

Statistical bulletin

# Occupational Pensions Schemes Survey, UK: 2011

Occupational pension provision in the UK, providing summary data on membership of schemes and contributions paid.



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# 1 . Key points

- Total membership of occupational pension schemes with two or more members in 2011 was estimated to be 27.2 million, the same as in 2010
- The numbers contributing or having contributions paid into a scheme (active members) continues to fall. In 2011 there were 8.2 million active (employee) members of occupational pension schemes compared with 12.2 million at the peak in 1967
- Of the active members total, 5.3 million were in public sector schemes and 2.9 million were in private sector schemes
- For private sector defined benefit schemes, the average contribution rate in 2011 was 4.9 per cent for members (employees) and 14.2 per cent for employers
- For private sector defined contribution schemes, the average contribution rate in 2011 was 2.8 per cent for members (employees) and 6.6 per cent for employers

## 2 . Overview

The Occupational Pension Schemes Survey (OPSS) is an annual survey of occupational pension schemes, and is run by the Office for National Statistics (ONS). The survey was first run in 1953, then in 1956 and 1963, and then every four to five years until 2004 when it became an annual survey. Until its transfer to ONS in 2006, OPSS was run by the Government Actuary's Department (GAD).

OPSS collects information from occupational pension schemes about scheme membership, benefits and contributions; it includes sections on very small schemes (schemes with two to 11 members) and those that are winding up. OPSS covers both private and public sector occupational pension schemes registered in the United Kingdom. Results from OPSS provide a detailed view of the nature of occupational pension provision in the UK.

This release provides summary data on membership of schemes and contributions paid. More detailed information on scheme membership, the nature of the benefits provided and contributions paid appears in the [Occupational Pension Schemes Annual Report](#). A glossary of pension definitions are in the background notes of this release.

## 3 . User engagement

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have; please contact us via email: [opss@ons.gsi.gov.uk](mailto:opss@ons.gsi.gov.uk) or telephone David Matthews on +44 (0)1633 456756.

## 4 . Total membership of occupational pension schemes

Total membership of occupational pension schemes consists of active members (usually current employees who would normally contribute or have contributions paid into a scheme), members receiving pension payments and members with preserved pension entitlements (members who are no longer contributing into a scheme but have accrued rights that will come into payment at normal pension age).

There has been an increase in total membership (of schemes with two or more members) since 1983. In 2011 total membership was 27.2 million compared to 18.9 million in 1983 (Table 1). After a peak of 28.1 million members in 2004 total membership has remained broadly around 27 million.

Membership is evenly distributed over all three membership types: active, 30 per cent; pensions in payment, 34 per cent; and preserved pension entitlements, 36 per cent. Individuals may have more than one of these types of membership.

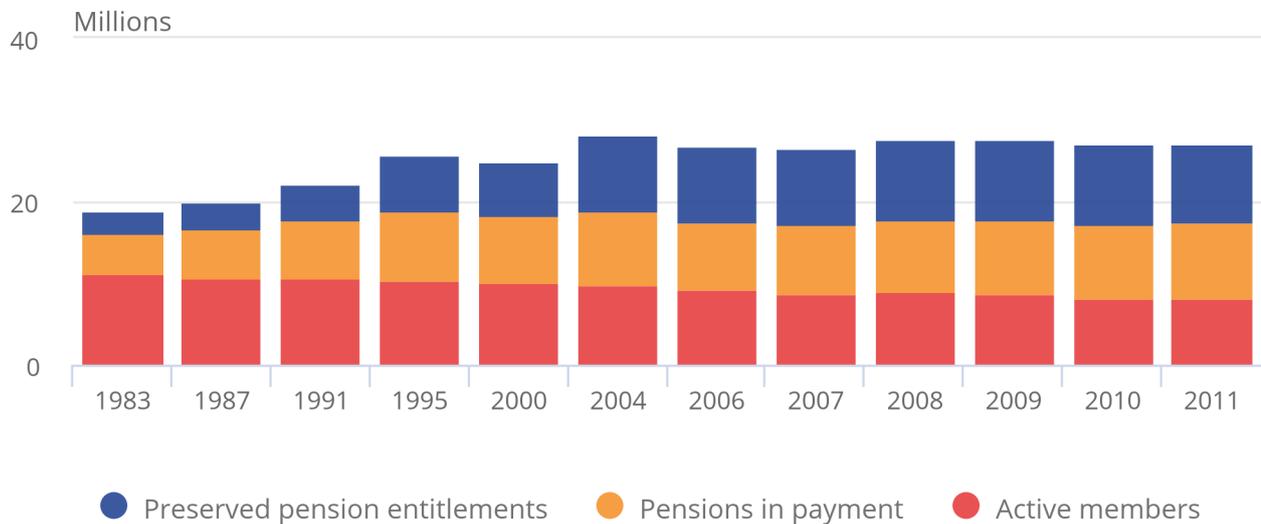
For example an individual may be in receipt of a pension from a former employer but still working and contributing to a pension. This person would appear in both the pensioner and active member category. As such all estimates of membership are not counts of individuals.

