

Solving the under-saving problem among the self-employed

An Analysis by Aviva and Royal London



Contents

Introduction	3
Pension coverage among the self-employed	6
Policy proposals	11
Default pension saving through the tax return – how would it work in practice?	16
Conclusion	18

Introduction

In recent years the number of people who are self-employed has risen steadily. Self-employment will be a positive choice for many, but one drawback is that the self-employed do not have the advantage of an employer to help arrange pension provision. Whilst automatic enrolment (AE) has helped more individuals save into a pension, the current process excludes the self-employed.

The Government received an independent report into the world of self-employment in February 2016¹. Written by Julie Deane OBE, it considered a wide range of issues affecting the self-employed, including saving for the future. The report identified that “around one in five self-employed people have no financial plans for retirement other than relying on the state pension”, and “less than a third of the self-employed say they pay into a pension”. One of Julie Deane’s recommendations addressed this point specifically: “As the number of self-employed continues to increase, the need for more flexible financial solutions, from mortgages and insurance to pensions, will become more imperative.”.

In fact, the latest DWP figures² suggest that barely 1 in 7 self-employed people put any money into a pension last year, and that this proportion has been falling steadily for many years. Whilst some self-employed people may be planning to fund their retirement by selling their business, and others may have other assets such as property or investments, it is clear that many self-employed people face a bleak retirement unless action is taken. This should be of significant concern to policy makers given the stark contrast

with the employed population following the so-far successful roll-out of automatic enrolment.

The ongoing 2017 review of automatic enrolment provides the ideal platform to consider how we might encourage a greater proportion of self-employed people to save for their retirement. Aviva and Royal London welcome the important work the Government is currently doing here and we are particularly pleased at the focus on current coverage of the policy and that the Government is considering how additional groups of people, including the self-employed, can be helped to save for retirement.

We also recognise the work that Matthew Taylor, Chief Executive of the Royal Society of Arts, is leading on modern employment practices and look forward to seeing its recommendations.

In the first part of this report we look in more detail at the level of pension provision among the self-employed, and then move on to consider a range of existing policy proposals that have been made by a number of different organisations. Aviva and Royal London then present a favoured model and offer some more detailed suggestions as to how this might work in practice.

¹ **Self-employment review: an independent report**, Julie Deane, February 2016

² **Automatic enrolment evaluation report 2016**, Department for Work and Pensions, December 2016

But first... Who are the self-employed?

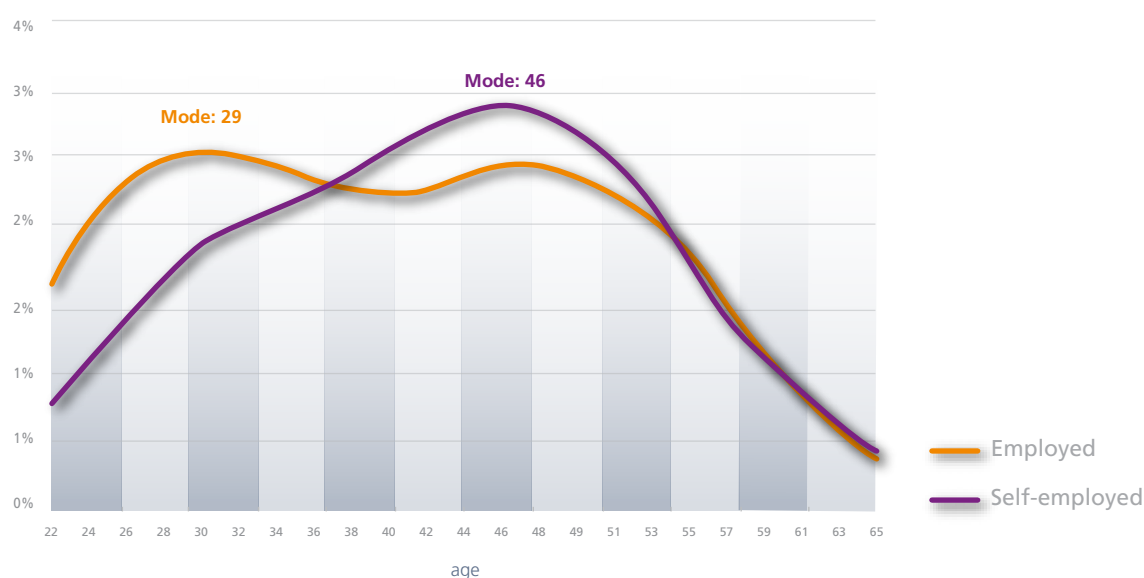
There are 4.8 million self-employed individuals in the UK³. This is equivalent to c15% of the UK workforce, and c18% of the private sector workforce. It is an important and large segment of the labour market.

