

Compendium

# Chapter 7: Pension scheme membership, 2014 edition

This chapter discusses membership of all types of non-state pension, referred to here as private pensions. These are comprised of occupational schemes for private sector and public sector employees; and personal pensions, including individual, group and stakeholder pensions. Unlike occupational pensions, personal pensions are available to the self-employed.



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# 1 . Background

People are living longer and are likely to enjoy a longer retirement. But many people are not saving for their retirement at all, and many that are saving are not saving enough. This chapter aims to support the development of pensions policy by providing up to date information on private pension scheme membership.

The chapter looks first at active members of occupational schemes. Then it considers the proportion of the population aged 16 to 64 which contributes to private pensions, both occupational and personal. For employees and the self-employed, further breakdowns of pension scheme membership are presented. Finally, the chapter examines some of the characteristics associated with pension scheme membership.

A person may be a member of several different pension schemes simultaneously. Employees may be active members<sup>1</sup> of a workplace pension, which could be either an occupational scheme or an employer-sponsored group personal or stakeholder pension. They may also have an individual personal pension that they have taken out independently. In addition, people may be deferred members of a scheme, retaining pension rights from a previous employer<sup>2</sup>, or hold personal pensions which no longer receive contributions. The [Pension Trends Glossary \(198.9 Kb Pdf\)](#) provides more information on the various pension types. The analysis in this chapter mainly relates to 2013. The Pensions Act 2008 introduced automatic enrolment, which began in October 2012 (see Supporting Information section). The data for 2013 will include the early stages of automatic enrolment.

## Notes for background

1. Active members are current employees who are contributing or having contributions made on their behalf. For a definition of terms see [Pension Trends Chapter 6](#) and the [Pension Trends Glossary \(198.9 Kb Pdf\)](#).
2. Preserved member entitlements are rights held by people who are no longer actively contributing to the scheme. Most belong to former employees who have preserved their pension rights within a scheme but are not yet receiving pension payments. Some belong to widows, widowers, dependents and those who have gained rights following pension sharing on divorce.

## 2 . Data sources

The various data sources used in this chapter have different coverage and characteristics. The analyses use the source that is most appropriate for the topic, but this inevitably means that there are differences in the types of pension covered and in the population base between one analysis and another.

The main sources used are:

- the Office for National Statistics (ONS) [Occupational Pension Schemes Survey \(OPSS\)](#), for estimating numbers of active members of occupational pension schemes and also deferred and in payment member entitlements;
- the Department for Work and Pensions (DWP) [Family Resources Survey \(FRS\)](#) and the Office for National Statistics [Wealth and Assets Survey \(WAS\)](#) and [General Lifestyle Survey \(GLF\)](#), for estimating proportions of populations that belong to a pension and for providing information on the characteristics of members;
- the Office for National Statistics [Annual Survey of Hours and Earnings \(ASHE\)](#), for providing breakdowns of employee pension scheme membership according to pension type and other characteristics. Employee membership in ASHE is measured in terms of 'employee jobs' rather than individuals, and individuals may have more than one job.
- [HM Revenue and Customs data \(HMRC\)](#) for estimates of personal pension membership. HMRC calculates the number of individuals contributing by aggregating individuals who show a contribution against their national insurance number.

Quality and methodology information is available on the ONS website for the following sources [OPSS \(354.5 Kb Pdf\)](#), [ASHE \(212.6 Kb Pdf\)](#), [WAS \(107.7 Kb Pdf\)](#), and [GLF \(107.1 Kb Pdf\)](#).

### 3 . Estimates of total private pension membership

Private pensions consist of occupational pensions, which are trust based, and personal pensions, which are based on a contract between an individual and an insurance company. Personal pensions include group pensions where the contracts are facilitated by an employer, and individual personal pensions where the contract is arranged independently. Personal pensions also include group stakeholder pensions and self-invested personal pensions.

The Occupational Pension Schemes Survey ([OPSS](#)) estimates that, in 2013, total occupational scheme membership was 27.9 million, with:

- 8.1 million active members;
- 9.6 million pensions in payment; and
- 10.2 million deferred members (those with preserved pension entitlements).

HM Revenue and Customs (HMRC) estimates that in 2012/13 there were 8.2 million active members of personal and stakeholder pensions.

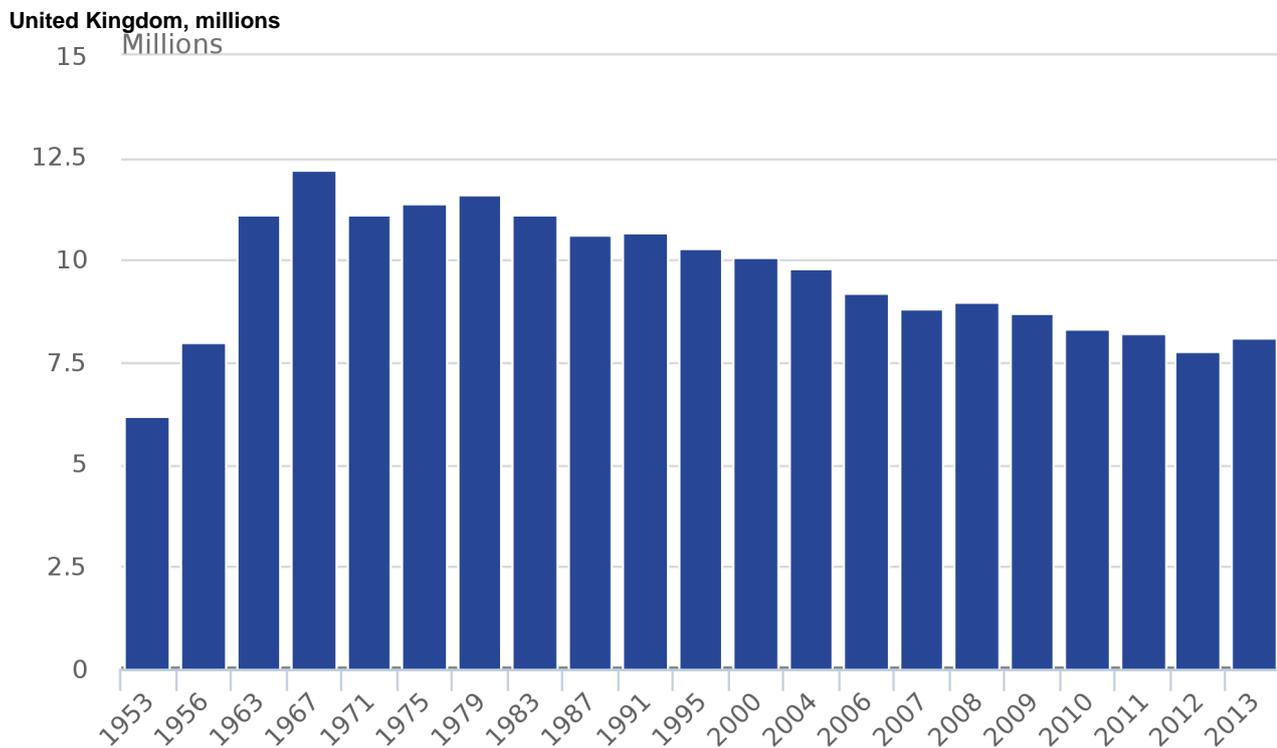
The number of members relates to reported scheme membership, which will be higher than the number of individuals as an individual can belong to more than one scheme. Some individuals may have a deferred entitlement in more than one pension scheme, while some with deferred entitlements may still be actively contributing to another pension. There are also some people still contributing to retirement annuity contracts (the predecessors to personal pensions) although this number will reduce over time.

### 4 . Trends in active membership

The longest consistent series of membership in the UK is for occupational pension schemes. Membership estimates are available from the 1950s from the Occupational Pension Schemes Survey (OPSS). The most recent [OPSS](#) release presents data for 2013.

There was a marked increase in the number of active members (those currently contributing or having contribution made on their behalf) between 1953 and 1967 from 6.2 million to 12.2 million, followed by an almost continuous decline between 1967 and 2012 to 7.8 million (Figure 7.1). In 2013, occupational membership rose to 8.1 million.

