

Compendium

Occupational and Personal Pension Schemes (General Lifestyle Survey Overview - a report on the 2011 General Lifestyle Survey)

Includes chapters on health, smoking, drinking, households, families and access to vehicles.



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1 . Occupational and personal pension schemes

The General Household Survey (GHS) has included questions on occupational pensions on a regular basis for 30 years since 1981 and on personal pensions since the late 1980s. The General Lifestyle Survey (GLF) continued to include these questions in 2011. This chapter provides information on occupational and personal pensions for employees and also considers the pension arrangements of the self-employed. The chapter presents both trends over time and detailed data for the 2011 survey year.

How the data are used and their importance

GLF and GHS data on pension participation are used by a number of policy departments, including the Department for Work and Pensions (DWP), HM Treasury (HMT) and HM Revenue and Customs (HMRC). The departments use the GLF to monitor and evaluate current policy and policy reforms, and to assist future policy development. Recent policy developments, for which the GLF has been one of a number of important sources, include the [Government's review of the 2012 workplace pension reforms](#), as set out in the [Pensions Act 2008](#). Data collection for the 2011 GLF took place between January and December 2011 which was before the implementation of the workplace pension reforms in October 2012.

The wealth of information collected on the GLF gives pensions analysts and policy makers information about the groups of the population who are not making adequate pension provisions. For example, the survey provides pension participation rates by age, sex, income band, employment status and employment sector.

Other sources for pension statistics

This chapter aims to provide a summary of the results from the GLF and GHS. However, the GLF is just one of many sources for pension statistics. A more comprehensive picture of pensions is given in the ONS publication Pension Trends. Pension Trends brings together information from a variety of different sources and reports on the many complex issues that shape trends in pension provision in the UK. Such issues include: population change; life expectancy and healthy ageing; the labour market and retirement; and saving for retirement.

The results

The analysis in this chapter shows results broken down by sex and employment status (full or part-time employment). However, few of the tables and figures show data for men working part time. This is because the sample sizes for men working part time are generally not large enough to provide reliable estimates.

Data are presented for both occupational and personal pension schemes. An occupational pension is an arrangement organised by an employer (or group of employers) to provide benefits for employees on their retirement and for their dependants on their death. A personal pension scheme, such as a stakeholder pension or a self-invested personal pension, is a contract to provide contributions in return for retirement benefits between an individual and an insurance firm, rather than with an employer or the state. Individuals may join such contracts under their own volition – for example, to provide a primary source of retirement income for the self-employed, or to provide a secondary income to employees who are members of occupational schemes – or they may be facilitated (but not provided) by an employer such as group personal pensions (GPPs), group stakeholder pensions or group self-invested personal pensions¹.

Notes for Occupational and personal pension schemes

1. More information about occupational and personal pension schemes is available in the Office for National Statistics (ONS, 2012) Pensions Trends glossary.

2 . Pension arrangements for employees

In 2011 around three-fifths of full-time employees (60% of men and 61% of women) were currently members of a pension scheme. Among part-time women employees, 41% were currently members of a pension scheme. Younger employees (those under the age of 25) were the least likely to be a member of a current pension scheme. Among male employees aged 18 to 24 working full-time, 29% were in a current pension scheme compared with 51% of 25-34 year olds and more than 60% in each of the older age groups. A similar pattern is true for women working full-time, 28% of 18-24 year olds; 58% of 25-34 year olds were in a current pension scheme and more than 60% in each of the older age groups.

[Table 6.1 \(190.5 Kb Excel sheet\)](#)

