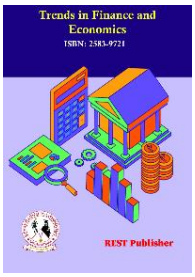
Trends in Finance and Economics

Vol: 3(4), December 2025

REST Publisher; ISSN: 2583-9721

Website: https://restpublisher.com/journals/tfe/

DOI: https://doi.org/10.46632/tfe/3/4/4



Young Employees' Perception and Attitude Towards Pension Plan Investments in Chengalpattu District

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Abstract: *A pension is a regular payment made to individuals after retirement to provide financial security during their post-employment years. Reforms in pension systems have increasingly encouraged employees to take greater responsibility for retirement savings, investment decisions, and wealth accumulation. Unlike traditional defined-benefit pension plans, which provide retirement benefits based on predetermined criteria, pension schemes often require individuals to make informed decisions regarding their retirement planning and financial security. The present study aims to examine the attitudes of young employees towards investments in pension plans in Chengalpattu District. It also seeks to analyse the socio-economic determinants influencing their attitudes towards pension schemes. Furthermore, the study investigates the factors affecting young employees' investment decisions and retirement planning behaviour. In addition, it evaluates the perceived benefits and challenges associated with pension plans among young employees in the study area.*

Keywords: *Retirement Planning, Pension Investments, Young Workforce, Investment Behaviour, Financial Security, Pension Awareness.*

1. INTRODUCTION

Retirement is not a formal step of life or concern for Indians when preparing their future. Given the lack of retirement preparations, an increasing demographic in the coming decades is suggesting a massive mass of retirees. To stress the value of pension schemes and increase consciousness among the masses it is important to effectively communicate the prerequisites for planning retirement. The appeal for improved financial literacy among customers is an international development motivated by the rising uncertainty of financial markets and goods and the public concern regarding the effective support of the elderly population. The uncertainty and risk of the 0defined contribution pension plans or superannuation has enhanced globally, as fund members now make choices and decisions which were previously taken on their behalf.

However, in the present era, the Baby Boomers have in the middle of their working years planned for retirement and have invested in the Individual Retirement Accounts and the Defined Contribution Plans. This disinter mediating trend increasingly expects individuals to select the saving and contribution levels and to be responsible for a careful dissimulation in the course of their retirement to fulfill their needs.

The most recognized scheme for retirement planning in India is the Public Provident Fund. Contribution to the retirement fund at the early stages helps in attaining lifetime security. Timely selection of an appropriate plan for retirement helps in avoiding inflation due to regular compounding. To secure one's retired life, individuals must invest in pension schemes. As per the Sec 80C of the Income Tax Act, 1961, various retirement schemes have been

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covered and the taxpayers are entitled to tax relaxations of a maximum of 1.5 lakh rupees. An individual must select a pension scheme to fulfill the goal of their investment. The pension plans assist in contributing a small portion of the income into the program. A regular income after retirement is the primary goal behind a pension plan. Given the growing inflation, it has become necessary to invest in these plans.

Significance of the study: The current study aims to analyze the socio-economic determinants of Employees and the attitude of Young Employees towards Pension Schemes in Chengalpattu district. This study gives an insight regarding the perception of the young employees towards retirement planning, the ageing population, fluctuating inflation, and health scenarios have made it compulsory for individuals to plan for their future in advance. This study proves to be a platform to examine the advantages, disadvantages, threats, and opportunities for investment in different pension plans.

Objectives of the Study:

1. To analyse the socio-economic characteristics of employees in Chengalpattu District.
2. To examine the benefits and challenges associated with various pension insurance plans.
3. To assess the attitude of young employees towards pension schemes and identify the factors influencing their investment decisions regarding pension planning in Chengalpattu District.

2. LITERATURE REVIEW

Sinha (2020) aimed to analyze the impact of perceived knowledge and self-control bias on the individual's behavior of retirement planning. People have unrealistic confidence in their supposed financial awareness. The paper suggested that the retirement planning strategies of the individuals are significantly affected by their behavior.

Shreevastava and Brahmbhatt (2020) examined that different psychological elements could have an impact on the way individual retirement arrangements are carried out.

Vakil and Modi (2019) analyzed the association between factors that impact pension planning and the behavior of retirement planning among individuals. The findings of this study impact early retirement planning for working people so that they can have a solid financial basis after retirement.

Khurana and Sharma (2026) examined the relationship between digital financial literacy and retirement planning behaviour among Indian millennials. The study highlighted the importance of financial knowledge and willingness to plan in influencing retirement-related decisions. It indicates that digital financial literacy can play an important role in encouraging young employees to make informed retirement investment decisions.