The self-employed are made up of a wide range of individuals from part-time workers and sole traders through to entrepreneurs that are on the path of creating a small business that will become an employer in the future. Every self-employed person is different but we feel it is important to compare key characteristics of the self-employed with full-time

employees in order to better understand the differences between these two groups and the specific pension needs of the self-employed.

The self-employed are much less likely to be female – 30% compared to 49% of employees⁴. The age-profile of employed and self-employed workers is also very different. The modal age of an employed worker is 29. The modal age of a self-employed worker is 46. The needs and urgency of retirement provision between the two groups will be very different.

Distribution of employed and self-employed by age ⁵



³ **UK labour market**, Office for National Statistics, May 2017

⁴ **Just the job or a working compromise?**, Resolution Foundation, May 2014

⁵ **Trends in self-employment in the UK: 2001 to 2015**, Office for National Statistics, July 2016

The professions of the self-employed are wide ranging with the largest sector being joinery/ plumbing followed by construction, education, retail, cleaning, taxis, hairdressing, health, agriculture and design⁶.

Amongst younger people with lower levels of qualifications, rates of self-employment have been rising, whilst for graduates it is the over 60s who have seen the fastest growth in self-employment⁷. This growth can in part be explained by an ageing population.

As highlighted in recently published analysis by the Department for Business, Innovation and Skills, average incomes for the self-employed are lower than employed workers and the gap is increasing. In 2007/8, the median self-employed income was two-thirds the median employed income but six years later it was half as shown in the table below⁸.

Table 1. Estimated median annual earnings (£ per year) from self-employment and from employment (2013/14 prices)

	Self-Employed	Employed	Median self-employed as a percentage of median employed
2007/8	14535	22521	65%
2008/9	14315	22392	64%
2009/10	13206	22322	59%
2010/11	12219	21578	57%
2011/12	12752	20357	63%
2012/13	11121	20595	54%
2013/14	10800	20000	54%

It's worth highlighting that part of the reason for this change could be due to the growth in part-time self-employment which grew by 88% between 2001 and 2015. This is compared with 25% for the full-time

mode. Full-time self-employment does however continue to account for the majority of self-employed workers⁹.

⁶ **A tough gig? The nature of self-employment in 21st Century Britain and policy implications**, Resolution Foundation, February 2017

⁷ **A tough gig? The nature of self-employment in 21st Century Britain and policy implications**, Resolution Foundation, February 2017

⁸ **The income of the self-employed**, Department for Business, Innovation and Skills, February 2016