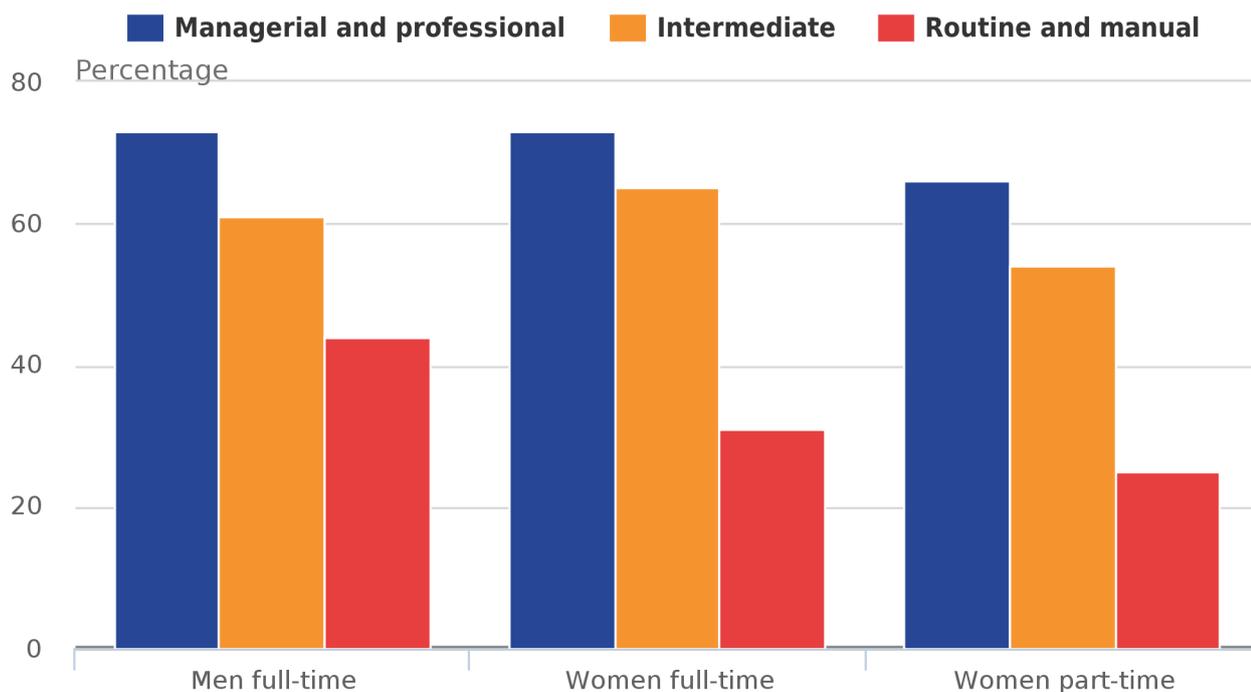
Pension scheme membership also varies by socio-economic status. The socio-economic classification (NS-SEC) used in this report is based on information about people's occupation and employment status (please see Appendix A, Definitions and terms for further information). Employees in the managerial and professional group were most likely to be current members of a pension scheme, with those in the routine and manual group least likely to be a member of a scheme. Among men working full-time, 73% of those in the managerial and professional group belonged to a pension scheme compared with 61% in the intermediate group and 44% in the routine and manual group. For women working full-time the figures were: 73% in the managerial and professional group; 65% in the intermediate group; and 31% in the routine and manual group. Similarly, for women working part-time the figures were: 66%; 54%; and 25% respectively.

[Table 6.2 \(190.5 Kb Excel sheet\)](#)

Employees with higher usual gross weekly earnings were generally more likely to belong to a pension scheme than employees with lower earnings. Among employees working full-time, 79% of men and 81% of women with usual gross weekly earnings of more than £600 belonged to a pension scheme. In contrast, for male and female full-time employees earning between £100 and £200 per week, only 23% and 25% respectively belonged to a pension scheme.

[Table 6.3 \(190.5 Kb Excel sheet\)](#)

Figure 6.1: Current pension scheme membership by sex and socio-economic classification, 2011, Great Britain<1>



