

Statistical bulletin

Employee workplace pensions in the UK: 2019 provisional and 2018 final results

Membership and contributions to workplace pension arrangements for UK employees by type, age, industry, public and private sector, occupation, and size of company. Compiled from the Annual Survey of Hours and Earnings.



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1 . Main points

- In 2019, 77% of UK employees were members of a workplace pension scheme; this is up from 47% in 2012, when auto enrolment began, and is the highest membership rate since comparable records began in 1997.
- Participation in occupational defined contribution (DC) pensions has grown considerably in recent years, resulting in more employees having membership of this type of pension (36%) than any other for the first time in 2019.
- The youngest employees directly impacted by workplace pension reforms (that is, those aged 22 to 29 years) have seen the largest growth in workplace pension membership since 2012, growing from 31% to 80% in 2019.
- In 2019, the gender gap in public sector pension membership disappeared; among private sector employees, a gap persists with more men (77%) having a workplace pension than women (69%).
- Workplace pension membership for full-time employees across all earning bands was higher in the public sector than the private sector in 2019, with the difference largest for lower earners; this gap is closing but remains widest for those earning the least.
- In 2019, 78% of employees with DC pensions contributed at least 3% of their earnings, up from 37% in 2018; this is likely to be explained by the completion of phased automatic enrolment minimum contributions in April 2019.

2 . Workplace pension scheme membership

Employee workplace pension scheme membership in the UK continued to grow, reaching 77% in 2019; this is its highest on record, increasing from 76% in 2018 (Figure 1). This is the smallest increase (one percentage point) since the implementation of automatic enrolment in 2012 when fewer than half (47%) of all employees had a workplace pension.

Although more than three-quarters of employees had a workplace pension in 2019, there remained differences in both the level of membership and the type of pension held between the public and private sectors. As shown throughout this bulletin, although the difference in membership levels between the sectors continued to reduce in 2019 (albeit at a slower rate than in recent years), the difference in pension type and associated contribution levels remained.

Trends following automatic enrolment

Automatic enrolment started in October 2012, with staged roll-out to all employers completing in February 2018. Consequently, workplace pension membership levels continued to grow between 2018 and 2019 but at a reduced pace. Overall, workplace pension membership increased by 30 percentage points since the inception of automatic enrolment from 47% in 2012 to 77% in 2019.

The overall increase in workplace pension membership since 2012 was primarily caused by increased membership of [occupational defined contribution \(DC\)](#) schemes (pension wealth accrued dependent upon factors such as contribution levels and investment performance) and to a lesser extent [group personal pensions \(GPPs\)](#) and [group stakeholder pensions \(GSPs\)](#) (Figure 1).