Total estimated membership in 2011 comprised:

- 8.2 million active (employee) members
- 9.2 million pensions in payment
- 9.8 million preserved pension entitlements of former employees who were not yet receiving a pension

**Figure 1: Number of members of occupational pension schemes by membership type**

Figure 1: Number of members of occupational pension schemes by membership type



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

**Notes:**

1. This is not a continuous time series.
2. The 1983 survey was the first that collected all three occupational pension scheme membership types.
3. 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.
4. The 2005 survey did not cover the public sector and is therefore not included.
5. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.
6. Changes to the part of the questionnaire used to estimate pensions in payment and preserved pension entitlements in 2008 mean that comparisons with 2007 and earlier should be treated with caution.

**Table 1: Number of members of occupational pension schemes by membership type**

|                                | Millions    |             |             |             |             |             |             |             |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                | 1983        | 1987        | 1991        | 1995        | 2000        | 2004        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        |
| Active members                 | 11.1        | 10.6        | 10.7        | 10.3        | 10.1        | 9.8         | 9.2         | 8.8         | 9.0         | 8.7         | 8.3         | 8.2         |
| Pensions in payment            | 5.0         | 6.0         | 7.0         | 8.5         | 8.2         | 9.0         | 8.2         | 8.5         | 8.8         | 9.0         | 9.0         | 9.2         |
| Preserved pension entitlements | 2.8         | 3.5         | 4.5         | 7.0         | 6.7         | 9.3         | 9.4         | 9.4         | 9.9         | 10.1        | 9.8         | 9.8         |
| <b>Total</b>                   | <b>18.9</b> | <b>20.1</b> | <b>22.2</b> | <b>25.8</b> | <b>25.0</b> | <b>28.1</b> | <b>26.7</b> | <b>26.7</b> | <b>27.7</b> | <b>27.7</b> | <b>27.2</b> | <b>27.2</b> |

Source: Office for National Statistics

Notes:

1. The 1983 survey was the first that collected all three occupational pension scheme membership types.
2. The total membership figures for 1983 and 1987 are the sum of previously published rounded totals for each membership type. The unrounded figures are unavailable.
3. 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.
4. The 2005 survey did not cover the public sector and is therefore not included.
5. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.
6. Changes to the part of the questionnaire used to estimate pensions in payment and preserved pension entitlements in 2008 mean that comparisons with 2007 and earlier should be treated with caution.
7. Components may not sum to totals due to rounding.

## 5 . Active membership of occupational pension schemes

The active members of an occupational pension scheme are those who, under the rules of the scheme, are currently accruing benefits. They are usually current employees of the sponsoring employer and are contributing or having contributions paid into a scheme. This release includes breakdowns of active membership by sector, benefit structure and status.

### Active membership by sector

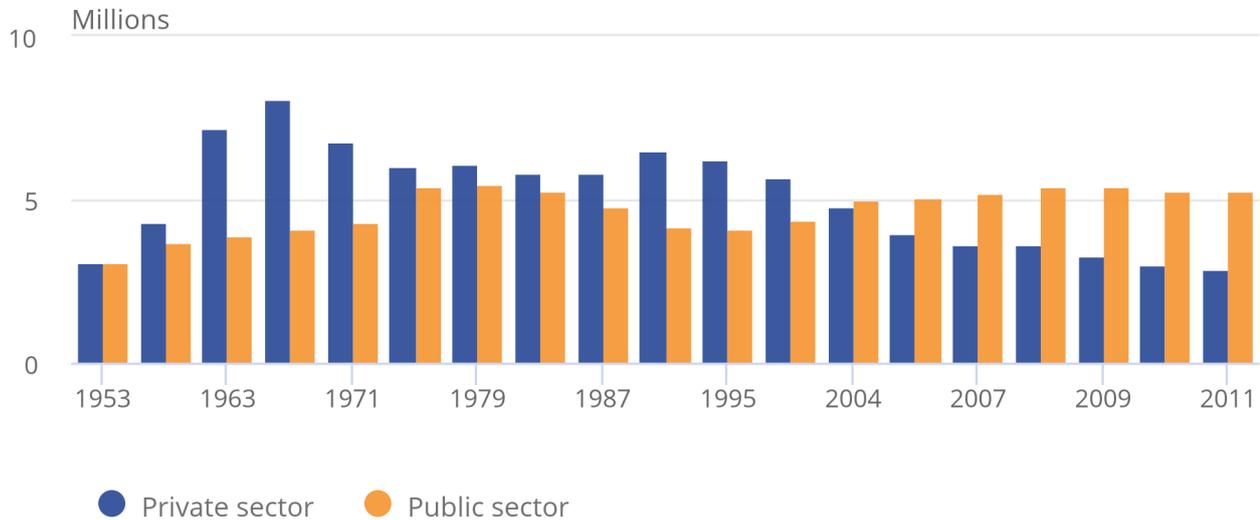
Since 1991 there has been a decline in active membership. In 2011 there was an estimated 8.2 million active members of occupational pension schemes (Table 2). This is compared to 12.2 million in 1967 and 6.2 million in 1953. Some of the drop in active membership of occupational pension schemes will have been covered by the growth in the number of people contributing to group personal pensions. The [Annual Survey of Hours and Earnings pensions release](#) provides information on pension membership for both occupational and contract based pensions.