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

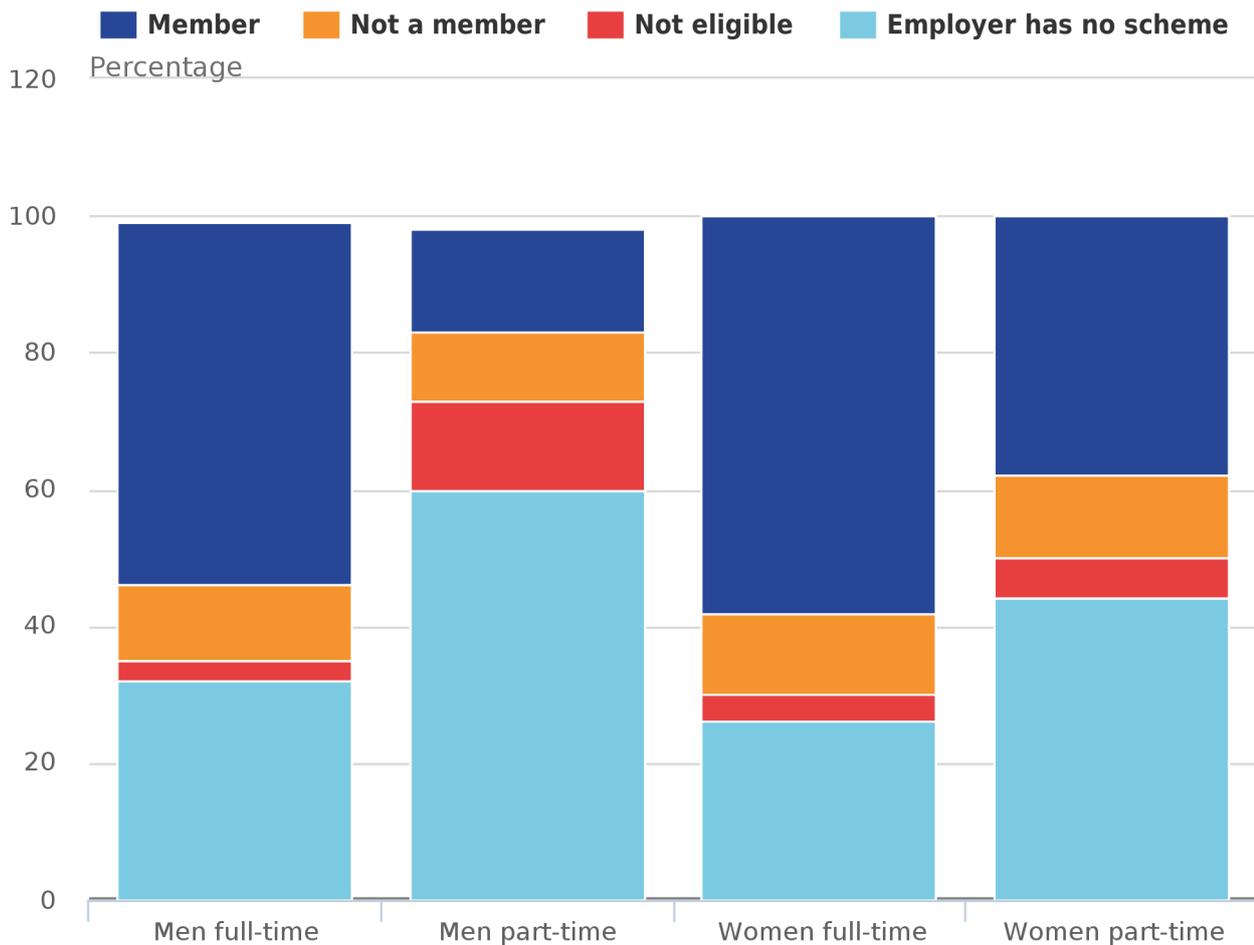
3 . Membership of occupational pensions

Occupational pensions are the most common type of pension arrangement for employees and are the focus of this section. They do not include group personal pensions, group stakeholder pensions or group self-invested personal pensions which are based on individuals entering into a contract with an external pension provider in the form of an insurance company.

In 2011, 64% of men and 66% of women said that their current employer had an occupational pension scheme. Membership of such schemes varied by sex and work status (full-time or part-time employment). Employees who worked full-time were more likely than those working part-time to say that their present employer had a pension scheme; 68% of men working full-time compared with 38% of men working part-time, and 74% of women working full-time compared with 56% of women working part-time.

[Table 6.4 \(190.5 Kb Excel sheet\)](#)

Figure 6.2: Membership of current employer's occupational pension scheme by sex and whether working full time or part time, 2011, Great Britain<1>



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

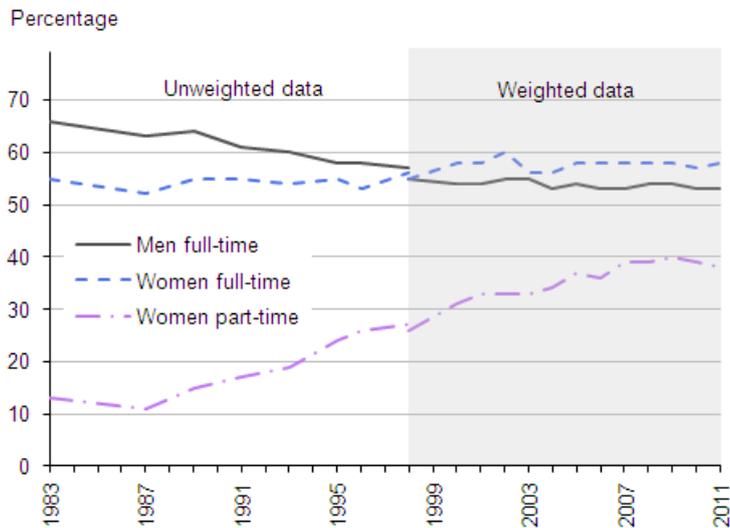
4 . Trends in membership of occupational pension schemes

Trends in participation in occupational pension schemes have differed for men and women and for those working part-time and full-time.