Linge et al. (2025) examined the factors influencing financial literacy and financial behaviour among 773 working young adults in India. The study employed Structural Equation Modelling (SEM). The findings revealed that parental socialisation, peer influence and attitudes towards money significantly influenced financial literacy. The study is relevant to understanding how social and psychological factors influence young employees' financial decisions and long-term investment behaviour.

Saini et al. (2024) investigated the relationship between financial knowledge, investment strategies and employee satisfaction with pension schemes in India. The study collected data from 480 employees working in various administrative units. It examined financial security, future financial goals, risk appetite and secured returns as factors influencing investment strategies and satisfaction. The findings provide useful insights into the relationship between financial awareness and pension investment decisions.

Aparna and Nair (2026), in their study published in the Journal of Pension Economics & Finance, examined the factors influencing enrolment decisions under the National Pension System (NPS). Based on interviews with 15 NPS subscribers, the study identified tax incentives, government backing, peer influence, professional fund management and simplified registration as important factors influencing participation. The study highlights the importance of institutional trust and behavioural factors in pension investment decisions.

Khurana et al. (2026) examined the relationship between future time perspective, goal clarity and retirement readiness among employees in higher education institutions in northern India. Their study highlighted that future-

oriented thinking and clearly defined financial goals contribute to retirement preparedness. It suggests that employees' ability to establish long-term financial goals is an important factor in retirement planning.

Gupta and Khatter (2026) conducted a comparative study of retirement preparedness among 800 public- and private-sector employees in Jaipur. The study examined retirement planning, savings requirements, investment choices, inflation awareness and financial preparedness. The findings indicated that private-sector employees faced considerable challenges in retirement preparedness compared with public-sector employees. The study is particularly relevant to research focusing on the retirement investment behaviour of private-sector employees.

Mitra and Prasad (2026) investigated the relationship between retirement planning behaviour and financial well-being among employees in the Indian IT sector. The study provides a useful perspective on how retirement planning contributes to employees' overall financial well-being. It is relevant to understanding the importance of retirement savings and investment decisions among salaried employees.

3. PENSION PLANS IN INDIA

Several pension plans and schemes are offered by firms in the financial sector in India.

- **National Pension schemes (NPS)**

National Pension schemes is an Indian government pension plan. It functions as a social insurance scheme to help workers in all industries by the age of sixty. As per this scheme, the individuals can invest in the plan and redeem 60 percent of their investment as and when they turn 60. The reminder can be recovered by way of annuity checks as a lifelong pension. The premiums collected by the investors are invested by the NPS in different classes of assets – corporate debt, equity, investment funds, and government bonds -with the exposure to equity being a maximum of 75 percent. NPS provides flexibility for holders even to turn to a lump sum of 60 percent of corpus accrued at the age of 60 based on their particular needs. (Sane, & Thomas, 2014).

- **Traditional Pension Plan**

The pension scheme contains four plans, including a life covered pension plan, a regular pension scheme, a deferred annuity pension plan, and an immediate annuity pension plan. The standard pension scheme spends all the funds and at the time of maturity, an individual can collect a lump sum amount along with the interest. The deferred pension scheme helps the policy owner to receive a corpus over the insurance period by payment of premiums. The money accumulated and the premiums paid would all become a substantial corpus at the end of the term. The policyholder is then entitled to obtain an annuity and receive a daily pension. In addition, deferred annuity contribution pension schemes are often covered by life insurance. (Kali, 2017).

- **Unit Linked Pension Plans**

The conventional pension plans invest the premiums procured from the investors into riskless or minimal risk instruments like debt securities and government bonds. Although the investors who have a greater risk appetite can opt for other pension plans which again invest these premiums in instruments that have high risks and high returns like non-government securities, money markets, stocks, and bonds. Such plans are known as ULIP or the Unit Linked Insurance Plans. The major characteristic of these plans is that investments in equity securities constitute the investment portion. These plans offer different risk levels varying from high risks to medium risks and too low risks. As per certain restrictions and conditions, an individual can move between plans within the policy term at one’s discretion. ULIPs also have a distinctive feature of life assurance to consider the risk of death at an early stage. The returns are not assured, but a fair return in compliance with stock market vagaries is expected. In the past, long-term stock investment has provided strong returns. There is also an opportunity at the end of the policy period to withdraw from or continue to invest at the prevailing NAV in the portfolio (Mandal, 2016).

4. METHODOLOGY ADOPTED

The current study adopts a descriptive research design since the researcher aims to analyze, interpret, and describe the attitudes of young employees towards Pension Plan Investments in the Chengalpattu District. The sample size for the study is 207 and the respondents chosen to be a part of the study domains are selected using the random sampling technique.

Data Collection: The sample for study is collected from Chengalpattu district. Primary data is collected using well structured Questionnaire.