**Figure 7.1: Active members of occupational pension schemes, 1953 to 2013**



Source: Occupational Pension Scheme Survey (OPSS) - Office for National Statistics

Notes:

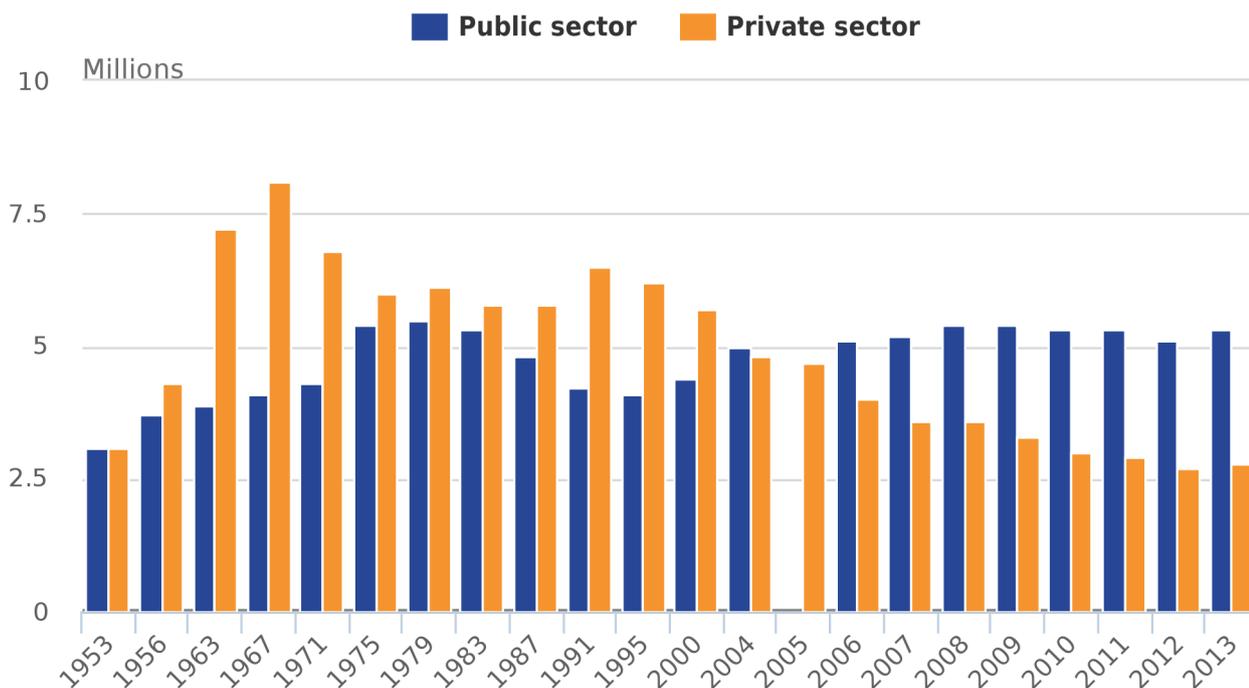
1. The 2005 OPSS did not cover the public sector
2. Changes to methodology from 2006 onwards mean that comparisons with 2005 and earlier should be treated with caution

Figure 7.2 shows the number of active members of occupational pension schemes by sector. In the private sector, there have been considerable changes in the level of membership since the start of the series. In 1953, private sector membership stood at 3.1 million. In the following years, membership almost tripled, reaching a peak of 8.1 million in 1967. Since then, membership has been on a general downward trend. In 2012, private sector membership reached its lowest point of the entire series, at 2.7 million. However in 2013 this number increased to 2.8 million, potentially due to automatic enrolment (see supporting information section).

The number of active members in the public sector has varied considerably throughout the duration of the survey reaching a peak of 5.5 million in 1979. From 1995 to 2008, public sector membership increased from 4.1 million to 5.4 million, despite the reclassification from 2000 of some large public sector schemes, such as the Post Office and the BBC, to the private sector. Between 2008 and 2012, active membership fell to 5.1 million. In 2013, active membership increased to 5.3 million (Figure 7.2).

**Figure 7.2: Active members of occupational pension schemes: by sector, 1953 to 2013**

United Kingdom, millions



Source: Occupational Pension Scheme Survey (OPSS) - Office for National Statistics

**Notes:**

1. Due to changes in the definition of the private and public sectors, estimates for 2000 and onwards differ from earlier years. From 2000 organisations such as the Post Office and the BBC were reclassified from the public to the private sector
2. The 2005 OPSS did not cover the public sector
3. Changes to methodology from 2006 onwards mean that comparisons with 2005 and earlier should be treated with caution

## 5 . Breakdown of total private pension membership

Figure 7.3 shows [Family Resources Survey \(FRS\)](#) estimates of the proportion of men and women in the 16 to 64 age group contributing to private pensions, both occupational and personal.

By combining the FRS estimate of the proportion of all people aged 16 to 64 contributing to private pensions in 2012/13 (33%) with [Labour Force Survey \(LFS\)](#) estimates of population aged 16 to 64 in January to March 2013 (40.5 million), we can estimate that around 13.4 million people aged 16 to 64 in Great Britain were active participants in private pensions.

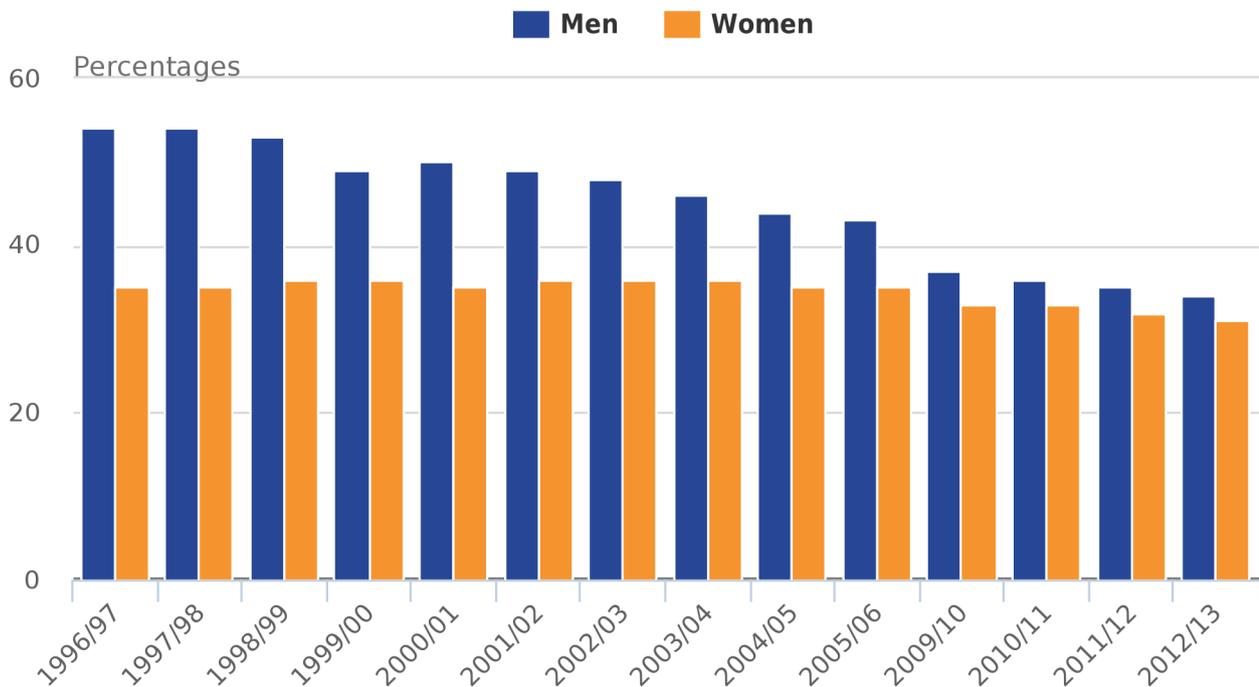
The proportion of private pension membership for men was higher than that for women in all years shown in Figure 7.3. However, the gender gap is decreasing. The difference in 1996/97 was nearly 20 percentage points and in 2012/13 it was 3 percentage points.

For men, the proportion contributing to private pensions fell steeply from 54% to 34% between 1996/97 and 2012 /13. In 2012/13, 6.8 million men aged 16 to 64 were contributing to a private pension.

For women, the proportion contributing to private pensions was more stable. It was around 35% in 1996/97, about 33% in 2009/10 and 31% in 2012/13. This represents 6.3 million women aged 16 to 64 contributing to a private pension in 2012/13.

**Figure 7.3: Proportion of men and women aged 16 to 64 contributing to private pensions, 1996/97 to 2012/13**

Great Britain, percentages



Source: Family Resources Survey - Department for Work and Pensions

Notes:

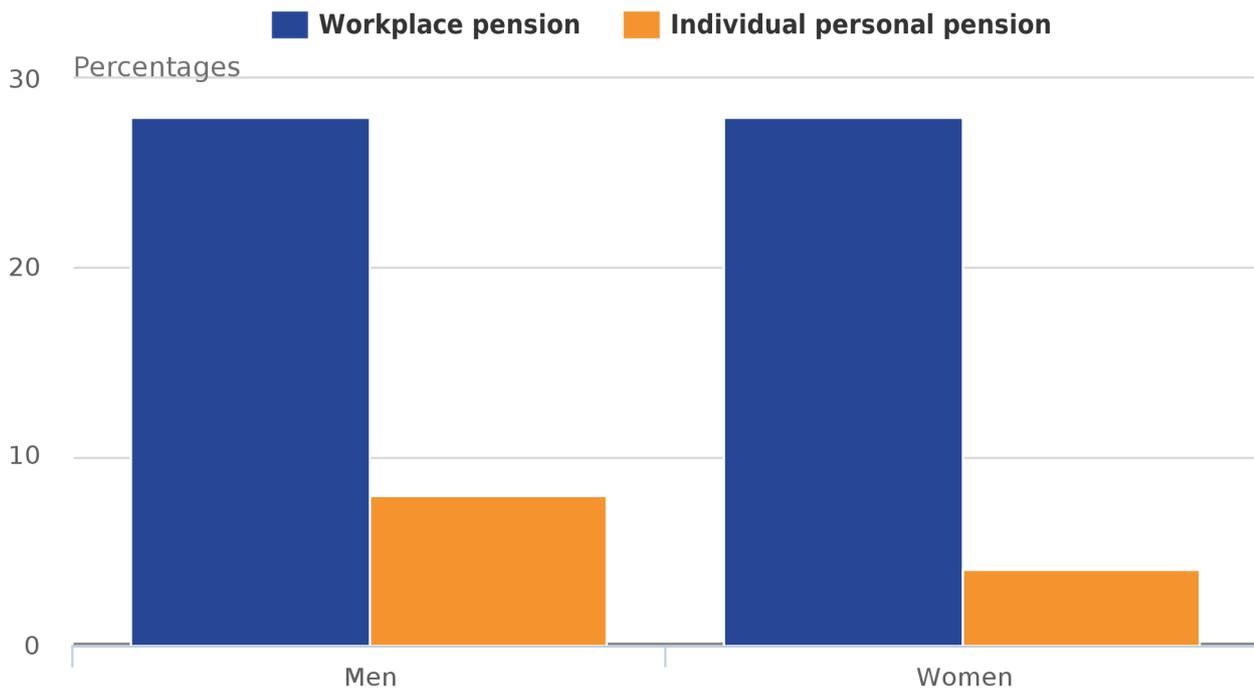
1. Data from 1999/2000 onwards are not comparable with earlier data because of the implementation from that date of improvements in government surveys relating to pensions
2. Figures for 2005/06 and earlier years may exclude members whose only pension contribution came from the National Insurance rebate
3. Data for 2006/07, 2007/08 and 2008/09 are not available
4. Data from 2009/10 onwards are not comparable with earlier data because of changes to the pension provision questions more accurately to capture information on active membership

Figure 7.4 shows the latest figures (2012/13) for men and women aged 16 to 64 by whether they contributed to a workplace pension or to an individual personal pension. The participation rates in workplace pensions were the same for men and women (28%); 4% of women had individual personal pensions compared with 8% of men.

This probably reflects the fact that self-employment is more prevalent among men than women <sup>1</sup> as the pension provision for the self-employed is usually in the form of personal pensions (see Self-employed pension membership section).

**Figure 7.4: Proportion of men and women aged 16 to 64 contributing to private pensions: by pension type, 2012-13**

Great Britain, percentages



Source: Family Resources Survey - Department for Work and Pensions

**Notes:**

1. Working age is 16 to 64 for both men and women
2. Percentages have been rounded to the nearest 1%
3. The estimates are based on sample counts that have been adjusted for non-response using multi-purpose grossing factors that control for tenure type, Council Tax Band and a number of demographic variables
4. Estimates are subject to sampling error and remaining non-sampling bias

**Notes for breakdown of total private pension membership**

1. In January to March 2013, the [Labour Force Survey \(LFS\)](#) estimates there were 2.9 million self-employed men and 1.3 million self-employed women.

## 6 . Employee pension scheme membership

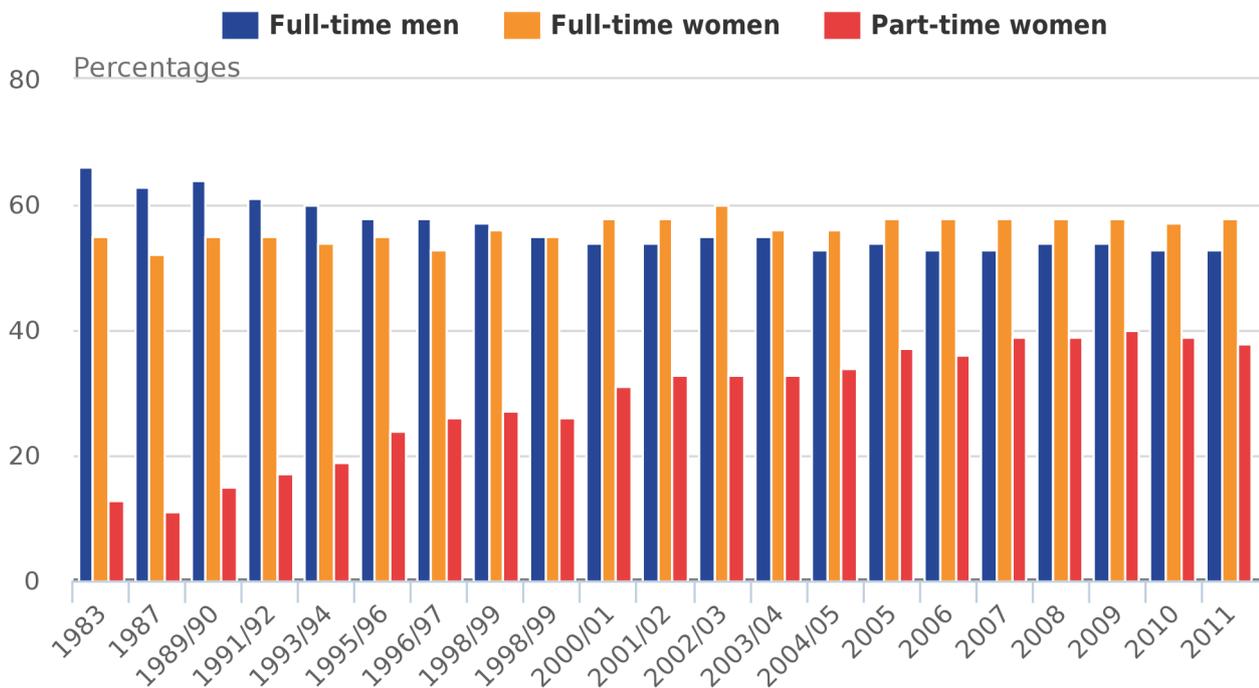
The [General Lifestyle Survey \(GLF\)](#) provides a consistent data source for employee occupational pension scheme membership over time. The GLF was recently discontinued with 2011 being the final data point. This series will be replaced with data from the Family Resources Survey in time for the next edition of this chapter. Figure 7.5 shows employee participation in employer's occupational pension schemes by gender and working pattern. In 2011:

- a higher percentage of full-time female employees than full-time male employees were members of their current employer's occupational pension scheme; and
- full-time employees had a higher percentage of members than part-time employees, who are mainly women. Information is not shown for part-time men, as sample sizes are not large enough to provide reliable estimates.

Some 66% of male employees in Great Britain in 1983 who were working full-time were members of their current employer's occupational pension scheme, falling to 53% in 2011 (Figure 7.5). For female employees working full-time, 55% were members in 1983, increasing slightly to 58% in 2011. Each year since 2000/01, the GLF has recorded higher membership rates for full-time women than for full-time men. Among women working part-time, there was a steady increase from 13% in 1983 to 40% in 2009 before falling again to 38% in 2011. The increase since 1995 may be partly explained by changes following a European Court of Justice ruling in May 1995 that made it illegal for pension schemes to exclude part-time workers.

**Figure 7.5: Employee membership of current employer's occupational pension scheme: by sex, 1983 to 2011**

Great Britain, percentages



Source: General Lifestyle Survey - Office for National Statistics

Notes:

1. Employees aged 16 and over, excluding Youth Trainees and Employment Trainees. Membership includes a few people who were not sure if they were in a scheme but thought it possible
2. Data from 1983 to 1996/97 is unweighted. From 1998/99 the data is weighted to compensate for non-response and to match known population distributions. For 1998/99 (shown by the first dotted line) unweighted and weighted data is shown for comparison
3. 2005 data includes last quarter of 2004/05 data as the survey changed from financial year to calendar year (shown by the second dotted line). Results for 2006 onwards (the third dotted line) include longitudinal data
4. Information is not shown for part-time men, as sample sizes are not large enough to provide reliable estimates