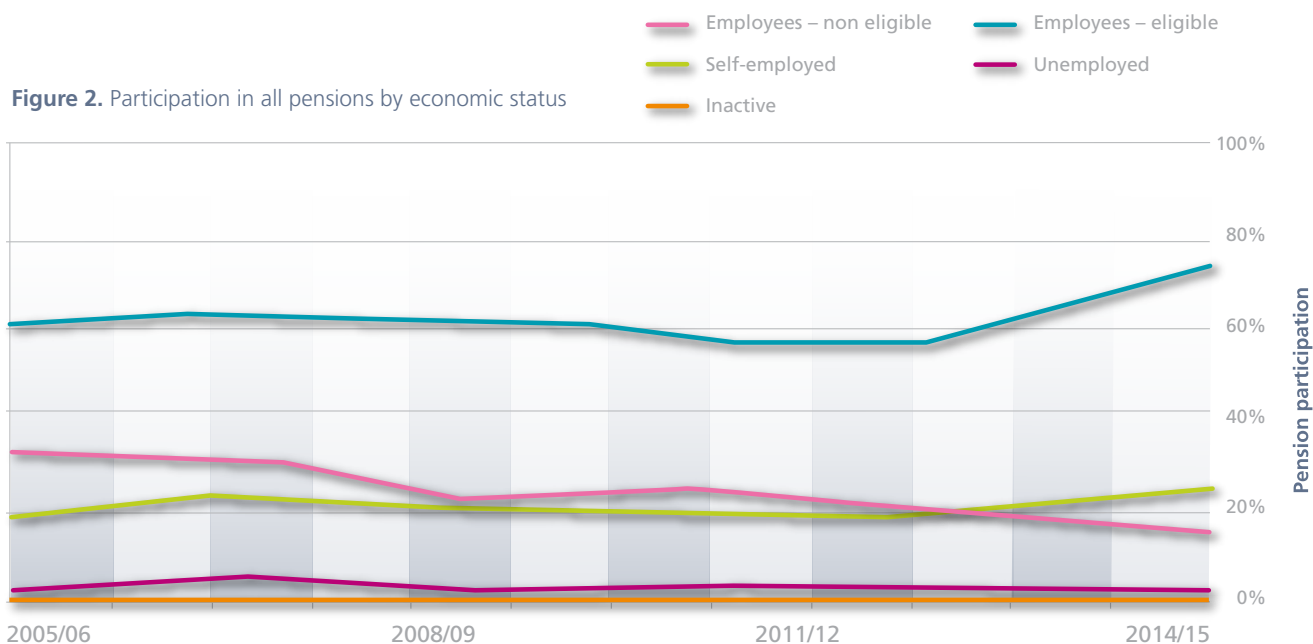
⁹ **Trends in self-employment in the UK: 2001 to 2015**, Office for National Statistics, July 2016

Pension coverage among the self-employed

One of the biggest transformations in pension provision among the working age population has been the advent of automatic enrolment into workplace pensions. According to the latest 'Declaration of Compliance' report¹⁰ on automatic enrolment published by the Pensions Regulator, nearly 8 million workers were automatically enrolled in the period July 2012 – end May 2017, with millions more to come before the programme is completed. Automatic enrolment has started to reverse decades of decline in workplace pension coverage among employed earners.

Yet Britain's 4.8 million self-employed workers¹¹ have largely missed out on AE. Unless they also have a job with an employer, these workers continue to be amongst the most under-pensioned group in society. Latest estimates from the DWP suggest that barely

one in seven self-employed people contributed to a pension of their own in the last year, and that proportion has been falling steadily as shown in Figure 2¹²:



Source: Modelled analysis derived from the Family Resources Survey, UK, 2005/06 to 2014/15.

¹⁰ Declaration of Compliance report, The Pensions Regulator, May 2017

¹¹ UK labour market, Office for National Statistics, May 2017

¹² Automatic enrolment evaluation report 2016, Department for Work and Pensions, December 2016

Given the great diversity of Britain's self-employed population, it is worth disaggregating the level of pension coverage amongst different groups of self-employed people, to see where the biggest problems lie.

The following tables are based on Royal London analysis of the 2014/15 Family Resources Survey¹³. It uses the data made available to researchers outside government and therefore differs slightly from the figures published by the DWP. For example, in this analysis the overall level of pension coverage among the self-employed is estimated at just over 13% compared with just under 14% in the published DWP statistics. However, the differences in coverage for

different subgroups are unlikely to be affected by the slight methodological differences.