The decline in active membership has been particularly marked in the private sector. In 2011 there were 2.9 million active members in private sector schemes, compared with 6.5 million in 1991 and 8.1 million at the peak (in 1967). In the private sector there is a mixture of defined benefit and defined contribution schemes, but in the public sector all occupational pension schemes are defined benefit.

Active membership of public sector schemes has risen over the same period despite the reclassification of some large public sector schemes such as the Post Office and the BBC, to the private sector from 2000. There was an estimated 5.3 million active members in 2011 compared with 4.2 million in 1991 and 5.5 million at the peak in 1979.

**Figure 2: Number of active members of occupational pension schemes by sector**

Figure 2: Number of active members of occupational pension schemes by sector



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

**Notes:**

1. This is not a continuous time series.
2. 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.
3. The 2005 survey did not cover the public sector and is therefore not included.
4. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.

**Table 2: Number of active members of occupational pension schemes by sector**

|      | Millions       |               |       |
|------|----------------|---------------|-------|
|      | Private sector | Public sector | Total |
| 1953 | 3.1            | 3.1           | 6.2   |
| 1956 | 4.3            | 3.7           | 8.0   |
| 1963 | 7.2            | 3.9           | 11.1  |
| 1967 | 8.1            | 4.1           | 12.2  |
| 1971 | 6.8            | 4.3           | 11.1  |
| 1975 | 6.0            | 5.4           | 11.4  |
| 1979 | 6.1            | 5.5           | 11.6  |
| 1983 | 5.8            | 5.3           | 11.1  |
| 1987 | 5.8            | 4.8           | 10.6  |
| 1991 | 6.5            | 4.2           | 10.7  |
| 1995 | 6.2            | 4.1           | 10.3  |
| 2000 | 5.7            | 4.4           | 10.1  |
| 2004 | 4.8            | 5.0           | 9.8   |
| 2006 | 4.0            | 5.1           | 9.2   |
| 2007 | 3.6            | 5.2           | 8.8   |
| 2008 | 3.6            | 5.4           | 9.0   |
| 2009 | 3.3            | 5.4           | 8.7   |
| 2010 | 3.0            | 5.3           | 8.3   |
| 2011 | 2.9            | 5.3           | 8.2   |

Source: Office for National Statistics

Notes:

1. This is not a continuous time series.
2. Due to changes in the definition of the private and public sectors, estimates for 2000 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.
3. The 2005 survey did not cover the public sector and is therefore not included.
4. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.
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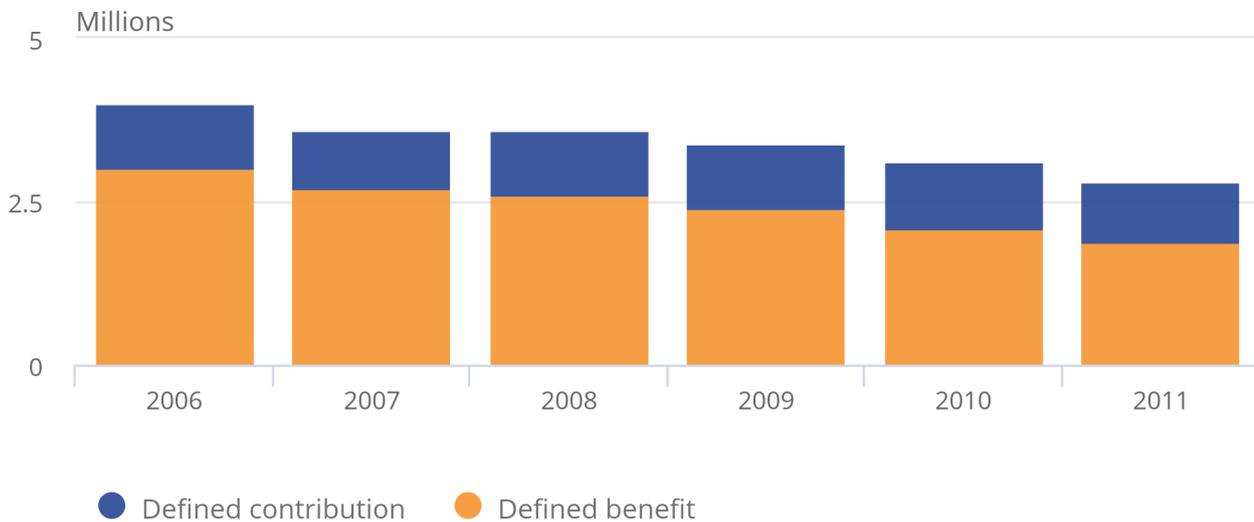
### Active membership by benefit structure

The decline in numbers of active members in the private sector over the last 10 years reflects the fall in active membership of private sector defined benefit schemes. Active membership of such schemes fell to an estimated 1.9 million in 2011 from 4.6 million in 2000 (Table 3).