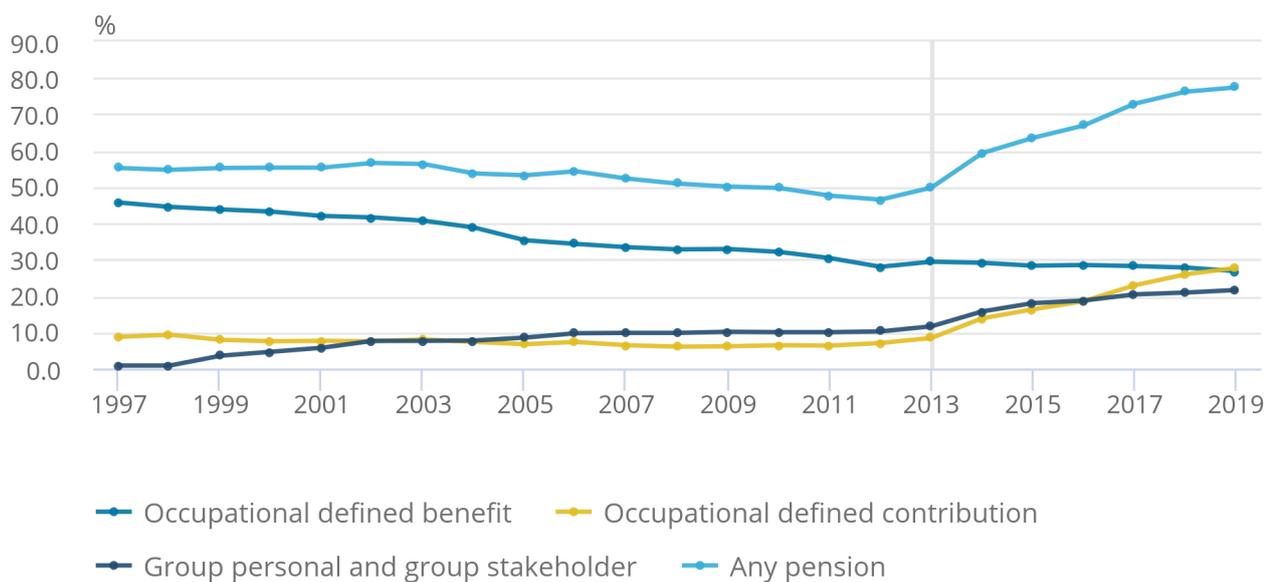
The membership of [occupational defined benefit \(DB\)](#) schemes (which specify the rate of retirement income) decreased marginally, from 28% of employees having workplace pensions of this type in 2012 to 27% in 2019. This small decrease in membership of DB pensions since 2012 followed a longer-term declining trend since 1997 when 46% of employees had a pension of this type; this can be attributed to decreasing DB pensions in the private sector.

Figure 1: Recent increases in workplace pension participation were caused by occupational defined contribution and group personal and group stakeholder memberships

Proportion of employees with workplace pensions: by type of pension, UK, 1997 to 2019

Figure 1: Recent increases in workplace pension participation were caused by occupational defined contribution and group personal and group stakeholder memberships

Proportion of employees with workplace pensions: by type of pension, UK, 1997 to 2019



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

Notes:

1. Results for 2005 onwards are based on a new questionnaire and may not be comparable with earlier results.
2. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). The “group personal and group stakeholder” category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.

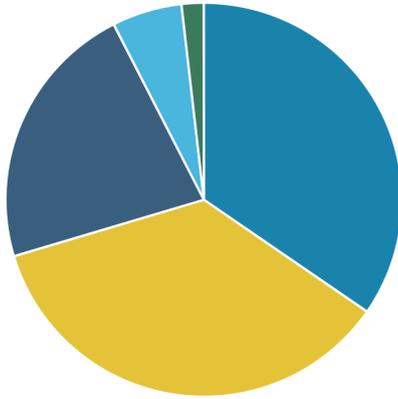
Continuing the trend of recent years, the proportion of occupational pension scheme members participating in DC pensions continued to grow from 34% in 2018 to 36% in 2019. As a result, for the first time, more workplace pension members were participating in occupational DC pensions than any other pension type (Figure 2). The proportional share of all other categories remained largely unchanged since 2018 with occupational DB pensions the second largest category of workplace pension, decreasing by one percentage point from 36% to 35% in 2019. The proportion of employees with GPPs remained unchanged since 2018, continuing to account for 22% of all workplace pensions in 2019.

Figure 2: More employees had membership of occupational defined contribution pensions than any other pension type

Type of pension among employees with workplace pensions, UK, 2019

Figure 2: More employees had membership of occupational defined contribution pensions than any other pension type

Type of pension among employees with workplace pensions, UK, 2019



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

Notes:

1. Data for group self-invested personal pensions (GSIPP) are included within the category “group personal pensions” (GPP).
2. Percentages may not sum to 100% due to rounding.
3. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest).

In 2019, there remained a gap in workplace pension participation between the public and private sectors, this divide slightly narrowed. In particular, 89% of public sector employees were members of a workplace pension scheme, a decrease from 90% in 2018, and 73% of private sector employees were members of a workplace pension scheme, an increase from 72% in 2018.

Although membership levels in workplace pensions became marginally more similar by sector in 2019, Table 1 shows that the type of pensions contributed to were considerably different.