It is important to note that this analysis is for those whose **primary economic status in the survey is 'self-employed'**. The main difference between the 3.9 million self-employed people shown in this analysis and the larger numbers of self-employed people in the economy is that some people will supplement their income from employment by some part-time self-employment. To the extent that they are primarily employed earners then they will potentially have access to workplace pensions via the automatic enrolment scheme.

a) By gender

Table 2. Participation in pensions by the self-employed by gender, 2014/15

	Participation Rate
Men	15.2%
Women	8.9%
All self-employed	13.1%

b) By age

Table 3. Participation in pensions by the self-employed by age, 2014/15

	Participation Rate	Approx. size of group
Under 25	0	0.1m
25-34	4.2%	0.7m
35-44	10.5%	0.9m
45-54	19.6%	1.0m
55-59	21.1%	0.5m
60-64	23.0%	0.3m
65 and over	3.6%	0.3m
All self-employed	13.1%	3.9m

¹³ Department for Work and Pensions, National Centre for Social Research and Office for National Statistics. Social and Vital Statistics Division, Family Resources Survey, 2014-2015 [computer file]. Colchester, Essex: UK Data Archive [distributor], July 2016. SN: 8013, <http://dx.doi.org/10.5255/UKDA-SN-8013-1>

c) Full-time part-time split**Table 4.** Participation in pensions by the self-employed by whether full-time or part-time, 2014/15

	Participation Rate
Full-time	15.4%
Part-time	6.5%
All self-employed	13.1%

Note that the sample here is still those whose primary economic activity is self-employment, so the part-time self-employed group does not include those who are primarily employed but do some part-time self-employment to supplement their income.

d) Nature of establishment (if any)**Table 5.** Participation in pensions by the self-employed by nature of establishment, 2014/15

	Participation Rate
Self emp at large establishment 25+ employees	41.1%
Self emp at small establishment, 1-25 employees	21.9%
No employees	11.8%
All self-employed	13.1%

e) By industry**Table 6.** Participation in pensions by industry 2014/15 (selected industries, ordered by number of self-employed in that category, largest first)

	Participation Rate
Specialised construction activities	18.1%
Construction of buildings	15.6%
Services to buildings and landscape	12.2%
Other personal services	8.6%
Land transport	8.5%
Education	5.8%
Social Work activities	5.2%
Retail (excl motor)	9.9%
Other professional, scientific, technical	9.9%
Human health activities	14.2%
Legal and accounting	27.8%
All self-employed	13.1%

Note: Each category has more than 100,000 self-employed people

f) By profits**Table 7.** Participation in pensions by the self-employed by level of profits, 2014/15

	Participation Rate
Quartile 1 (lowest profits)	9.5%
Quartile 2	9.0%
Quartile 3	14.6%
Quartile 4 (highest profits)	19.1%
All self-employed	13.1%

Commentary

Many of the figures shown in Tables 2-7 above are not especially surprising and to some extent mirror patterns shown in the employed workforce – pension scheme participation is higher for men than for women, higher for full-timers than part-timers, increases with age and is highest among the highest earners.

However, there are a few points of particular interest with regard to the self-employed:

- Coverage rates vary very considerably by industry: for example, those who are self-employed in the law or accountancy have a one in four chance of being in a pension, compared with those in education where coverage is not much more than one in twenty;
- More detailed analysis is needed to disentangle the different causal factors: for example, is it the case that self-employed women are less likely to have a pension simply because they are more likely to be part-time or more likely to work in an industry with low pension coverage?;
- Someone who employs themselves and others is far more likely to have a pension than someone who is a sole trader;
- The lowest income self-employed (the poorest quartile) have an annual income / profit of only around £6,000 per year or less; this is well below even the level of the state pension; it may be that for this group taking action to get them into pension saving would be of little value given that as long as they qualify for a full state pension their income will actually go up on retirement; the groups of most concern may be those in the middle who also have very low rates of pension saving but whose income would fall markedly if they had to depend solely on a state pension.