Active membership of private sector defined contribution schemes has remained around 1.0 million since 2000 (the figure for 2011 was 0.9 million).

**Figure 3: Number of active members of private sector occupational pension schemes by benefit structure**

Figure 3: Number of active members of private sector occupational pension schemes by benefit structure



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

**Table 3: Number of active members of private sector occupational pension schemes by benefit structure**

|                      | Millions |      |      |      |      |      |      |      |      |  |
|----------------------|----------|------|------|------|------|------|------|------|------|--|
|                      | 2000     | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |  |
| Defined benefit      | 4.6      | 3.6  | 3.7  | 3.0  | 2.7  | 2.6  | 2.4  | 2.1  | 1.9  |  |
| Defined contribution | 0.9      | 1.2  | 1.0  | 1.0  | 0.9  | 1.0  | 1.0  | 1.0  | 0.9  |  |
| Total                | 5.7      | 4.8  | 4.7  | 4.0  | 3.6  | 3.6  | 3.3  | 3.0  | 2.9  |  |

Source: Office for National Statistics

Notes:

1. Components may not sum to totals due to rounding.
2. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.

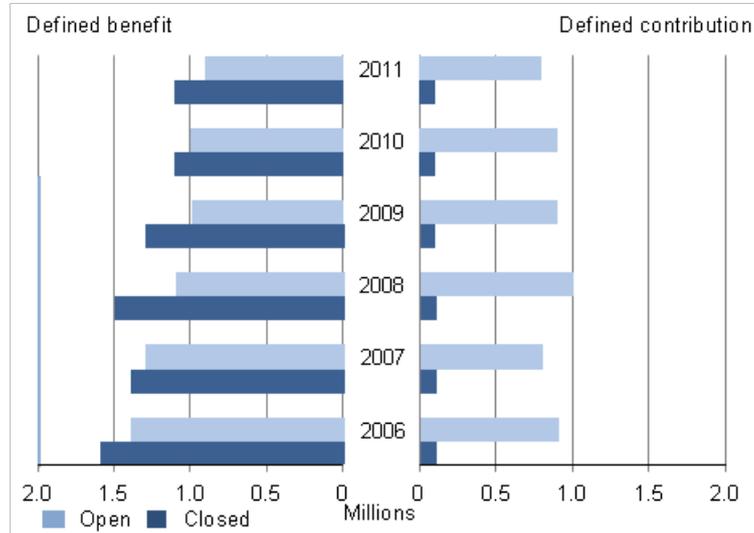
## Active membership by status

An occupational pension scheme may be open, closed, frozen or winding up. An open scheme admits new members. A closed scheme does not admit new members but may continue to receive contributions from or on behalf of existing members who continue to accrue pension rights. In general there are no active members in schemes that are frozen or winding up, as members of such schemes can no longer accrue benefits.

Active membership of open private sector defined benefit schemes fell to 0.9 million in 2011 from 1.4 million in 2006 (Figure 4) while active membership of open private sector defined contribution schemes, dropped to 0.8 million in 2011 from 0.9 million in 2006.

In private sector defined benefit schemes only 45 per cent of members were in schemes that were open to new members (open schemes) compared with 90 per cent of members in private sector defined contribution schemes.

**Figure 4: Number of active members of private sector occupational pension schemes by status and benefit structure**



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

**Table 4: Number of active members of private sector occupational pension schemes by status and benefit structure**

|                      | Millions |      |      |      |      |      |      |      |      |
|----------------------|----------|------|------|------|------|------|------|------|------|
|                      | 2000     | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Defined benefit      | 4.6      | 3.6  | 3.7  | 3.0  | 2.7  | 2.6  | 2.4  | 2.1  | 1.9  |
| Open                 | 4.1      | 1.9  | 2.1  | 1.4  | 1.3  | 1.1  | 1.0  | 1.0  | 0.9  |
| Closed               | 0.5      | 1.7  | 1.6  | 1.6  | 1.4  | 1.5  | 1.3  | 1.1  | 1.1  |
| Defined contribution | 0.9      | 1.2  | 1.0  | 1.0  | 0.9  | 1.0  | 1.0  | 1.0  | 0.9  |
| Open                 | 0.8      | 1.0  | 0.9  | 0.9  | 0.8  | 1.0  | 0.9  | 0.9  | 0.8  |
| Closed               | 0.1      | 0.2  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  |
| Total                | 5.7      | 4.8  | 4.7  | 4.0  | 3.6  | 3.6  | 3.3  | 3.0  | 2.9  |
| Open                 | 4.9      | 2.9  | 3.0  | 2.3  | 2.0  | 2.1  | 1.9  | 1.9  | 1.7  |
| Closed               | 0.6      | 1.9  | 1.7  | 1.7  | 1.5  | 1.6  | 1.4  | 1.2  | 1.1  |