Statistical Tools Used: The data has been interpreted using a chi-square test, regression analysis, ANOVA, t-tests, and more. The current study uses a Chi-square test along with SPSS in order to establish a relationship among the variables.

5. DATA ANALYSIS AND INTERPRETATION

TABLE 1. Demographic Profile of the Respondents

	No. of Respondents	% of Respondents
Gender		
Male	119	57.48
Female	88	42.51
Total	**207**	**100.00**
Age Group		
20 – 35 Years	132	63.77
36 – 50 Years	49	23.67
51 – 65 Years	26	12.56
Total	**207**	**100.00**
Educational Qualification		
Bachelor's Degree	87	42.03
Master's Degree	82	39.61
Professional Degree	26	12.56
School level	12	5.80
Total	**207**	**100**
Income Groups		
Less than Rs.5,00,000	139	67.15
Rs.5,00,001 – Rs.10,00,000	53	25.60
Rs.10,00,001 – Rs.15,00,000	9	4.35
Rs.15,00,001 – Rs.20,00,000	6	2.90
Total	**207**	**100.00**
Marital Status		
Single	96	46.38
Married	111	53.62
Total	**207**	**100.00**
Area Employed		
Educational sector	43	20.77
IT sector	26	12.56
Financial sector	61	29.47
Production Units	77	37.20
Total	**207**	**100.00**

Source: Primary Data

Table 4.1 presents the demographic profile of the 207 respondents. Regarding gender, the majority are male (57.48%), while females constitute 42.51%. In terms of age, most respondents (63.77%) belong to the 20–35 years age group, followed by 23.67% in the 36–50 years group and 12.56% in the 51–65 years group. With respect to educational qualification, 42.03% hold a Bachelor's Degree, 39.61% hold a Master's Degree, 12.56% possess a Professional Degree, and 5.80% have school-level education. Regarding annual income, the majority (67.15%) earn less than ₹5,00,000, followed by 25.60% earning between ₹5,00,001 and ₹10,00,000. Only 4.35% earn between ₹10,00,001 and ₹15,00,000, while 2.90% earn between ₹15,00,001 and ₹20,00,000. In terms of marital status, 53.62% are married, while 46.38% are single. Regarding the employment sector, the largest proportion of respondents (37.20%) work in production units, followed by the financial sector (29.47%), educational sector (20.77%), and IT sector (12.56%). Overall, the demographic profile indicates that the respondents are predominantly male, young, graduates, and belong to the lower-income group, with a relatively higher representation from production units.

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TABLE 2. Information on Investment Decision

Information	No. of Respondents	% of Respondents
Purpose of Investments		
High Returns	102	49.27
Children's Education	59	28.50
Post Retirement expenses	39	18.84
Tax Benefits	7	3.39
Total	**207**	**100.00**
Investment tenure		
Less than 1 Year	47	22.71
1 – 5 Years	60	28.99
More than 5 Years	51	24.63
No Time frame	49	23.67
Total	**207**	**100.00**
Investment Decisions made by		
Own analysis	97	46.86
Consultation with parents	17	8.21
Friends and Colleagues	36	17.39
Financial Consultants	31	14.98
Spouse	26	12.56
Total	**207**	**100**
Investment Frequency		
Rarely	62	29.95
Once a year	87	42.03
Once every two years	36	17.39
Every three years	22	10.63
Total	**207**	**100**

Source: Primary Data

Table 4.2 presents information regarding the investment decisions of the 207 respondents. Regarding the purpose of investment, the majority (49.27%) invest to earn high returns, followed by 28.50% who invest for their children's education and 18.84% for post-retirement expenses. Only 3.39% consider tax benefits as their primary investment purpose. With respect to investment tenure, 28.99% of the respondents prefer an investment period of 1–5 years, while 24.63% prefer investments exceeding five years. Around 23.67% have no specific time frame for their investments, and 22.71% prefer a tenure of less than one year. Regarding investment decision-making, 46.86% make decisions based on their own analysis, followed by 17.39% who rely on friends and colleagues, 14.98% who consult financial consultants, 12.56% who consider their spouse's advice, and 8.21% who consult their parents. In terms of investment frequency, the largest proportion (42.03%) invest once a year, while 29.95% invest rarely. Furthermore, 17.39% invest once every two years, and 10.63% invest once every three years. Overall, the findings indicate that respondents primarily invest to earn higher returns, prefer to make investment decisions independently, and most commonly invest once a year.