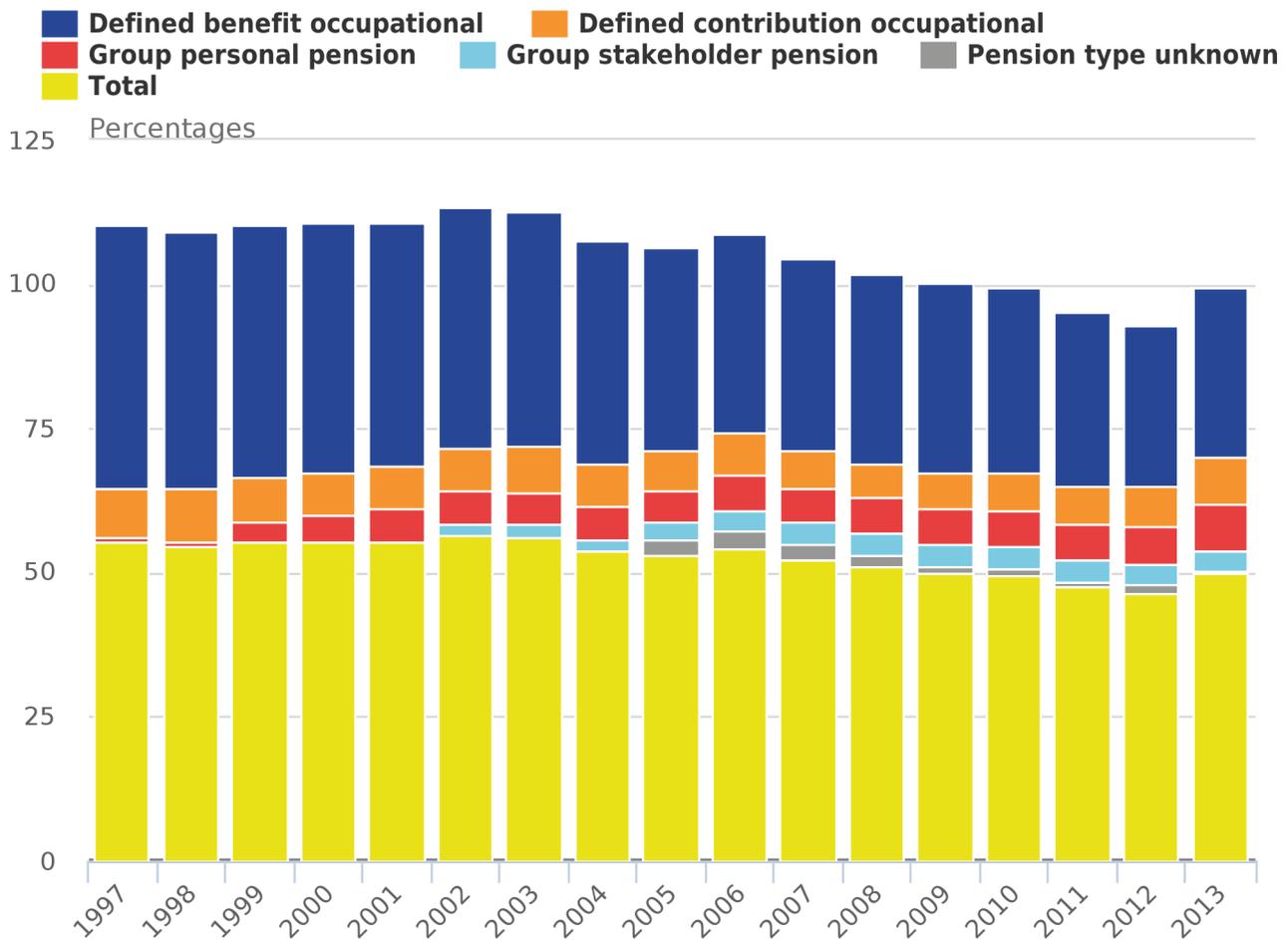
Data from the [Annual Survey of Hours and Earnings \(ASHE\)](#) is available from 1997 onwards only, but is the most useful source of information on the type of pension that employees have because it covers all workplace pensions: occupational pension schemes, Group Personal Pensions (GPPs), group stakeholder and group self-invested personal pensions. Nevertheless, ASHE may overestimate pension scheme membership as its sample is drawn from the Pay As You Earn (PAYE) system, so that low-paid workers earning below the PAYE threshold, who are less likely to belong to a pension, may be under-represented.

Figure 7.6 shows the proportion of employees aged 16 and over in the UK who belong to workplace pensions. It shows that:

- for all schemes; between 1997 and 2012, the percentage belonging to workplace pensions declined from 55% to 47%. However, in 2013 there was an increase to 50%;
- membership of defined benefit occupational, defined contribution occupational and group personal pensions each increased by 1 percentage point between 2012 and 2013;
- the largest share of membership was in defined benefit(salary related) pension schemes. However, the percentage of employees aged 16 and over with a defined benefit workplace pension has declined from 46% in 1997 to 29% in 2013;
- the percentage of employees aged 16 and over with a defined contribution occupational scheme remained about 6-9% from 1997 to 2013; and
- there was an increase in the percentage with Group Personal Pensions and Group Stakeholder Pensions (introduced in 2001), together representing 1% in 1997 and 12% in 2013.

**Figure 7.6: Employee membership of a workplace pension: by pension type, 1997 to 2013**

United Kingdom, percentages



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

**Notes:**

1. Active membership of a pension that is arranged through an employer, main pension only
2. Results for 2005 are based on a new questionnaire and may not be comparable with earlier results
3. In 2011, ASHE replaced the Standard Occupational Classification 2000 (SOC 2000) with the Standard Occupational Classification 2010 (SOC 2010). The change to SOC 2010 has affected the survey weighting. Rounded to the nearest percentage, the proportions in this figure are the same whether the estimates are calculated on the old or new SOC basis
4. Group stakeholder pensions were first introduced in 2001
5. Group self invested personal pensions are included in the group personal pension category

Figure 7.7 looks at whether UK employees with workplace pensions are contracted out of the State Second Pension (S2P, formerly the State Earnings Related Pension Scheme or SERPS). Employees who are contracted out pay reduced National Insurance contributions or receive contracted out rebates from National Insurance payments. Employers also pay reduced National insurance contributions. The Government abolished contracting out on a defined contribution basis from 6 April 2012. Contracting out for DB schemes will also end with the planned introduction of the [single-tier pension in 2016](#).

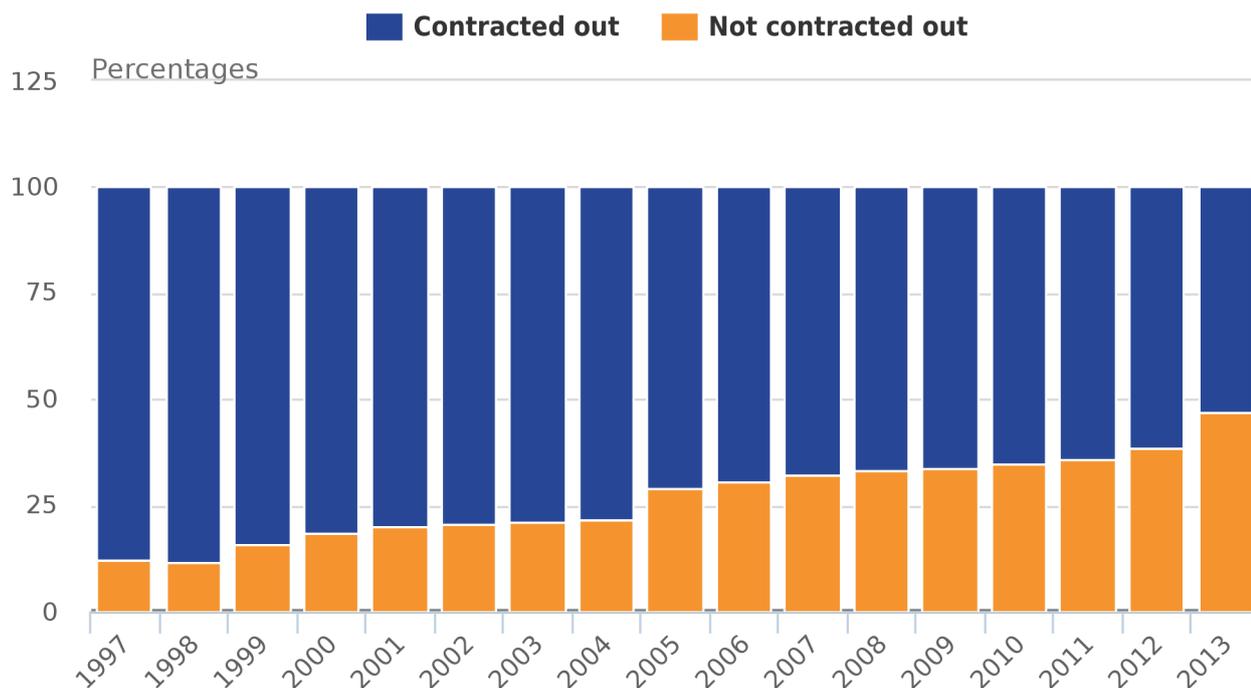
The contracted out rebate was reduced during the 1990s, making contracting out less attractive, especially for employers. In 1997, 88% of employees with workplace pensions were contracted out, but by 2013 this figure has fallen to 53%.

The fall in the percentage of members who were contracted out over the period 1997 to 2013 is likely to be due in part to the decline in defined benefit occupational pension scheme membership in the private sector (see Figure 7.9), as most defined benefit schemes are contracted out. Also, from 2005 ASHE data includes stakeholder pensions, most of which are not contracted out, reducing the proportion of members contracted out further.

Contracting out for defined contribution schemes ended in April 2012 and, therefore, 2013 data fully reflects this change. Results showed that the proportion of employees in contracted out schemes had fallen in 2013, compared to 2011, by nearly 11 percentage points to 53% (Figure 7.7).