Source: Office for National Statistics

Notes:

1. Components may not sum to totals due to rounding.
2. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.

## 6 . Pensioner members by sector

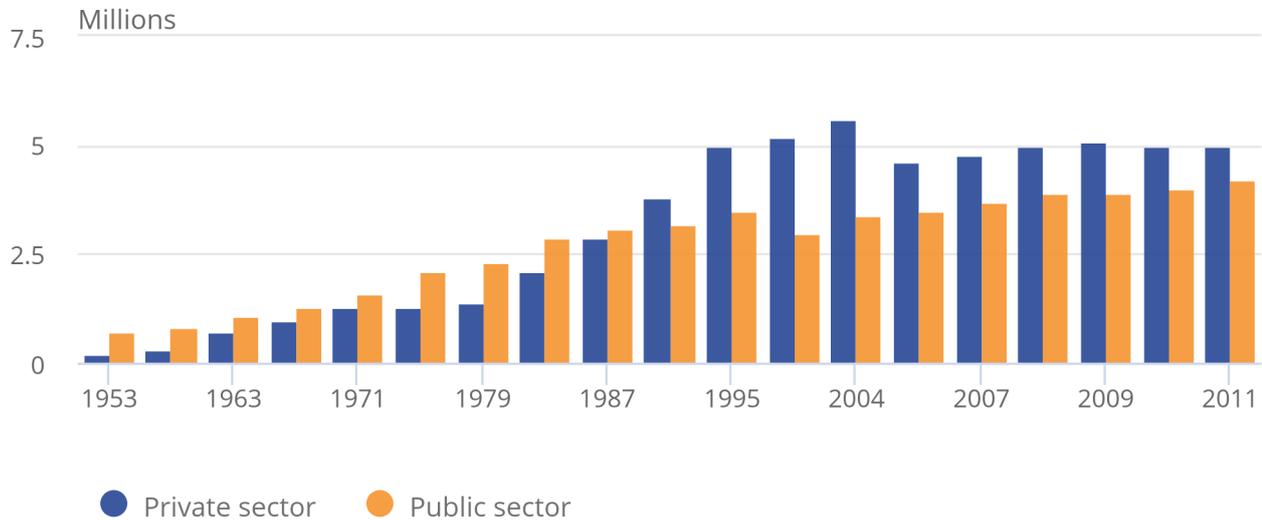
Pensioner members are members of occupational pension schemes who are in receipt of pension payments. The estimates in this section are estimates of the number of pensions in payment from UK occupational pension schemes, rather than estimates of the total number of pensioners in the country receiving benefits from occupational pension schemes. They do not include annuities purchased by members of defined contribution occupational pension schemes on retirement.

Between 2006 and 2011, the total number of occupational pensions in payment rose to 9.2 million from 8.2 million. There was a steady increase in the total number of occupational pensions in payment between 1953 and 2004, from 0.9 to 9.0 million (Table 5).

This number then fell to 8.2 million in 2006, reflecting a fall in the number of private sector pensions in payment from a peak of 5.6 million in 2004 to 4.6 million in 2006. Since 2006 the number of private sector pensions in payment has risen gradually to reach 5.0 million in 2008 staying around this level for the years 2009 to 2011 (the figure for 2011 was 5.0 million).

**Figure 5: Number of pensions in payment for occupational pension schemes by sector**

Figure 5: Number of pensions in payment for occupational pension schemes by sector



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

**Notes:**

1. This is not a continuous time series.
2. 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.
3. The 2005 survey did not cover the public sector and is therefore not included.
4. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.
5. Changes to the part of the questionnaire used to estimate pensions in payment in 2008 mean that comparisons with 2007 and earlier should be treated with caution.

**Table 5: Number of pensions in payment for occupational pension schemes by sector**

|      | Millions       |               |       |
|------|----------------|---------------|-------|
|      | Private sector | Public sector | Total |
| 1953 | 0.2            | 0.7           | 0.9   |
| 1956 | 0.3            | 0.8           | 1.1   |
| 1963 | 0.7            | 1.1           | 1.8   |
| 1967 | 1.0            | 1.3           | 2.3   |
| 1971 | 1.3            | 1.6           | 2.9   |
| 1975 | 1.3            | 2.1           | 3.4   |
| 1979 | 1.4            | 2.3           | 3.7   |
| 1983 | 2.1            | 2.9           | 5.0   |
| 1987 | 2.9            | 3.1           | 6.0   |
| 1991 | 3.8            | 3.2           | 7.0   |
| 1995 | 5.0            | 3.5           | 8.5   |
| 2000 | 5.2            | 3.0           | 8.2   |
| 2004 | 5.6            | 3.4           | 9.0   |
| 2006 | 4.6            | 3.5           | 8.2   |
| 2007 | 4.8            | 3.7           | 8.5   |
| 2008 | 5.0            | 3.9           | 8.8   |
| 2009 | 5.1            | 3.9           | 9.0   |
| 2010 | 5.0            | 4.0           | 9.0   |
| 2011 | 5.0            | 4.2           | 9.2   |

Source: 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 survey did not cover the public sector and is therefore not included.
3. Changes to methodology for 2006 onwards mean that comparisons with earlier years should be treated with caution.
4. Changes to the part of the questionnaire used to estimate pensions in payment in 2008 mean that comparisons with 2007 and earlier should be treated with caution.
5. Components may not sum to totals due to rounding.