In 2019, more than 9 in 10 (92%) public sector employees with a workplace pension had an occupational DB pension compared with only approximately 1 in 10 (11%) workplace pensions in the private sector being pensions of this type. Contrary to the public sector, in the private sector DC pensions (whether occupational, GPP or GSP) were the most common type of pension.

There are inherent differences between DB and DC pensions, related to contribution levels and benefits in decumulation. This will be discussed in more detail in the [Contributions to workplace pensions section](#).

Table 1: Public sector workplace pensions are predominantly defined benefit, whereas in the private sector defined contribution pensions are dominant
Employees with workplace pensions: percentages by type of pension, UK 2019

	All employees ¹	Public sector	Private sector
Occupational defined benefit	34.6	91.5	10.6
Occupational defined contribution	35.7	5.6	48.9
Group personal pension	22.1	1.7	30.4
Group stakeholder pension	5.7	0.5	7.9
Unknown pension type	1.8	0.8	2.3
Weighted frequency	21,930,000	5,639,000	14,321,000
Unweighted frequency	139,898	36,181	92,021

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

Notes

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary). "All employees" includes employees from the public and private sectors, employees working for organisations classified as non-profit bodies and unclassified businesses. [Back to table](#)
2. Data for Group Self-Invested Personal Pensions (GSIPP) are included within the category Group Personal Pensions (GPP). [Back to table](#)
3. Percentages may not sum to 100% due to rounding. [Back to table](#)
4. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). [Back to table](#)

3 . Membership by age, working pattern, sex and earnings

Workplace pension scheme participation varied by employee age, working pattern, sex and earnings.

Age

Focussing on the proportion of employees with a workplace pension in 2019 by age and pension type as well as overall pension membership rates in 2012 (Figure 3):

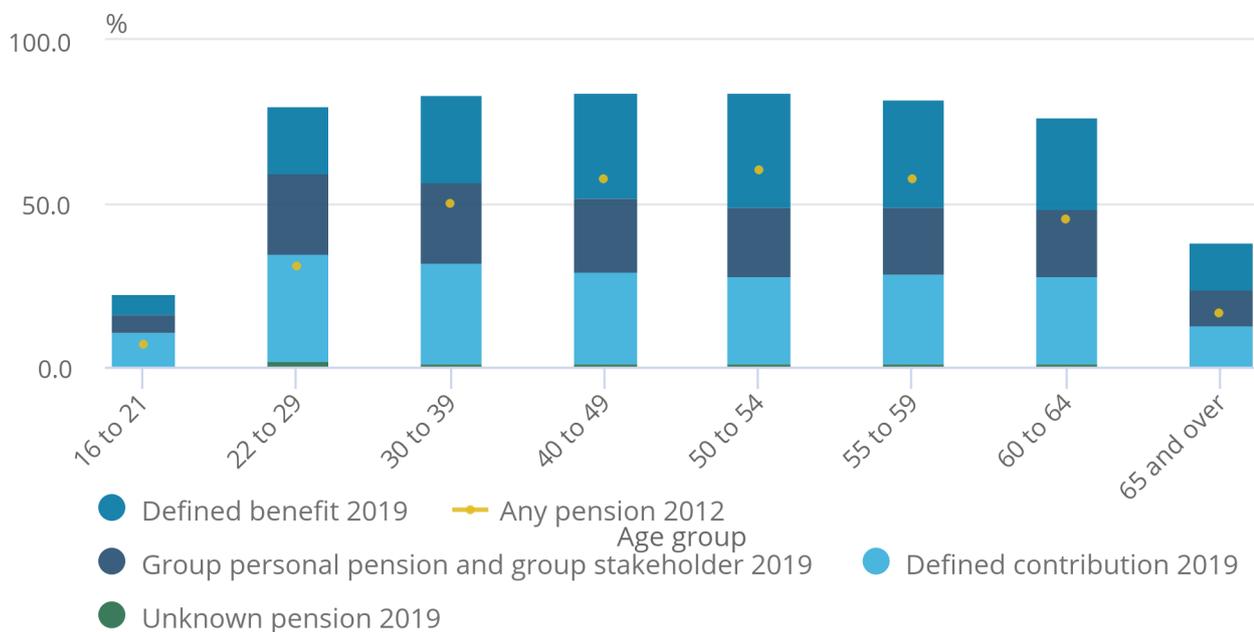
- in 2019, employees within automatic enrolment age range eligibility (that is, those aged between 22 years and [State Pension age](#)) were more likely to be members of a workplace pension than those outside this age range; around four out of five employees aged 22 to 64 years were members of their workplace pension
- employees at the lowest end of this threshold (that is, those aged 22 to 29 years) saw the largest growth in membership rates since 2012, increasing from 31% to 80% in 2019
- membership levels were lower for age groups not impacted directly by workplace pension reforms, with membership rates lowest for employees aged 16 to 21 years (22% in 2019); although this age group are not eligible for automatic enrolment, membership grew by 15 percentage points since 2012, up from 7%
- membership levels were low for the age group 65 years or more, who are mostly outside automatic enrolment age eligibility; of these employees, 39% had a workplace pension in 2019, up from 16% in 2012
- employees aged 40 years and over with workplace pensions were more likely to have a defined benefit (DB) pension than any other type in 2019; the most common pension type for all younger age groups was defined contribution (DC)