**Figure 7.7: Employee membership of a workplace pension: by contracted out status, 1997 to 2013**

United Kingdom, percentages



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

**Notes:**

1. Active membership of a pension that is arranged through an employer, main pension only
2. Results for 2005 are based on a new questionnaire and may not be comparable with earlier results (indicated by the first dotted line). In particular, breakdowns by contracting out status include stakeholder pensions from 2005; before then, they are for occupational pension schemes and group personal pensions only
3. In 2011 (indicated by the second dotted line), ASHE replaced the Standard Occupational Classification 2000 (SOC 2000) with the Standard Occupational Classification 2010 (SOC 2010). The change to SOC 2010 has affected the survey weighting. Rounded to the nearest percentage, the proportions in this figure are the same whether the estimates are calculated on the old or new SOC basis
4. For 2012 (indicated by the third dotted line), ASHE respondents provided information in respect of the pay period that included 18 April. The returned data did not reflect the Pensions Act 2007 change to defined contribution contracting out. That is, results showed roughly the same proportion of employees in the contracted out defined contribution category in 2012 as in 2011
5. For 2013 (indicated by the fourth dotted line), the Pensions Act 2007 changes ending contracting out for defined contribution schemes are fully reflected in the data, resulting in a lower proportion of pension members who were contracted out

In 2013, almost half of male and female employees (49% and 50% respectively) were members of workplace pensions according to the [Annual Survey of Hours and Earnings \(ASHE\)](#). However, Figure 7.8 shows differences in public and private sector membership:

- membership rates in the public sector were more than twice that of the private sector for both men and women in 2013;
- membership rates were higher for men than for women in both sectors in all years; and
- The gender gap was smaller in the public sector.

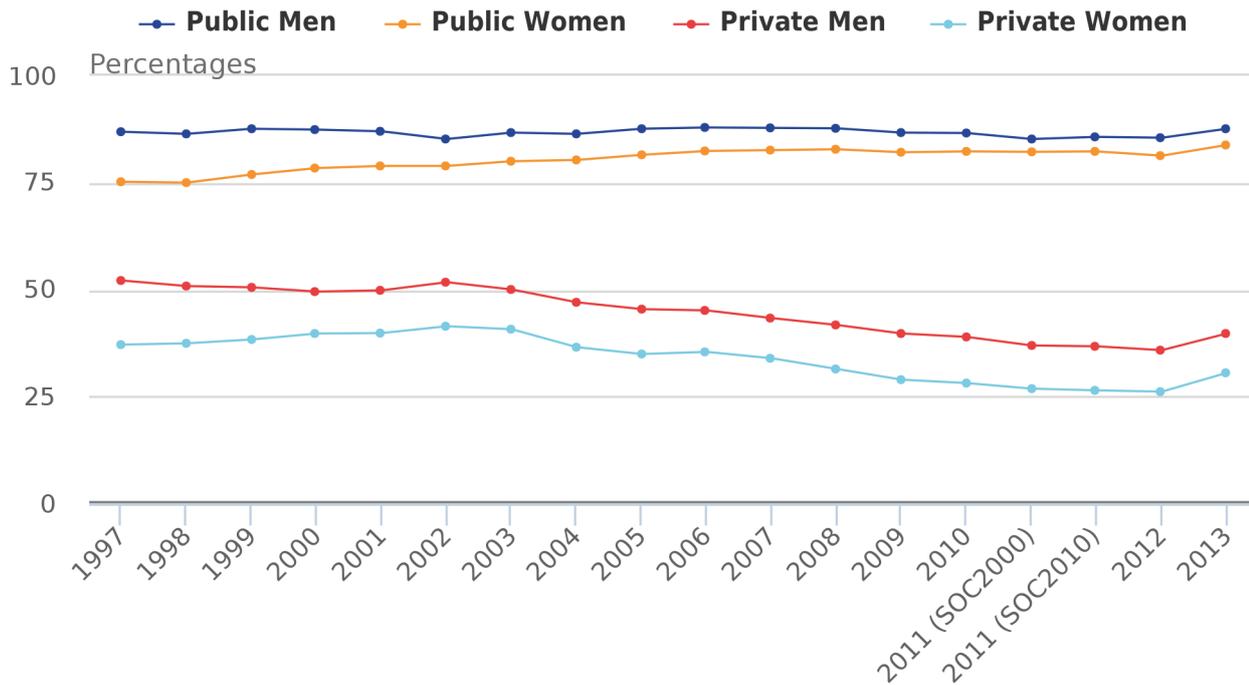
The data in Figure 7.8 shows an increase in total pension membership in 2013 in both public and private sectors, the first increases in the private sector since 2002, possibly reflecting the introduction of automatic enrolment in October 2012.

The membership rate for males was relatively stable in the public sector between 1997 and 2013. In the private sector, male employee membership declined from 52% in 1997 to 36% in 2012. However, membership rose to 40% in 2013.

Female membership in the public sector increased from 75% in 1997 to 84% in 2013. In the private sector, it increased from 37% in 1997 to 41% in 2002. After that, it fell until 2012 to 26% and then rose to nearly 31% in 2013.

**Figure 7.8: Employee membership of a workplace pension: by sex and sector, 1997 to 2013**

United Kingdom, percentages



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

**Notes:**

1. Active membership of a pension that is arranged through an employer, main pension only
2. Results for 2005 (the first dotted line) are based on a new questionnaire and may not be comparable with earlier results
3. Between 2008 and 2009 (the second dotted line) Lloyds Banking Group, the Royal Bank of Scotland Group and HBOS plc were reclassified from the private sector to the public sector
4. In 2011 (the third dotted line), ASHE replaced the Standard Occupational Classification 2000 (SOC 2000) with the Standard Occupational Classification 2010 (SOC 2010). The change to SOC 2010 has affected the survey weighting. The estimates for women in the private sector have changed (by less than one percentage point) as a result of this adjustment. The download file for this chart includes 2011 estimates on both the SOC 2000 and the SOC 2010 basis

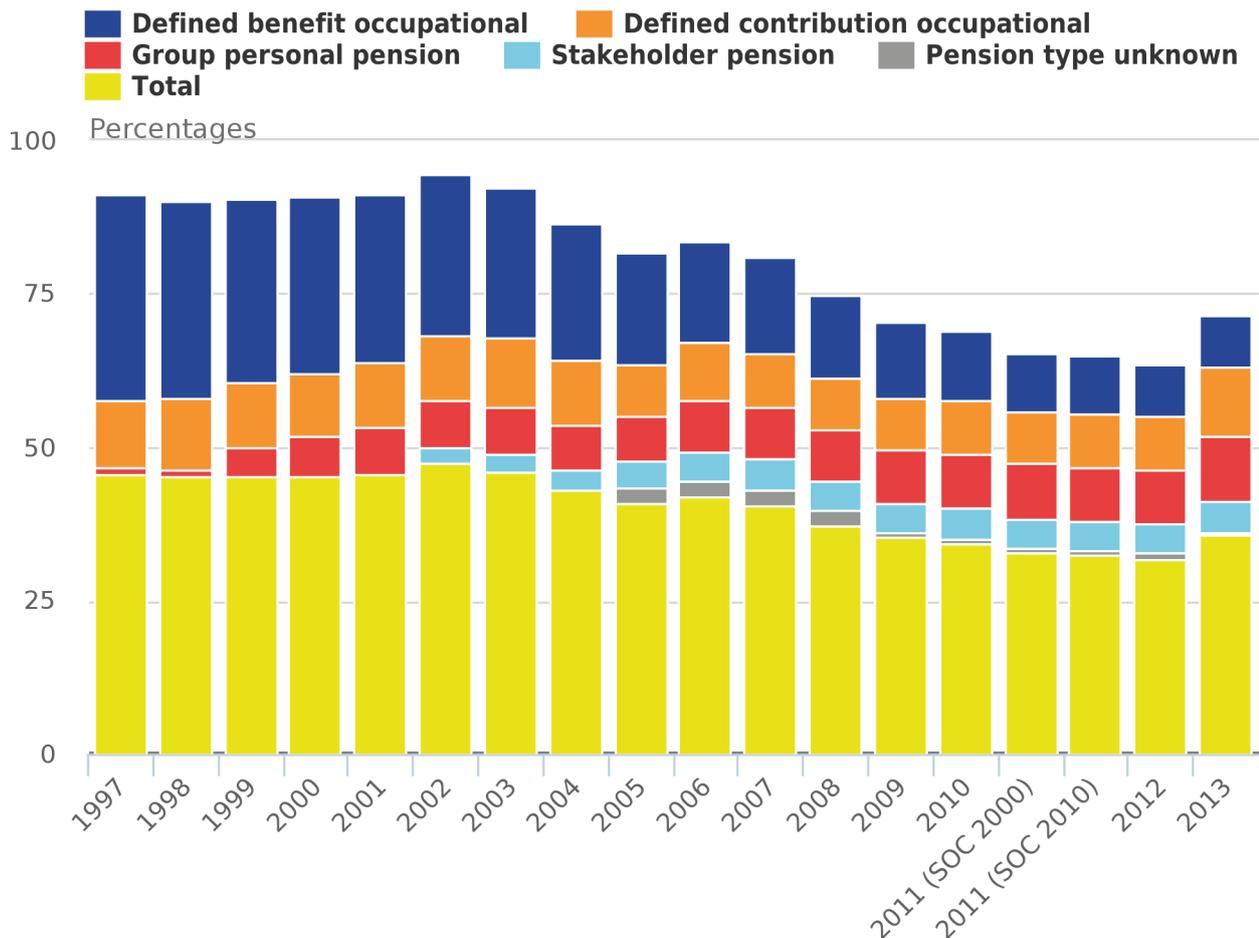
Private sector pension scheme membership has historically been much lower than in the public sector. The different kinds of private sector workplace pensions are presented in Figure 7.9.