TABLE 3. Determinants of Employees' Pension Plans

Aspect of additional income does not influence the decisions regarding investments	**p – value > 0.05** **Statement is not statistically significant**
Information-gathering sources also do not impact the investment decisions	
Prevailing working and living conditions are the key determinants in decision making for investments	
Current employment is viable for achieving the future needs of investments	**p – value < 0.05** **Statement is statistically significant**

- **Hypothesis Testing**

H_0: The socio-economic determinants are not associated with the decisions regarding investments for the employees

TABLE 4. Kruskal Wallis Test

	Additional income	Own information	Working and living conditions key determinants	Employment viable for future needs of investments
Chi-Square	6.199	2.729	3.137	6.661
Df	4	4	4	4
Asymp. Sig.	0.185	0.603	0.535	0.015
Grouping Variable: Main purpose of your investments				

The above table exhibits that since p-value is not less than 0.05 indicating that it is not significant so H_0 is accepted and concludes that socio-economic determinants except current employment were not associated with the decisions regarding investments for the employees.

For studying the attitude of Young Employees towards pension Schemes, the ANOVA test is applied, where the variables are the age of the respondent and the attitude of the young employees towards pension schemes.

TABLE 5. ANOVA Test 1

Risk is the biggest factor considered during an investment	**p – value > 0.05** **Statement is not statistically significant**
Putting money into a pension is the most secure way of saving for your retirement	
Often investing money under some plans will create problems for your enjoyment plans	
Age matters for investments, earlier investments lead to better returns	
The financial decision varies from person to person	**p – value < 0.05** **Statement is statistically significant**
People cannot expect to have the same standard of living when they retire as they had during working days	

Seeking information on the factors influencing Young Employees' action towards investment for pension planning in Chengalpattu District

For studying the factors influencing Young Employee's action towards investment for pension planning in Chengalpattu, the Kruskal - Walli's test was applied.

TABLE 6. ANOVA Test 2

Larger families need greater expenditure	**p – value < 0.05** **Statement is significant**	**p – value is less than 0.05 in only two cases, which indicates that only two factors influence young employee's action towards investment for pension planning.**
Pension plans help people during financial hardships		
Lower Income results in lower savings	**p – value > 0.05** **Statement is not significant**	
A well-planned retirement can assist the pre-retirement phase		
Proper financial plans are crucial to lead a better life after retirement		
Minimal spending on the present desires will help people to serve future needs		

Source: Primary data

The benefits and problems of plans for pension of the young employees, the following significant findings were observed:

For this Kruskal Wallis test is used where the dependent is discrete and the independent variable is categorical so the dependent variable used is experience. The experience of the respondents and the benefit and problem of plans for the young employee is considered in this section.

TABLE 7. ANOVA Test 3

Saving for a pension will help in having a happier retirement plan	**p – value > 0.05 ; Not significant**
Proper planning is done in a proper manner	
Savings pattern differs from person to person	
Enjoyment of Tax benefits	
Guaranteed regular income for life	**p – value < 0.05 ; Significant**
Security for children.	

Major Findings

- ➔ The socio-economic determinants are not associated with the decisions regarding investments.
- ➔ The Young Employees have a positive attitude towards Pension Schemes in the Chengalpattu District. Moreover, it was found that the financial decision varies from person to person and people cannot expect to have the same standard of living when they retire as they had during working days.
- ➔ Larger family leads greater expenditure, hence saving becomes negligible and Pension plans can help people during financial hardship.
- ➔ Plans like Guaranteed regular income for life and Security for their children in their absence are beneficial for the young employees.

6. CONCLUSION AND RECOMMENDATION

The analysis regarding the socio-economic determinants revealed that the only factor significant in this regard is "Current employment is viable for achieving the future needs of investments". It is found that the financial decisions generally vary from one person to another. It is also revealed that people generally do not expect to have the same standard of living when they retire as they had during the working days. Additionally, the factors influencing Young Employee's action towards investment for pension planning in Chengalpattu District included the aspect of larger families. The majority of the respondents believed that a larger family leads to greater expenditure therefore, the savings become almost negligible. Similarly, pension plans can help during financial hardships. These were the two most prominent factors that influenced the action of the employees to invest in pension planning schemes. Finally, the study tried to comprehend the benefits of pension plans for young employees. The majority of the respondents agreed that investing in pension schemes Guarantees regular income for life and secures the retirement of the individuals and also, it provides security for the investor's children in case of investor's absence. This will help the investors in leaving behind a legacy for their children.

The present study aims to provide new insights into the domain of pension plans and the perceptions of young employees. However, the current study is only restricted to the Chengalpattu District and thus the results cannot be generalized for a wider population. This limitation can however be avoided in future studies, where a wider audience can be surveyed to get a better understanding of the perceptions of the employees. This study will prove to be beneficial for the policymakers, investment companies decisionmakers, and also the young employees who can gain knowledge regarding the investment in pension plans and securing the uncertainty of their future.

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