The proportion of men working full-time who were members of their current employer's occupational pension scheme decreased from 66% in 1983 to 54% in 2000 and has remained at a similar level every year since then. In 2011, 53% of men working full-time were members of their current employer's occupational pension scheme. The percentage of women working full-time who were members of their current employer's occupational pension scheme showed a different pattern, rising from 52% in 1987 to 60% in 2002. In 2011, 58% of women working full-time were members of their current employer's occupational pension scheme.

Among women working part-time, the proportion who were members of their current employer's occupational pension scheme increased from 11% in 1987 to 40% in 2009. In 2011, 38% of women working part-time were members of their current employer's occupational pension scheme. The longer trend over time may be partly explained by changes following a European Court of Justice ruling in 1995 that made it illegal for pension schemes to exclude part-time workers.

Figure 6.3: Employee membership of current employer's occupational pension scheme: by sex and whether working full time or part time, 1983 to 2011, Great Britain<1>,<2>,<3>,<4>



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. 2005 data includes the last quarter of 2004/05 data as the survey changed from a financial year to a calendar year. Results from 2006 onwards include longitudinal data.
3. For 1998 unweighted and weighted data are shown for comparison purposes. Weighted data are not available before this point.
4. The survey was not run in 1997/98 or 1999/00. A linear trend has been drawn between the data point before and after these years.

5 . Personal pension arrangements among the self-employed

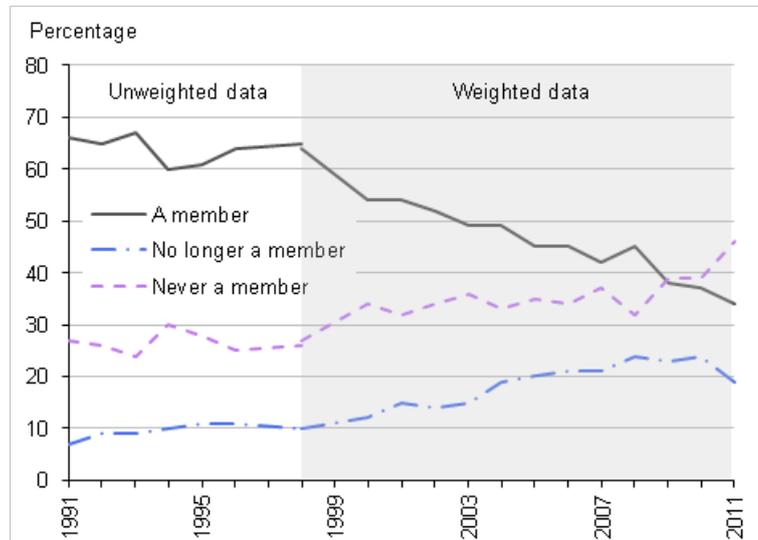
Personal pensions, in their current form, were first introduced in July 1988, with self-invested personal pensions starting in the early 1990s and stakeholder pensions in April 2001. At the time of the survey, these were the only form of private pension that the self-employed could take out, although some self-employed people were still investing in retirement annuity contracts set up before 1988. The analysis in this section defines a personal pension to include stakeholder, self invested personal pensions and retirement annuities.

In 2011, self-employed men were more likely than self-employed women to contribute to a personal pension (31% of self-employed men compared with 20% of self-employed women). Nearly half (46%) of self-employed men had never had a personal pension compared with three-fifths (60%) of women.

Since 1991 the survey has provided trend data on personal pension arrangements among self-employed men. The possession of a current personal pension among self-employed men working full-time remained fairly stable between 1991 and 1998 at around two-thirds. Between 1998 and 2011 the proportion with a current personal pension decreased from 64% to 34%.

[Table 6.10 \(190.5 Kb Excel sheet\)](#)

Figure 6.4: Membership of a personal pension scheme for self-employed men working full time, 1991 to 2011, Great Britain<1>,<2>,<3>,<4>



Source: General Lifestyle Survey - Office for National Statistics

Notes:

1. A personal pension is defined to include personal pensions, stakeholder pensions and retirement annuities; personal pensions may include SIPP's.
2. 2005 data includes the last quarter of 2004/05 data as the survey changed from a financial year to a calendar year. Results from 2006 onwards include longitudinal data.
3. For 1998 unweighted and weighted data are shown for comparison purposes. Weighted data are not available before this point.
4. The survey was not run in 1997/98 or 1999/00. A linear trend has been drawn between the data point before and after these years.

6. 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 or from the Media Relations Office email: media.relations@ons.gsi.gov.uk