Figure 7.9 shows that, for private sector workplace pensions:

- overall membership of workplace pensions fell from 46% in 1997 to 32% in 2012, rising to 36% in 2013;
- membership of defined benefit occupational pension schemes fell from 34% in 1997 to 9% in 2013;
- membership of defined contribution occupational schemes fell slightly, from 11% in 1997 to 9% in 2012, rising to 11% in 2013; and
- membership of group personal and group stakeholder pensions, has increased from 1% in 1997 to 16% in 2013.

**Figure 7.9: Employee membership of a private sector workplace pension: by pension type, 1997 to 2013**

United Kingdom, percentages



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

**Notes:**

1. Active membership of a pension that is arranged through an employer, main pension only.
2. Results for 2005 (the first dotted line) are based on a new questionnaire and may not be comparable with earlier results
3. Between 2008 and 2009 (the second dotted line) Lloyds Banking Group, the Royal Bank of Scotland Group and HBOS plc were reclassified from the private sector to the public sector
4. In 2011 (the third dotted line), ASHE replaced the Standard Occupational Classification 2000 (SOC 2000) with the Standard Occupational Classification 2010 (SOC 2010). The change to SOC 2010 has affected the survey weighting. The overall proportions of employees in the private sector with a pension has changed (by less than one percentage point) as a result of this adjustment. The download file for this chart includes estimates for 2011 on the SOC 2000 and SOC 2010 basis
5. Group stakeholder pensions were first introduced in 2001 in the UK
6. Group self invested personal pensions are included in the group personal pension category

## 7 . Self-employed pension membership

In January-March 2013, 4.2 million people aged 16 and over were self-employed in the UK according to the [Labour Force Survey \(LFS\)](#). Of this total, 58% were men working full-time, 12% were men working part-time, 14% were women working full-time and 16% were women working part-time.

Personal pensions, individual and group, were first introduced in 1988, and stakeholder pensions in April 2001. Until recently, these were the only form of private pension that the self-employed could take out, although some self-employed people are still investing in retirement annuity contracts set up before 1988.

From the end of 2011, the National Employment Savings Trust (NEST) provided another option for the self-employed who wish to contribute to a private pension. NEST is an example of a master trust that was set up by the Government under the Pension Act 2008. (For further information about master trusts and other examples, please see Supporting Information. Not all master trusts are open to the self-employed). Although NEST was primarily intended to provide pensions for employees, the National Employment Saving Trust Order 2010 established that NEST can also accept self-employed workers, single person directors and memberships resulting from pension sharing on divorce.

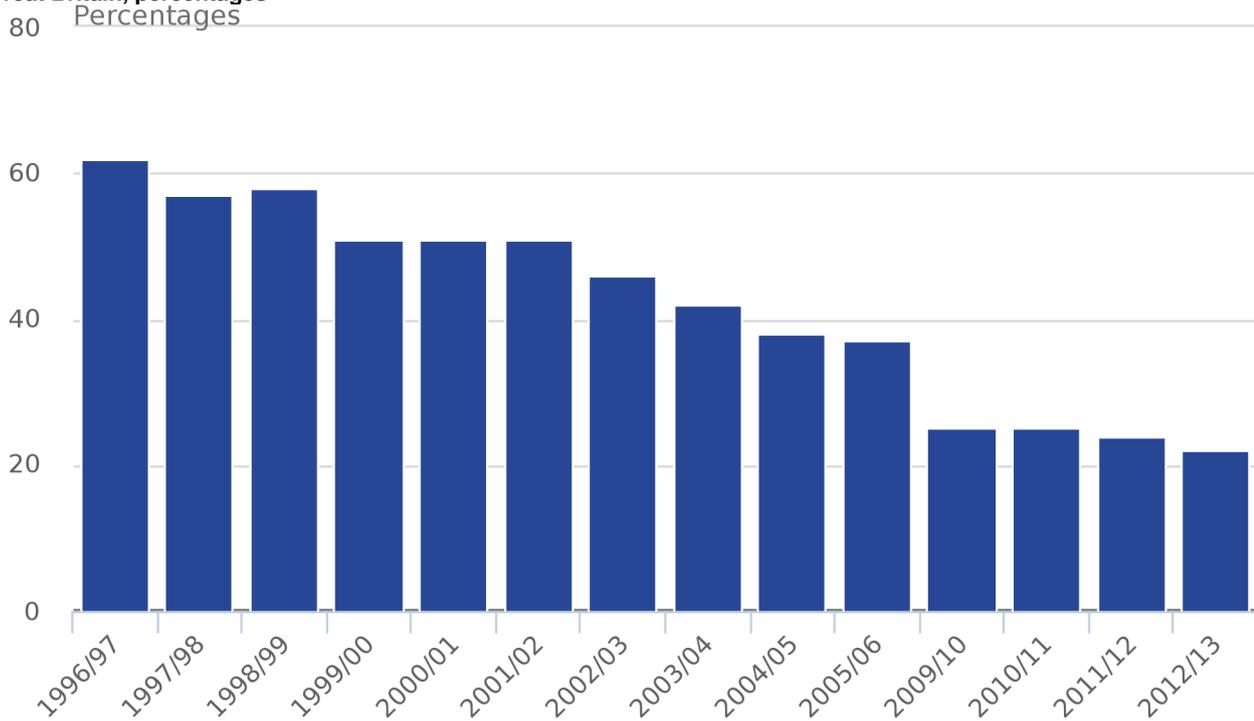
Figure 7.10 refers to self-employed men aged 16 to 64. It shows that 22% of self-employed men contributed to a personal pension in 2012/13, compared to 62% in 1996/97<sup>1</sup>.

There are several possible reasons why the self-employed participation in personal pensions has declined. In 1999, the Individual Saving Account (ISA) was introduced, giving people the opportunity to save tax-free and thus offering an alternative to the personal pension. The percentage of self-employed men that were members of a personal pension fell from 58% in 1998/99 to 51% in 2000/2001.

The 2008/09 recession may have also had an impact on self-employed personal pension membership. Between 2005/06 and 2009/10, male membership fell from 37% to 25%, and it fell further to 22% in 2012/13.

**Figure 7.10: Self-employed, working age men, by whether currently contributing to a personal pension, 1996/97 to 2012/13**

Great Britain, percentages



Source: Family Resources Survey - Department for Work and Pensions

**Notes:**

1. Working age is 16 to 64
2. Percentages have been rounded to the nearest 1%
3. The estimates are based on sample counts that have been adjusted for non-response using multi-purpose grossing factors that control for tenure type, Council Tax Band and a number of demographic variables
4. Estimates are subject to sampling error and remaining non-sampling bias
5. Data for 2006/07, 2007/08 and 2008/09 are not available

**Notes for self-employed pension membership**

1. In pension trends chapter 7, 2013 edition, the estimates presented were from the General Lifestyle Survey (GLF) and showed the percentage of self-employed men currently belonging to a pension as 34% in 2011. The estimate for 2011/12 in Figure 7.10 is 24%. The GLF estimate included full time self-employed men only, whereas Figure 7.10 is for all self-employed men. Part-time employees are less likely to be members of a private pension scheme and, therefore, we would expect the estimates in Figure 7.10 to be lower. Comparison of the GLF and Family Resources Survey estimates is further complicated by the differing questions used in the respective surveys.

## 8 . Contributions to personal and stakeholder pensions

HM Revenue and Customs (HMRC) publishes statistics based on administrative data from pension providers which show the number of individuals contributing to personal and stakeholder pensions (a subset of the total number holding personal and stakeholder pensions, which includes pension holders not currently contributing.) The figures include pensions where the only contribution was the national insurance rebate.

In the 2012/13 tax year, 5.5 million individuals in the UK contributed to individual or employer sponsored (group personal) pensions. There were 3.4 million men contributing to personal pensions and 2.1 million women. In terms of employment status, 4.9 million were employees and 0.5 million self-employed; the remaining individuals were not in employment.

## 9 . Characteristics of pension members

This section explores some of the characteristics of private pension scheme members. First, using data from the Annual Survey of Hours and Earnings (ASHE), it shows how workplace pension membership relates to the member's age, the industry in which the member is employed and earnings.