One key finding is that self-employment is very diverse. Even among this group of around 4 million people who define themselves as principally self-employed there are huge variations between sectors and the type of jobs that people are doing. It is very unlikely that there is going to be a 'one size fits all solution' to these many issues, and Government may well wish to investigate particular industries or sectors where self-employment is prevalent to use as case studies to see how far different solutions are required in each case.

Policy proposals

In this chapter, Aviva and Royal London consider a range of existing policy proposals that have been made by a number of different organisations. We analyse the pros and cons of each proposal before concluding that an approach based on some form of default, piggy-backing on the annual tax-return process would be likely to have the most merit.

a) Default pension saving through the tax return

Background:

Automatic enrolment for employees works by defaulting them into pension saving via their employer, but with the freedom to opt-out. For the self-employed there is no employer but there may be other ways of defaulting them into pension saving by means of the annual tax return process.

Whilst not all self-employed people fill in a tax return, around two million make enough profit (just over £8,000 per annum) to fall within the scope of Class 4 National Insurance Contributions which are collected as part of the tax return process. It seems reasonable to think that these two million higher-earning self-employed people would be the key group who are most in need of enhanced pension saving.

The annual tax return process does two things – it ensures that the correct amount of income tax has been paid for the relevant financial year and it collects the appropriate amount of National Insurance Contributions for the same period. One idea would be to graft a default amount of pension savings onto one of these two processes.

In 2016, Royal London produced a policy paper - 'Britain's Forgotten Army – the collapse in pension membership among the self-employed and what to do about it'¹⁴ – which suggested grafting default pension saving onto the National Insurance system.

This proposal works by increasing the rate of Class 4 National Insurance Contributions (NICs), but allowing the increase to be directed into a nominated pension instead of The Exchequer.

The self-employed are required to pay NICs if their profits are above certain minimum thresholds. The weekly Class 2 rate is payable above a 'small earnings exemption' of £6,025 per year, whilst the Class 4 rate is 9% on profits between £8,164 and £45,000 (with a 2% charge on profits above this level). The separate Class 2 rate is to be abolished in 2018.

Under this proposal, the main Class 4 NICs rate would be increased by 3% to 12%. For a higher-earning self-employed person with profits at or above the £45,000 ceiling this would increase their annual NICs bill by around £1,000, whilst someone with more modest profits of £20,000 would pay around £360 per year more in NICs.

In order to 'reclaim' the 3% extra Class 4 NICs, and instead have it paid into their pension or lifetime ISA, the self-employed would be required to pay a matching pension contribution from profits, for example, another 3% or 5%.

The Government considered an increase in Class 4 NICs in the 2017 Budget but have now reversed the idea making it politically challenging to use Class 4 NICs as a route to increase pension saving for the self-employed. It may be that using income tax rather than national insurance could work as an alternative.

¹⁴ **Britain's "Forgotten Army": The collapse in pension membership among the self-employed – and what to do about it**, Royal London, 2016

Pros:

- AE has proved a huge success in increasing the number of employees saving for retirement. A proposal that borrows some of its key features could be a catalyst for a similar revolution amongst the self-employed.
- Given the fluctuating nature of the profits of the self-employed, a pension contribution that goes up and down as their taxable profits go up and down could be more acceptable than a fixed regular premium.

Cons:

- Requires the self-employed person to 'opt-in' by specifying a pension scheme to receive their contributions, so does not harness the same degree of inertia as automatic enrolment for employees.
- Linking the collection mechanism to the tax system could be seen to be a tax rise on the self-employed, even though the money could revert to a pension in their name.

b) Government matching of self-employed pension contributions

Background:

This proposal relies on a new matching incentive from government where, in the same context as automatic enrolment, the government acts as the 'employer'. For example, if a self-employed person diverted 4% of their taxable profits into a pension then the government would match this with an equal amount. A scheme of this sort has previously been explored by the Tax-incentivised Savings Association (TISA)¹⁵.