## 7 . Members with preserved pension entitlements by sector

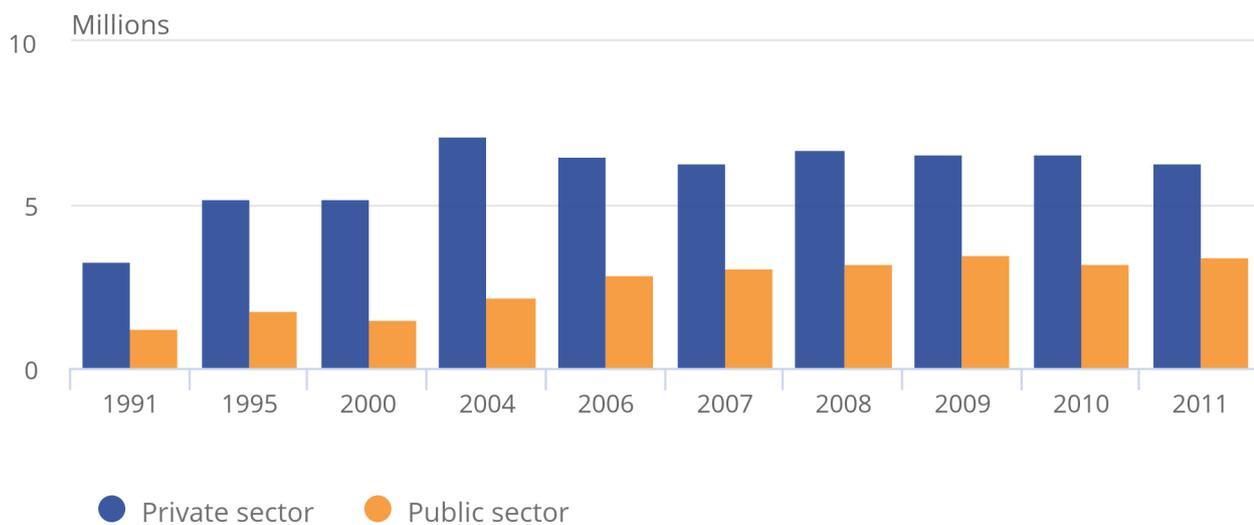
When active employee members leave the employment of the scheme's sponsoring employer, they usually have a choice of what to do with the benefits accrued in the scheme. The default position for members with more than two years' service is a preserved pension entitlement, where the rights remain in the scheme and a pension comes into payment at normal pension age. These estimates do not represent the number of individuals with preserved pension entitlements but show the number of preserved pensions.

The total number of preserved pension entitlements fell slightly to 9.8 million in 2010 and 2011 from 10.1 million in 2009.

The number of members with preserved pension entitlements has risen in both the public sector and the private sector since 1991. The public sector number rose to 3.4 million in 2011 from 1.2 million in 1991. The private sector number fell to 6.3 million in 2011 from 6.7 million in 2008 but rose from 3.3 million in 1991.

**Figure 6: Number of preserved pension entitlements in occupational pension schemes by sector**

Figure 6: Number of preserved pension entitlements in occupational pension schemes by sector



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

**Notes:**

1. This is not a continuous time series.
2. Private and public sector breakdowns are not available for preserved pension entitlements before 1991.
3. 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.
4. The 2005 survey did not cover the public sector and a total figure is therefore not available.
5. Changes to methodology for 2006 onwards mean that comparisons with 2005 and earlier should be treated with caution.
6. Changes to the part of the questionnaire used to estimate preserved pension entitlements in 2008 mean that comparisons with 2007 and earlier should be treated with caution.

**Table 6: Number of preserved pension entitlements in occupational pension schemes by sector**

|                | Millions |      |      |      |      |      |      |      |      |      |
|----------------|----------|------|------|------|------|------|------|------|------|------|
|                | 1991     | 1995 | 2000 | 2004 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Private sector | 3.3      | 5.2  | 5.2  | 7.1  | 6.5  | 6.3  | 6.7  | 6.6  | 6.6  | 6.3  |
| Public sector  | 1.2      | 1.8  | 1.5  | 2.2  | 2.9  | 3.1  | 3.2  | 3.5  | 3.2  | 3.4  |
| Total          | 4.5      | 7.0  | 6.7  | 9.3  | 9.4  | 9.4  | 9.9  | 10.1 | 9.8  | 9.8  |

Source: Office for National Statistics

Notes:

1. Private and public sector breakdowns are not available for preserved pension entitlements before 1991.
2. 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.
3. The 2005 survey did not cover the public sector and a total figure is therefore not available.
4. Changes to methodology for 2006 onwards mean that comparisons with 2005 and earlier should be treated with caution.
5. Changes to the part of the questionnaire used to estimate preserved pension entitlements in 2008 mean that comparisons with 2007 and earlier should be treated with caution.
6. Components may not sum to totals due to rounding.

