



Contributing from home

▣ **Jack Gray discusses remote workers' appetites for increasing pension contributions with money saved by working from home**

adding 21-30 per cent to their pots and 4 per cent saying they would consider adding all of their remote working savings.

PensionBee's analysis finds that fully remote

workers are most likely to save up to £25 on food and drink and £26-50 on transport per week, although those working from home full time would likely face increased household bills of up to £25 a week.

The provider calculates that if you combine the midpoints of the most likely savings on food/drink and travel each week, then subtract the midpoint of the most likely expenditure on increased bills each week, home working saves the average person £38 a week, or £1,976 a year.

If a home worker contributes 8 per cent of this over 25 years, their pension value would increase by £12,000 after 25 years, or increase by £166,000 if they contributed all of their remote working savings, according to the analysis.

"Remote working has become a well-established norm for UK office workers, with many benefitting from the unique opportunity to make significant savings in their everyday lives," commented PensionBee CEO, Romi Savova.

"While it might be tempting for workers to spend the extra savings on short-term endeavours, our research indicates that by utilising even a small amount of these additional savings to

boost their pensions, workers could find themselves in a much-improved position for their eventual retirement."

PensionBee conducted its surveys on adding remote working savings to pensions in December 2021. In November 2021, it published analysis of 104,000 invested customers that showed men's average quarterly contribution amounts increased by 32 per cent year-on-year, from £801 in Q3 2020 to £1,058 in Q3 2021, while women's contributions increased by 15 per cent during the same period, from £699 to £768.

While this data shows that the gender pensions gap is a pressing and ongoing problem, it may also hint that lockdowns and remote working are having an impact on the amount people are saving into their pensions.

Additionally, further data published by the provider reveals that average contributions in April 2020 had increased by 43 per cent in comparison to April 2019, from £1,225 to £1,752, while withdrawal rates fell by 33 per cent.

"It is evident that consumers have become more prudent in an era of increased uncertainty, and where possible they are saving more and spending less," said Savova.

"Where consumers are no longer spending money on everyday expenses such as commuting and eating out, they are redirecting their disposable income to their pensions."

▣ **Written by Jack Gray**

As the fluctuating levels of Covid-19 infections continue into 2022 in the UK, many people have been continuously or intermittently working from home since the onset of the pandemic in March 2020.

Although the pandemic has been financially draining for some, others have saved money through not having to commute and spend their time at work. Research from PensionBee shows that 36 per cent of fully remote workers would 'potentially' add a portion of these extra savings into their pensions, while 23 per cent 'definitely' would.

Of the workers that would consider adding their savings to their pensions, 29 per cent say they would put up to 15 per cent of this 'additional' money into their pots. This was the highest proportion, which may suggest that although most people are willing to contribute their remote working savings to their pensions, they did not want to contribute large amounts.

However, more than half (51 per cent) say that they would consider putting 21 per cent or more of the money saved by working from home into their pensions, with 23 per cent considering