TISA previously reflected that the scheme could attract c2m low income self-employed individuals at a cost of c£786m per annum. The proposal argues that the cost needs to be considered within the context of the tax and social security benefit treatment of this sector and can therefore be offset against costs that the Government might otherwise incur – though adds that detailed modelling by the Treasury is required to arrive at more accurate cost estimates.

Pros:

- There would be a significant taxpayer contribution into the pensions of the self-employed; in a workplace there is evidence that the presence of employer 'matching' contributions is an effective incentive, and the same could be true of a government match.
- The simplicity of this proposal is attractive, and is designed as a 'carrot' rather than a 'stick'.

Cons:

- Given the current budget deficit and growing national debt, it is unlikely that Treasury would be able to fund the matching contributions.
- The proposal represents a large transfer of tax from the employed to the self-employed. This could be seen as unfair given:
 - a) the self-employed pay less NICs than employed people.
 - b) they receive a transfer of resources via the state pension, receiving the same pension as employed people but at a lower tax cost.

¹⁵ **Self-employed workers need solution to incentivise retirement saving**, Tax-incentivised Savings Association, October 2015

c) Prompted opt-in via the tax return

Background:

An alternative way of using the tax return process to prompt pension saving would be to provide an 'opt-in' tick box on the form (or digital equivalent). Once the system was set up, HMRC could collect the contributions chosen by the self-employed and allocate them to a nominated pension, perhaps with a 1% government top-up. To some extent this would be a hybrid of the previous two suggestions except that in this case the self-employed would need to actively 'opt in' to pension saving rather than being defaulted into pensions with the chance to 'opt out'. A scheme of this sort has been suggested by Citizens Advice¹⁶.

Pros:

- Whilst not harnessing inertia, tying it in with the existing tax return system would reduce administration for the self-employed, making voluntary take-up much easier than other options.
- The 1% match, whilst less attractive than the TISA proposal, should still encourage a significant number of the self-employed to start saving at this lower level.
- Like the TISA proposal, it is a relatively simple proposition and is positively framed.
- Assuming the TISA costing is accurate, this proposal would cost a quarter of that estimate – under £200m per annum.

Cons:

- If matching contributions were set at 1%, many self-employed savers could be likely to limit their contributions to that amount; the only incentive to save more than the level of the match is the current tax relief on pension contributions, and it is clear that this is not encouraging the self-employed to save for retirement.
- Given the current budget deficit and growing national debt, it is unlikely that Treasury would be able to fund the matching contributions.
- The proposal represents a transfer of tax from the employed to the self-employed. This could be seen as unfair given:
 - a) the self-employed pay less NICs than employed people.
 - b) they receive a transfer of resources via the state pension, receiving the same pension as employed people but at a lower tax cost.

¹⁶ **Shy of retiring – addressing under-saving among self-employed people**, Citizens Advice, January 2016

d) Lifetime ISA

Background:

The recently introduced Lifetime ISA (LISA) was launched by government as a solution to the problem of under saving by the self-employed. The LISA is available to individuals under the age of 40 who can contribute up to £4,000 per year into an account with a government top-up of 25%. Penalty-free withdrawals are permitted before the age of 60 in specified circumstances, primarily in order to fund the deposit on a first home. Other withdrawals result in a surrender of the government top-up and an additional 5% penalty.

Pros:

- LISA can also be used tax-effectively to fund house purchase.
- Early access is available if needed.
- The rate of tax relief and the tax-free nature of the benefits from age 60, make it an attractive retirement savings vehicle for basic rate taxpayers and a small proportion of higher rate taxpayers.