Figure 3: Membership levels were lowest for age groups not impacted directly by workplace pension reforms

Proportion of employees with workplace pensions, UK, by age band in 2012 and age band and type of pension in 2019

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Proportion of employees with workplace pensions, UK, by age band in 2012 and age band and type of pension in 2019



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

Notes:

1. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). The “group personal and group stakeholder” category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.

Sex and working pattern

Workplace pension membership also varied by sex, working pattern (full-time or part-time) and sector (Figures 4 and 5).

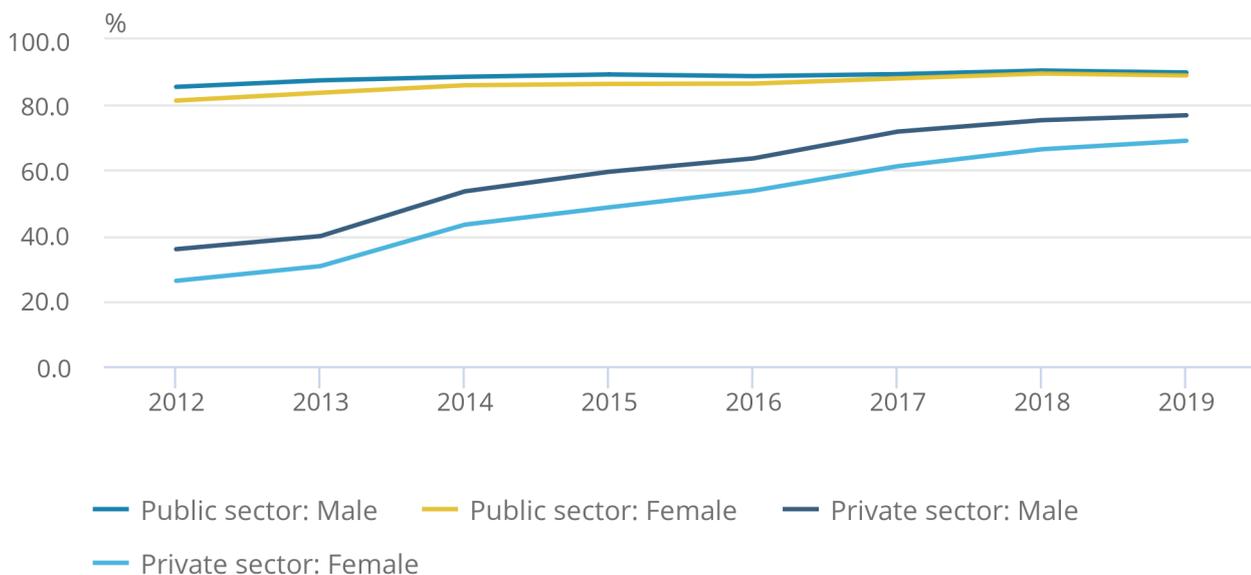
Workplace pension membership for all employees (from any working pattern) from 2012 (prior to automatic enrolment) to 2019 by sex and sector over time (Figure 4) shows that public sector workers, both male and female, have continuously had high rates of workplace pension membership. There was a slight difference between sexes in 2012, but rates were virtually equal in 2019. The gender gap in workplace pension membership decreased slightly in the private sector; despite participation increasing considerably for both sexes, a gap remained in 2019 with 69% of private sector female employees having a workplace pension, compared with 77% of male employees.