## 8 . Contribution rates in private sector occupational pension schemes

Contribution rate questions are only asked of those in the private sector. Most member and employer contributions are made as a percentage of salary excluding bonuses. However, fixed amount payments can be made as part of the schedule of normal (or regular) contributions. On the other hand, when schemes make 'special' cash payments, for instance as part of deficit reduction, these payments are not considered normal contributions and information on such payments are not collected by the survey.

Private sector defined benefit schemes had higher contribution rates than defined contribution schemes in 2011, as in previous years:

- for defined benefit schemes, the average contribution rate was 4.9 per cent for members (employees) and 14.2 per cent for employers
- for defined contribution schemes, the average contribution rate was 2.8 per cent for members (employees) and 6.6 per cent for employers

Part of the difference between defined benefit and defined contribution schemes' contribution rates relates to differences in contracting out status.

In private sector 'career average' schemes revaluing in line with prices, average employer contribution rates were lower (at 11.5 per cent) than for defined benefit schemes as a whole. Average member contribution rates in such career average schemes were slightly higher (5.4 per cent).

**Figure 7: Weighted-average contribution rates to private sector occupational pension schemes by benefit structure and contributor**

Figure 7: Weighted-average contribution rates to private sector occupational pension schemes by benefit structure and contributor



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

**Notes:**

1. Includes schemes where standard contributions were zero.
2. Excludes normal contributions paid as fixed amounts.
3. Includes rates for open, closed and frozen schemes
4. Excludes schemes with fewer than 12 members.

**Table 7: Weighted-average contribution rates to private sector occupational pension schemes by benefit structure and contributor**

|                              | %      |          |       |        |          |       |
|------------------------------|--------|----------|-------|--------|----------|-------|
|                              | 2010   |          |       | 2011   |          |       |
|                              | Member | Employer | Total | Member | Employer | Total |
| Defined benefit schemes      | 5.1    | 15.8     | 20.8  | 4.9    | 14.2     | 19.2  |
| Career average schemes       | 5.4    | 11.8     | 17.2  | 5.4    | 11.5     | 16.9  |
| Defined contribution schemes | 2.7    | 6.2      | 8.9   | 2.8    | 6.6      | 9.4   |

Source: Office for National Statistics

Notes:

1. Includes schemes where standard contributions were zero.
2. Excludes normal contributions paid as fixed amounts.
3. Includes rates for open, closed and frozen schemes.
4. Excludes schemes with fewer than 12 members.
5. Components in tables may not sum to totals due to rounding.

## 9. Background notes

### 1. General information

The Office for National Statistics (ONS) conducts the Occupational Pension Schemes Survey from a sample of occupational pension schemes registered in the UK in both the public and private sectors. The survey presents a range of statistics, including membership of occupational pension schemes, contributions made by employees and employers and benefits provided by schemes. Estimates of membership include breakdowns by type of member and type of scheme.

The survey does not cover personal pensions, where individuals enter into a contract with a pension provider (usually an insurance company). This exclusion extends to group personal pensions (GPPs) and stakeholder pensions.

The schemes in the survey are selected at random within membership size bands from the pension schemes register – a list of all occupational pension schemes in the UK with two or more members that is maintained by the Pensions Regulator.

The estimates for occupational pension schemes as a whole are produced on the basis of sample numbers. This is done by 'rating-up' the data from responses, by reference to a sampling fraction and response rate, with different size bands rated up individually.

### 2. Annual report

More detailed information on the 2011 Occupational Pension Schemes Survey (OPSS) appears in the [Occupational Pension Schemes Annual Report 2011](#). This was also published on 19 September 2012. A podcast is also available via the above link.

### 3. Auto enrolment

Automatic enrolment is the practice of making all new employees members of the pension scheme. Employees are given the right to opt out of the scheme. The Pensions Act 2008, with further amendments in the Pensions Act 2011, laid the foundations for a fundamental reform of workplace pensions, requiring every employer to automatically enrol all eligible workers into a qualifying pension scheme, and to contribute to their pensions. The changes will be staged in from October 2012, starting with the largest employers. Employer and employee contributions will be phased in, rising to a minimum total contribution of eight per cent of a band of earnings by October 2018.

An eligible worker is:

- someone who is not already in a qualifying pension scheme
- aged 22 or over
- under state pension age
- someone who earns more than £8,105 a year (this figure may change)
- someone who works (or usually works) in the UK

A new defined contribution occupational pension scheme, the National Employment Savings Trust (NEST), provides another option (in addition to existing ones) for employers who do not have a scheme ([Pension Trends Chapter 6: Private pensions](#) gives further information on the workplace pension reforms). The qualifying pension scheme need not be an occupational scheme; instead, employers can, for example, organise group personal or stakeholder pensions (which are not covered by this survey).

