressures at different points in their life and so pension saving may not always be a priority.

Mine [the reason for opting out] was childcare, because it costs one, to have a child in full time childcare costs £1,200 a month. (20s or 30s, opt-out, female).

Conclusion

AE is an important development in UK pension policy. AE has sparked wider interest across Europe (Rinaldi 2011; Fornero and Monticone 2011; European Commission 2013; Department of the Taoiseach 2016). Very little is known though about public attitudes toward AE. Studying public opinion is important for understanding the reasons behind the power of suggestion associated with AE (Madrian and Shea 2001). This paper presents original focus group research into the question of why do people opt-out or not opt-out of UK AE. This research finds that there is patchy knowledge of the details of AE. Lack of information or advice was important for the power of suggestion associated with AE. Women were more likely than men to cite lack of affordability as a reason for opting out of AE. Women paid more attention than men to childcare costs in decisions to opt-out.

These findings are from a small-scale qualitative study and so cannot be used to derive robust results for certain sections of the population. Rather, the results can be used to inform a much larger research programme on AE. This study proposes two areas for further research. First, research into the information or advice that is provided with AE. Madrian and Shea (2001) say that education may be the appropriate response if lack of information is the main factor behind the power of suggestion. Ring (2005; 2012) adds that pension education may also be important for helping people assess the trustworthiness of pensions advice and financial institutions.

One issue is the appropriate source of this information or advice. Dolan et al. (2010) argue that people are heavily influenced by the source or ‘messenger’ of information. Government and employers might be likely channels for such information. It is also important to distinguish between advice and guidance in the provision of information. HM Treasury and the Financial Conduct Authority in the UK recently conducted a financial advice market review. This review says that advice is information that contains a personal recommendation for individuals (such as over their specific contribution rate). Guidance is used to refer to more general information that does not involve a personal recommendation for individuals (HM Treasury and FCA 2016). One issue to study therefore is the proper mix between advice and guidance in the provision of information. There is no consensus as yet though about the proper balance of advice and guidance or the likely impact of financial education on financial decisions (Willis 2008; Mitchell and Lusardi 2011).

Second, further research should examine how to make AE less gender blind. Grady (2015) claims that AE does not pay enough attention to gender inequality within the pension system. The results are consistent with this view. One strand of further work might explore the

different pressures that face women when opting out, for example looking at the role that childcare costs play in decisions to opt-out. Another strand of research might focus on those women who are enrolled in a workplace pension. Further study might look at whether it is possible to design AE to recognise the unpaid care contributions made by women (through carer's credits in AE) to reduce a gender pension gap (Ginn and MacIntyre 2013).

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