Figure 4: Unlike in the private sector, a gender gap in pension membership in the public sector has disappeared

Proportion of employees with workplace pensions: by sector, and sex, UK, 2012 to 2019

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Proportion of employees with workplace pensions: by sector, and sex, UK, 2012 to 2019



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

Notes:

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).
2. Employees included are those working any working pattern, full and part-time.

Between 2018 and 2019, overall employee workplace pension membership increased for both full- and part-time employees and both sexes.

This growth was caused by increases in membership among employees working within the private sector, with the largest growth seen for part-time employees of both sexes. As public sector employee workplace pension membership levels have seen almost no change since 2018, the difference in participation rates for both working patterns and sexes between the sectors narrowed in 2019, more so for part-time employees. Even so, membership levels for public sector employees of both working patterns and sexes remained higher than in the private sector. Additionally, membership levels for full-time employees remained higher than for part-time employees in both sectors with this difference being considerably smaller in the public sector than the private sector.

Considering workplace pension membership by working pattern, sex and sector in 2019 (Figure 5), for full-time employees in the public sector, 93% of both male and female employees had a workplace pension, compared with 83% (for both sexes) in the private sector. For part-time employees in the public sector, 73% of part-time male employees and 84% of part-time female employees had a workplace pension, compared with 41% of part-time male employees and 51% of part-time female employees in the private sector.

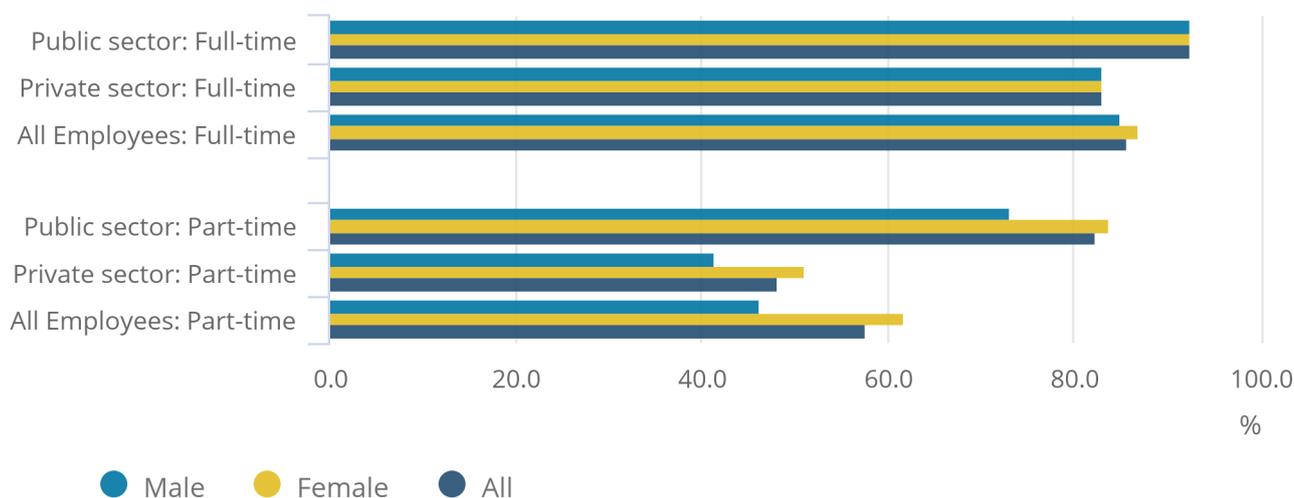
There was no gap between male and female full-time employees in terms of pension membership levels in each sector. In contrast, for part-time employees a similar sized gap exists between males and females in each sector, with a higher proportion of women belonging to a workplace pension than men.