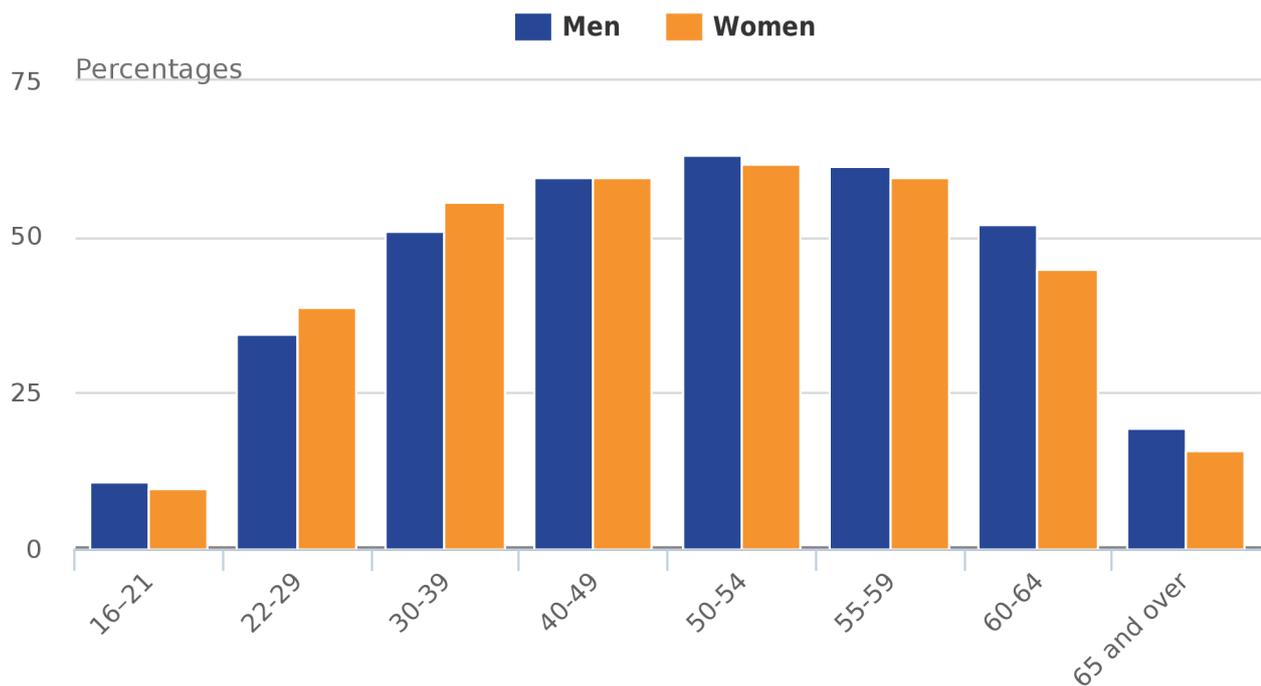
Then it presents analysis from the Wealth and Assets Survey (WAS), looking at the characteristics of active pension scheme members in terms of the type of household they live in.

Figure 7.11 looks at the proportion of employees aged 16 and over who were active members of a workplace pension in the UK in 2013, by sex and age:

- men and women in their 40s and 50s were most likely to be members of their employer's pension scheme;
- membership was highest in the 50 to 54 age group. In this age group 63% of male employees and 62% of female employees were members in 2013;
- for both male and female employees, membership was least likely at the beginning of their working life. For employees aged 16 to 21, around 10% of male and female employees belonged to their employer's pension scheme. For those aged 65 and over, 19% of male and 16% of female employees were members in 2013; and
- generally, membership was higher for women in the younger age groups. It was higher for men for the age groups 50-54 and above.

**Figure 7.11: Employee membership of a workplace pension: by sex and age, 2013**

United Kingdom, percentages



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

**Notes:**

1. Active membership of a pension that is arranged through an employer, main pension only
2. In 2011 ASHE replaced the Standard Occupational Classification 2000 (SOC 2000) with the Standard Occupational Classification 2010 (SOC 2010). The change to SOC 2010 has affected the survey weighting. The download file for this chart includes estimates for 2011 on the SOC 2000 and SOC 2010 basis
3. The age bands are not uniform: narrower bands are presented for those at the beginning and end of their working lives

Between industries, there was considerable variation in employee membership of workplace pensions. The variations between industries reflect differences in the extent to which employers offer pension schemes as well as the rate at which employees take up schemes offered. Sectors with high public sector employment, such as public administration, defence and social security, education, and health and social work, tend to have high levels of pension membership.

One factor behind the variations between industries is likely to be the differences in average earnings between sectors. The higher people's weekly earnings, the more likely they are to belong to a workplace pension and the lower their earnings, the less likely they are to belong to a workplace pension.

Table 7.12 presents employees aged 16 and over who were members of a workplace pension, by sex and industry. In 2013:

- for men and women in 2013, those working in public administration, defence and social security were most likely to be members (over 90% for both); and
- the industry where both men and women were least likely to be members was accommodation and food service industries (16% and 14% respectively),

Several increases in the percentages of employees with pensions were observed between 2012 and 2013, for both men and women. For example, there has been a 15 percentage point increase for women working in electricity, gas, steam and air conditioning from 66% in 2012 to 81% in 2013. In the accommodation and food service industries, the percentage of members has more than doubled since 2012 to 16% and 14% in 2013 for men and women respectively.

**Table 7.12: Employee membership of a workplace pension: by sex and industry, 2013**

United Kingdom	Percentages	
	Men	Women
Public admin, defence, social security	92.3	90.7
Electricity, gas, steam and air conditioning	90.0	80.6
Education	77.0	75.3
Financial and insurance activities	81.5	77.6
Health and social work	60.0	54.6
Information and communication	56.9	50.4
Transportation and storage	56.3	57.1
Manufacturing	51.6	44.5
Professional, scientific and technical	49.0	39.9
Real estate activities	42.4	33.6
Water supply and other	54.7	61.6
Construction	28.6	25.4
Mining and quarrying	64.1	:
Wholesale and retail trade, and other	31.4	29.1
Arts, entertainment and recreation	23.3	23.1
Agriculture, forestry and fishing	18.4	12.3
Administration and support services	16.5	12.7
Accommodation and food service industries	15.9	13.8
Other service activities	36.3	23.9

Source: Annual Survey of Hours and Earnings, Office for National Statistics

Notes:

1. Active membership of a pension that is arranged through an employer, main pension only
2. Industries are grouped according to the Standard Industrial Classification (SIC) 2007
3. The 'other' category in 'Water supply and other' covers sewerage, waste management & remediation activities
4. " : " denotes that results have been suppressed due to concerns over quality (the coefficient of variation is greater than 20)

Figure 7.13 shows the proportion of employees aged 16 and over contributing to a workplace pension, by sex and earnings level for full-time employees. In 2013:

- 74% of male and 83% of female full-time employees reporting gross weekly earnings of £600 and over were members of a workplace pension; and
- 20% of men and 28% of women full-time employees earning less than £300 a week were members of a workplace pension.

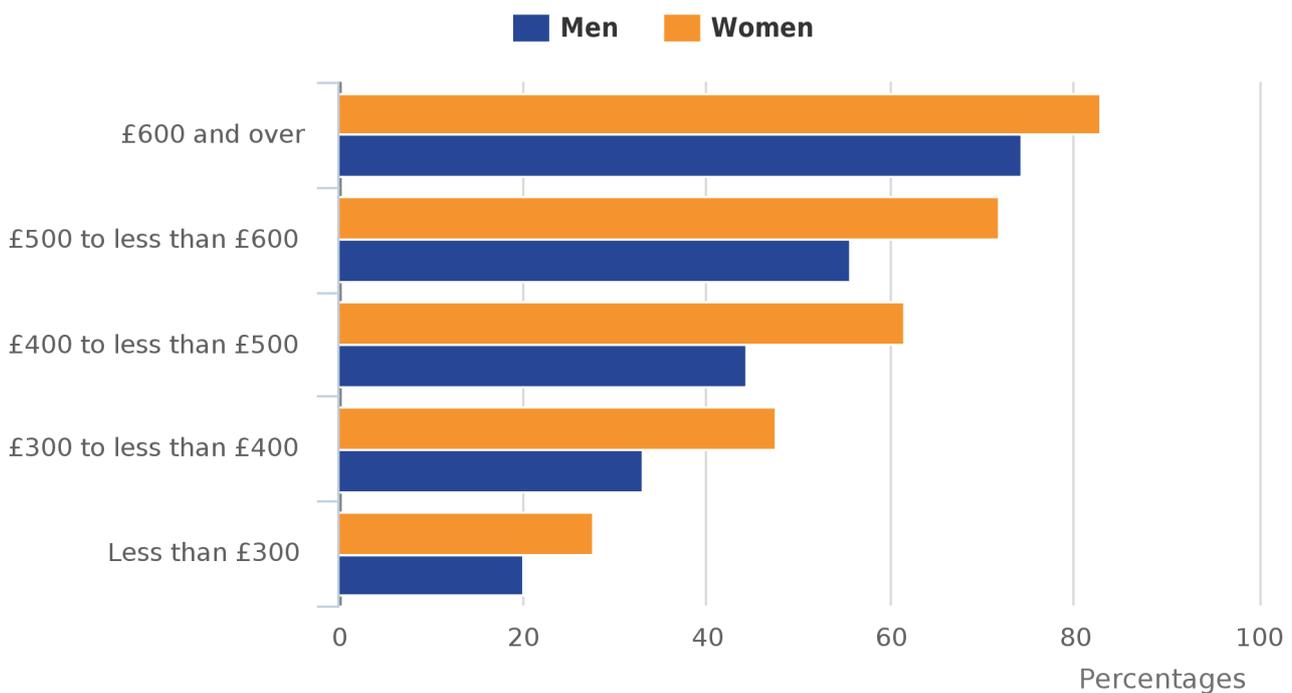
The proportion of female full-time employees contributing to a workplace pension was greater than that for males in all earnings bands<sup>1</sup>. In the '£400 to less than £500' earnings band workplace pension membership was 17 percentage points higher for women compared to men.