Cons:

- The maximum age limit of 40 means that as most of the self-employed are older this isn't an option they would be able to use.
- The penalties for accessing savings prior to age 60, other than for qualifying house purchase, are greater than the tax incentive received.
- It is voluntary and more difficult to access than other proposals such as those that propose collecting contributions 'at source' through tax return or other vehicles.

Evaluation

The use of automatic enrolment, which has worked so well for people in employment, is clearly not directly transferable to the self-employed. Put simply, there is no 'employer' on whom the duty to automatically enrol can be placed.

But what automatic enrolment does show us is that using 'defaults' and 'nudges' to get people to the right place is hugely powerful. Over the years there have been many attempts to use incentives, engagement and publicity to get people into workplace saving and yet membership levels have declined consistently over many decades. This suggests that ideas of an opt-in with a government top-up are unlikely to get a response on the scale needed.

Similarly, although the LISA has features which would be attractive to the self-employed such as early access (albeit with a penalty) there has been no sign so far of a surge in self-employed people opening LISAs. In addition, the restriction of LISAs to the under forties means that they will not be relevant to the majority of self-employed people.

On this basis Aviva and Royal London believe that an approach based on some form of default, piggy-backing on the annual tax-return process would be likely to have most merit. In the final section we explore some of the issues and set out how this could work in practice.

Default pension saving through the tax return – how would it work in practice?

Millions of self-employed people file an annual tax return and Aviva and Royal London believe this could provide an opportunity to nudge them into pension saving. The key is to make the 'default' position contributing into a pension rather than not contributing into a pension. There are two main elements to this:

a) Nominating a receiving pension scheme

If the default is to be saving into a pension scheme, the self-employed person will need to nominate where they would like their savings to go. For some, this may be relatively straightforward. They may have existing pensions into which they would be happy to contribute. Alternatively, they may be willing to take financial advice or consult their existing adviser about the best place for their funds. For those who have no existing provision and are unwilling or unable to seek financial advice, Aviva and Royal London recommend randomly assigning an approved provider offering workplace pensions that meet the current quality standards around auto-enrolment pensions, including the charge cap. This system is used in Poland – if people don't select their own personal pension plan, they are randomly allocated to a qualifying pension fund by the regulator.

The key to this process is that each self-employed person who goes through this process ultimately has a nominated pension provider or scheme. They would be free to change their choice in future years but if they did not do so then the assumption would be that contributions continued to be diverted to the original nominated provider.

In practical terms it would probably be necessary to make filling in the tax return box for 'nominated pension scheme' a requirement for submitting a return.

b) Setting a default contribution rate

When automatic enrolment is fully implemented by 2019, the combined employer and employee contribution rate will be 8% of a band of 'qualifying earnings'. Even this level of contributions is regarded as inadequate by many industry experts to avoid a sharp drop in living standards in retirement other than for those with the lowest incomes. Indeed, Aviva calculations below show that based on current annuity rates and including a full state pension, 8% isn't enough to reach adequate replacement rates¹⁷ unless you are a very low earner. For those on the lowest incomes, the state pension can be sufficient to deliver a target replacement rate. Table 8 below shows the percentage of salary that those with set income levels would need to save from set ages to achieve target net replacement rates.

¹⁷ It is common for analysis to assume a target replacement rate of around 70% of working income. Indeed, the Organisation of Economic Cooperation and Development (OECD) consider it reasonable to use a gross 70% rate as the adequate retirement income benchmark for the average individual. This would allow the individual to enjoy a standard of living in retirement that is similar to the standard he or she enjoyed prior to retirement. Aviva has used this figure as a guide for its analysis, but has varied the replacement rate to reflect the needs of different income groups. Our analysis uses net 67% as the replacement rate for those with a typical annual income. However, we have assumed those on lower incomes would need a higher net replacement rate to cover essential costs. Conversely, those on higher incomes could satisfy their essential needs with a lower net replacement rate. We have used a net not gross, replacement rate, to avoid National Insurance biasing results.