## 4. Definitions

**Occupational pension scheme:** An arrangement (other than accident or permanent health insurance) organised by an employer (or on behalf of a group of employers) to provide benefits for employees on their retirement and for their dependants on their death. In the private sector, occupational schemes are trust-based. Occupational pension schemes are a form of workplace pension.

**Public sector schemes:** Schemes covering the part of the economy that is state-provided, including central and local government, schooling, health and social services, policing and the armed forces.

**Private sector schemes:** Schemes covering the part of the economy consisting of individuals, firms and other institutions. The private sector includes state-owned enterprises and other public corporations with outputs paid for by individuals directly rather than through taxation.

**Defined benefit scheme:** A pension in which the rules of the scheme specify the rate of benefits to be paid. The most common defined benefit scheme is a 'final salary' scheme in which the benefits are based on the number of years of pensionable service, the accrual rate, and the salary in the final year or years prior to retirement. An increasingly common alternative to the final salary scheme is the 'career average' scheme.

**Defined contribution scheme:** A pension in which the benefits are determined by the contributions paid, the investment return on those contributions (less charges), and the type of annuity purchased upon retirement. It is also known as a money purchase pension.

**Career average scheme:** Career Average Re-valued Earnings (CARE) or 'career average' schemes are a form of defined benefit scheme which use average earnings over the whole career rather than final earnings to calculate the pension. Pension entitlements earned each year are re-valued (increased) during the member's working life in line with prices or earnings.

**Scheme status:** An occupational pension scheme may be open, closed, frozen or winding up. An open scheme admits new members. A closed scheme does not admit new members but may continue to receive contributions from or on behalf of existing members who continue to accrue pension rights. In a frozen or 'paid up' scheme, benefits continue to be payable to existing members but no new members are admitted, and no further benefits accrue to existing members. Members can make no more contributions but further employer contributions may be made, and may have to be made, for example to correct a deficit. A scheme that is winding up is in the process of termination, either by buying annuities for the beneficiaries or by transferring assets and liabilities to another scheme or to the Pension Protection Fund.

**Member:** A member is a person who has been admitted to membership of a pension scheme and is entitled to benefits under the scheme, whether now or in the future. Active members are current employees who would normally contribute to the pension scheme (or have contributions made on their behalf). Pensioner members are members who are receiving pension payments from the scheme, their dependents and pension credit members. Most members with preserved pension entitlements ('deferred members') are former employees who have accrued rights or assets in the scheme that will come into payment at normal pension age but who are no longer actively contributing (or having contributions paid on their behalf) into the scheme. Individuals may have more than one of the above types of membership. For instance, they may be a member of their current employer's pension scheme as well as having preserved entitlements in a previous employer's scheme. Hence, all estimates of membership include an element of double counting and are not counts of individuals.

**Contracted out:** This refers to a statutory arrangement under which pension schemes that meet certain conditions may contract out of the State Second Pension (S2P), formerly the State Earnings- Related Pension Scheme (SERPS). The members' and National Insurance contributions are reduced or partially rebated. Members of a contracted out pension scheme obtain rights in the pension scheme in place of rights to an additional state pension.

Further definitions are available in a [Glossary](#) on the ONS website.

## 5. Methodology and quality information

A [Quality and Methodology Information](#) (QMI) report is available. The aims of the QMI report are to provide users with a greater understanding of our statistics, their quality and the methods that are used to create them. Chapter 10 of the OPSS 2011 Annual Report published on 19 September 2012 also contains full details on the methodology of the OPSS.

To maintain consistency of coverage with earlier surveys, figures for the Building and Civil Engineering Retirement Pension Benefit Scheme (closed to further accruals from April 2001) have been excluded from the 2011 survey results.

## 6. Questionnaire design changes

In the 2008 questionnaires, questions were added that asked schemes to provide details of the total numbers of pensioner members and members with preserved pensions. Before 2008 these totals were derived by summing their constituent components. Where any components were missing, the total of the available components was used. The approach used since 2008 has led to an improvement in the estimation of total membership figures.

## 7. Response rates

**Table 8: Response rates**

|                | %    |      |
|----------------|------|------|
|                | 2010 | 2011 |
| Private sector | 86   | 90   |
| Public sector  | 92   | 98   |
| Total          | 87   | 91   |

Source: Office for National Statistics

## 8. Social media

Follow ONS on [Facebook](#) and [Twitter](#).

9. A list of [those receiving pre-release access \(947.7 Kb Pdf\)](#) to this release is available.

## 10. ONS business statistics

To find out about other official business statistics, and choose the right data for your needs, please use our [interactive guide](#). This will help you to find relevant statistics published by the ONS. The guide allows you to choose the industry, feature of the economy and geography you are interested in, and returns a list of the available ONS indicators, together with guidance on their use, and links to releases.

## 11. Special events

ONS has recently published commentary, analysis and policy on 'Special Events' which may affect statistical outputs. For full details visit the [Special Events](#) page on the ONS website.

12. 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.