Comparing 2013 with 2012 (not shown in Figure 7.13):

- the percentage of both male and female employees with a pension increased across all five pay bands; and
- the greatest increase occurred in the lowest pay band, 'less than £300', an increase of 7 percentage points for men and 6 percentage points for women.

**Figure 7.13: Full-time employee membership of a workplace pension: by sex and gross weekly earnings, 2013**

United Kingdom, percentages



Source: Annual Survey of Hours and Earnings (ASHE) - Office for National Statistics

Notes:

1. Active membership of a pension that is arranged through an employer, main pension only
2. In 2011 ASHE replaced the Standard Occupational Classification 2000 (SOC 2000) with the Standard Occupational Classification 2010 (SOC 2010). The change to SOC 2010 has affected the survey weighting. The download file for this chart includes estimates for 2011 on the SOC 2000 and SOC 2010 basis
3. Data from 2005 to 2013 is available in the download

## Notes for characteristics of pension members

1. We believe there may be several reasons why Figure 7.13 shows a higher percentage of women with a pension, a pattern largely not seen in Figure 7.3. Figure 7.3 includes all men and women aged 16-64, while figure 7.13 covers full-time employees. There are large numbers of female employees in industries where pension membership is relatively high (see for example Table 7.12 'public administration, defence and social security'). These female employees will be spread across the earnings bands in Figure 7.13 and so raise the membership level for women in each earnings band. Also, men had higher weekly earnings than women, and those with high earnings are more likely to be a member of a workplace pension. Further differences can be explained by the different data sources for figure 7.3 and 7.13. For more information please see the data sources section. Similar reasons are believed to account for the results in Figure 7.14.

## 10 . Characteristics of individuals by household type

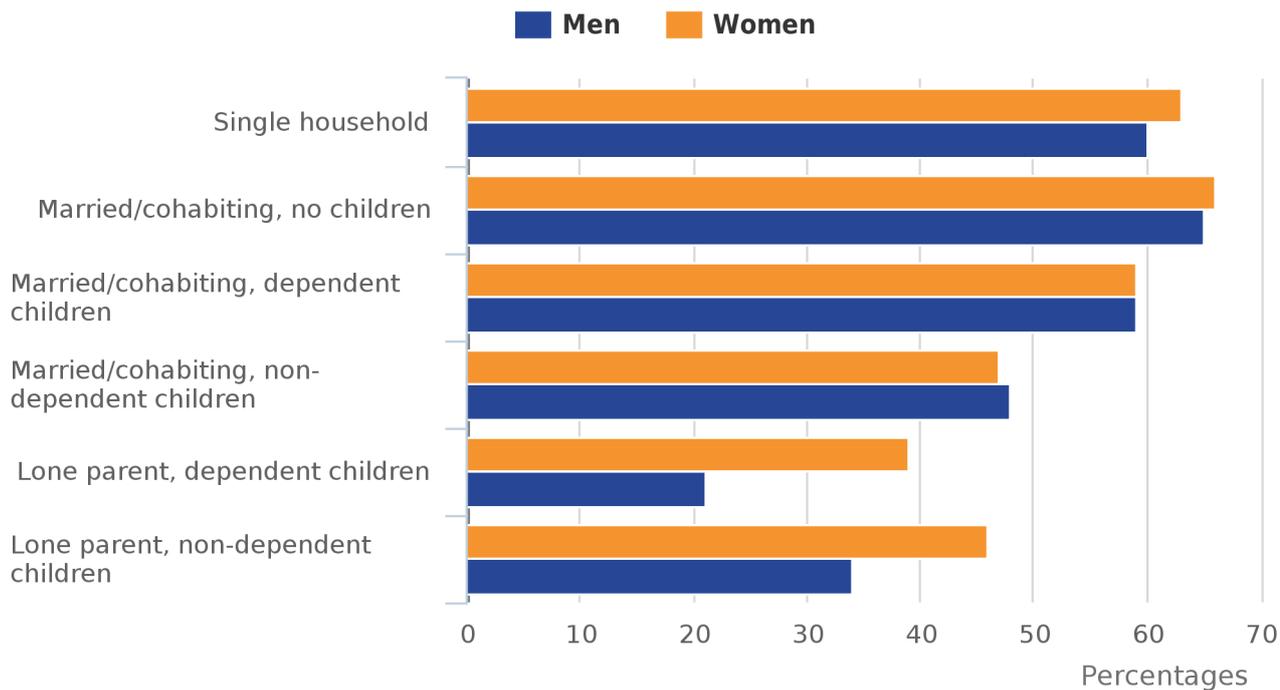
Figure 7.14 shows the proportion of economically active individuals who are currently active members of a private pension scheme, by sex and household type. All private pensions were included, both workplace and personal. Only men aged 16 to 64 and women aged 16 to 59 are included in this analysis <sup>1</sup>.

Individuals who were married/cohabiting without children had the highest proportion of membership, 65% for men and 66% for women. The second highest membership was for men and women in single households (60% and 63% respectively).

The lowest proportion of private pension membership was for lone parent with dependent children (men 21%, women 39%); and the second lowest for lone parent with non-dependent children (men 34%, women 46%).

**Figure 7.14: Current pension scheme membership of economically active individuals: by sex and household type, 2010/12**

Great Britain, percentages



Source: Wealth and Assets Survey - Office for National Statistics

**Notes:**

1. Men aged 16-64 and women aged 16- 59 who were not in full time education are included in the analysis
2. Estimates for individuals in households with pensioners (over 65 for men and 60 for women) and multiple family/other households were not calculated
3. The economically active are defined as those ages 16 or over who are either in employment or unemployed
4. Current/active members are those who are currently contributing or having contributions paid on their behalf to a private pension scheme

**Notes for characteristics of individuals by household type**

1. We believe there may be several reasons why Figure 7.13 shows a higher percentage of women with a pension, a pattern largely not seen in Figure 7.3. Figure 7.3 includes all men and women aged 16-64, while figure 7.13 covers full-time employees. There are large numbers of female employees in industries where pension membership is relatively high (see for example Table 7.12 'public administration, defence and social security'). These female employees will be spread across the earnings bands in Figure 7.13 and so raise the membership level for women in each earnings band. Also, men had higher weekly earnings than women, and those with high earnings are more likely to be a member of a workplace pension. Further differences can be explained by the different data sources for figure 7.3 and 7.13. For more information please see the data sources section. Similar reasons are believed to account for the results in Figure 7.14.

**11. Supporting information**

[Automatic enrolment](#) - Starting in October 2012, with gradual roll-out by 2018, all employers have a duty to automatically enroll eligible employees into a qualifying pension scheme and to make contributions on their behalf. Automatic enrolment is being introduced in stages, based on the size of the employers' PAYE scheme as

of 1 April 2012, commencing with the larger employers. Pension Trends [Chapter 6](#) and [Chapter 8](#) contain further details of automatic enrolment.

A [master trust](#) is a multi-employer occupational pension scheme where each employer has its own division within the master arrangement rather than on an individual basis. Several [master trusts](#) are prepared to accept members who have been automatically enrolled. Not all master trusts accept the [self-employed](#).

[Pension Trends](#) consists of 14 chapters bringing together official statistics on pensions and retirement. [Pension Trends Chapter 6: Private Pensions](#) and [Pension Trends Chapter 8: Pension Contributions](#) complement the content of this chapter.

## 12. References

1. Department for Work and Pensions, [Family Resources Survey](#)
2. HM Revenue & Customs, [Pension Statistics](#)
3. Office for National Statistics, [Occupational Pension Schemes Annual Report 2013](#)
4. Office for National Statistics, [Annual Survey of Hours and Earnings Pensions](#)
5. Office for National Statistics, [General Lifestyle Survey](#)
6. Office for National Statistics, [Pension Trends](#)
7. Office for National Statistics, [Pension Trends Glossary \(198.9 Kb Pdf\)](#)

## 13. Background notes

1. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.