Figure 5: Difference in membership rates for both working patterns (particularly part-time) and sexes between sectors narrowed in 2019

Proportion of employees with workplace pensions: by sector, working pattern and sex, UK, 2019

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Proportion of employees with workplace pensions: by sector, working pattern and sex, UK, 2019



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

Notes:

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).
2. “All employees” includes employees from the public and private sectors, employees working for organisations classified as non-profit bodies and businesses that are not classified.
3. Full-time employees are defined as those who work more than 30 paid hours per week or those in teaching professions working 25 paid hours or more per week.

Earnings

There is a strong relationship between earnings and workplace pension membership, with the likelihood of being a member rising with earnings, particularly in the private sector (Figure 6).

Automatic enrolment eligibility criteria are determined by an employee’s age and earnings. While the age criteria have not changed, the earnings trigger has changed. See the [Workplace pension reforms section](#) for details.

Since the introduction of automatic enrolment in 2012, the public and private sectors have seen increases in workplace pension participation across all earnings bands, apart from the highest earners (£600 and over per week) in the public sector (Figure 7), where membership has remained at least 93%. There has been faster growth in the private sector than the public sector.

Across all earnings bands, workplace pension membership levels for public sector employees (Figure 7) have continuously been higher than in the private sector with the largest differences among the lowest earners. In 2012, full-time employees earning £100 to £199 per week were seven times more likely to have a workplace pension if they were employed in the public sector than in the private sector. This factor reduced to two times more likely in 2019.

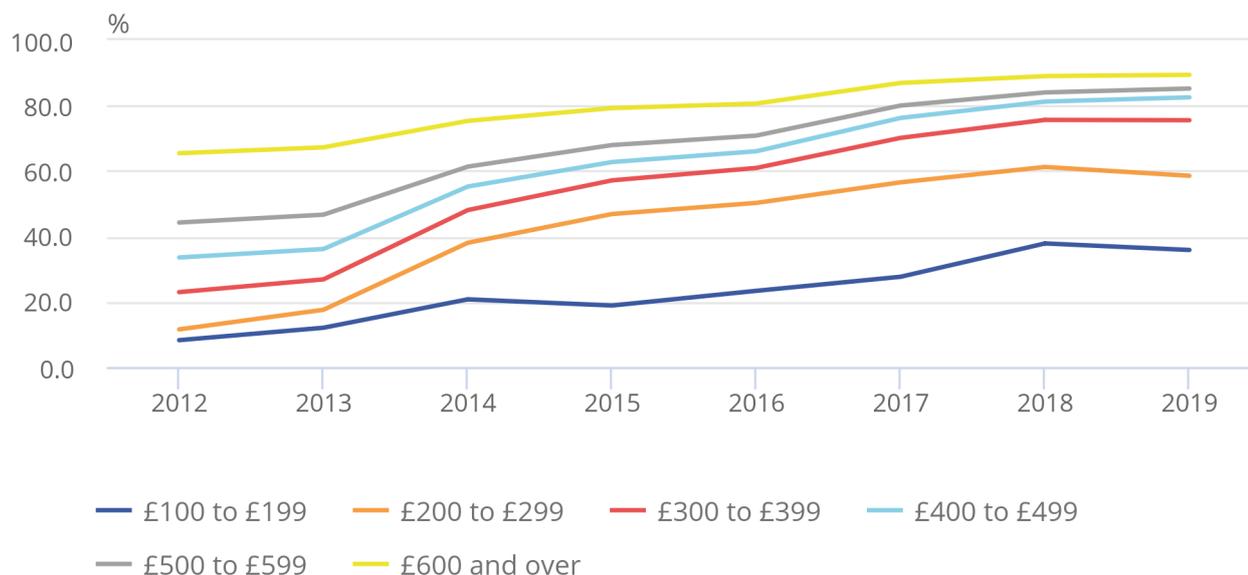
In 2019, at least 80% of full-time public sector employees, across all earnings bands, had a workplace pension, whereas in the private sector membership levels of this rate were only seen for those full-time employees earning at least £400 per week. Although pension membership rates for lower-earning full-time employees in the private sector remained different to the public sector, some lower-earning private sector employees saw the largest increases. In 2012, 23% of employees earning between £300 and £399 per week had a workplace pension, rising to 76% in 2019.