Table 8. Target replacement rates by salary

Gross Salary Today	Net Salary Today	Target replacement rate (% of net income)	Target net income in retirement	Gross income required in retirement (assuming all income is taxable)
£ 10,000	£ 9,767	80%	£ 7,814	£ 7,814
£ 20,000	£ 16,767	70%	£ 11,737	£ 11,921
£ 25,000	£ 20,167	67%	£ 13,512	£ 14,140
£ 30,000	£ 23,567	67%	£ 15,790	£ 16,988
£ 40,000	£ 30,367	60%	£ 18,220	£ 20,025

Percentage of banded earnings needed to reach replacement rate at age 67

Gross Salary	Age 22	Age 30	Age 40	Age 50
£ 10,000	0	0	0	0
£ 20,000	10.75%	14.50%	22.75%	41.00%
£ 25,000	12.50%	17.00%	26.50%	47.75%
£ 30,000	14.75%	19.75%	31.00%	55.75%
£ 40,000	14.00%	18.75%	29.50%	53.00%

A range of saving rates are needed to achieve the target replacement rates across all other income levels - from 10.75% for younger savers on £20,000, up to over 50% for higher earners who start saving for retirement at age 50. This analysis is based on various cautious assumptions, including use of guaranteed annuities at retirement and no assumption is given for assets that an individual may have at retirement, beyond their DC pension savings. Our conclusion is that 8% is a positive first step, but it is clearly inadequate. There will need to be a judgement call as to how far and when this rate should be raised but for now Aviva and Royal London believe it provides a useful long-term benchmark when considering which rate to start on with the self-employed.

Within the combined 8% for employees, 5% (gross of tax relief) is set to come from the worker and 3% from the employer. To get the self-employed started, one option would be to start at 5% gross to align it with 2019 employee AE contribution rates. The tax return could make it clear that (say) £100 would go to their nominated pension, but that if they were a basic rate taxpayer (for example) this would only be costing them £80 as the rest would come from tax relief.

The way in which this was presented would need to be subject to careful behavioural testing but one idea would be similar to the 'optional' gratuity which is often added to restaurant bills. Although restaurant diners may grumble about the gratuity in some cases, relatively few actively remove it. Similarly, the self-employed could be told that an addition had been made to their tax calculation 'for provision for you in later life'. They could be told that they are free to remove it, but if they do so they will have less to live on in future and will lose the tax relief contribution from the government.

There are also further practicalities to be considered. These include how to communicate the proposal to the self-employed, the process by which HMRC would transfer funds to pension providers and how the self-employed would know where their funds have been invested. We believe these are small, surmountable practicalities and that initiatives such as the Pensions Dashboard have an important role to play here.

Conclusion

The need to help the self-employed save for their retirement is clear – they are amongst the most under-pensioned group in society. The lesson of automatic enrolment is that inertia is a powerful tool, and Aviva and Royal London believe we should seek to harness it to the benefit of the self-employed. Our recommendation is that this is done by default pension saving through the tax return. Whilst opt-out rates are hard to predict, we can take great confidence from auto enrolment opt-out rates which look set to be around 1 worker in 6 – roughly half the opt-out rate that was expected when the programme began¹⁸.

¹⁸ **The impact of automatic enrolment in the UK as at 2016**, Pensions Policy Institute, January 2017

About Aviva:

Aviva provides life insurance, general insurance, health insurance and asset management to 33 million customers. In the UK we are the leading insurer serving one in every four households and have strong businesses in selected markets in Europe, Asia and Canada. Aviva's asset management business, Aviva Investors, provides asset management services to both Aviva and external clients, and currently manages over £340 billion in assets. Total group assets under management at Aviva group are £450 billion.

About Royal London:

Royal London is the largest mutual life, pensions and investment company in the UK, with Group funds under management of £104.5 billion. Group businesses provide around 9.0 million policies and employ 3,341 people. (Figures quoted are as at 31 March 2017).