Figure 6: Since 2012 private sector workplace pension membership levels have grown for all earnings bands

Proportion of full-time private sector employees with workplace pensions by gross weekly earnings band (current/nominal prices), UK, 2012 to 2019

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Proportion of full-time private sector employees with workplace pensions by gross weekly earnings band (current/nominal prices), UK, 2012 to 2019



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

Notes:

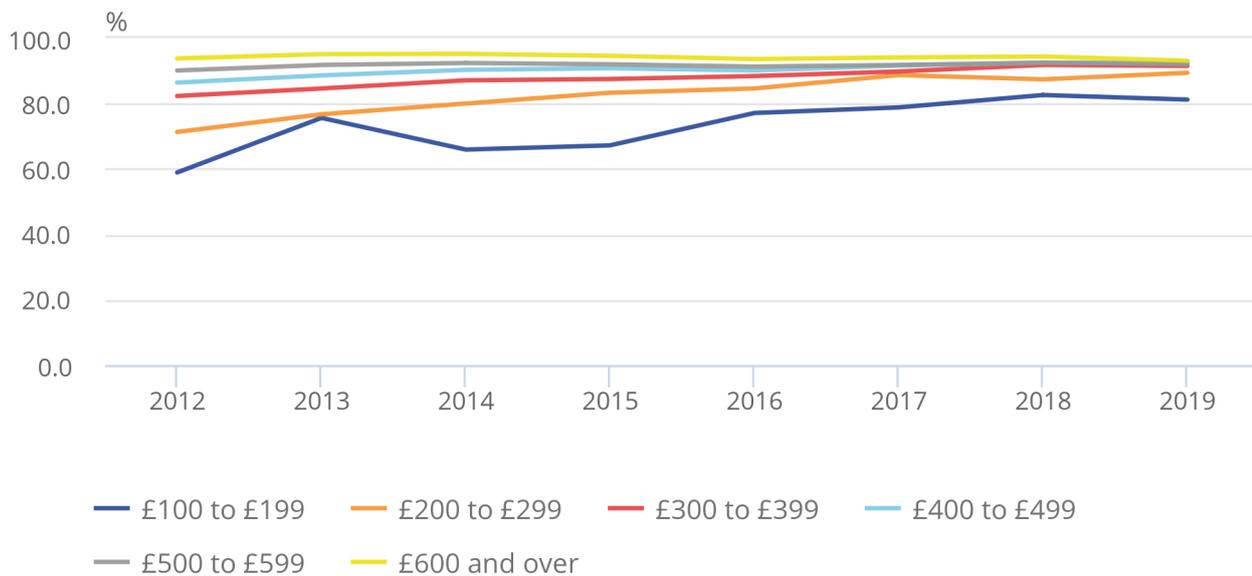
1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).
2. Full-time employees are defined as those who work more than 30 paid hours per week or those in teaching professions working 25 paid hours or more per week.
3. The proportion of employees with a workplace pension where employees earn less than £100 weekly earnings band have been excluded from the figure, however these data are available in the datasets.
4. The earnings trigger for automatic enrolment eligibility was £8,105 in FYE 2013, £9,440 in FYE 2014 and £10,000 thereafter. Employees earning below the trigger level would not be eligible but could choose to opt into a workplace pension.

Figure 7: At least 80% of public sector employees had a workplace pension, with membership rates highest (93%) for top earners (£600 and over per week)

Proportion of full-time public sector employees with workplace pensions by gross weekly earnings band (current/nominal prices), UK, 2012 to 2019

Figure 7: At least 80% of public sector employees had a workplace pension, with membership rates highest (93%) for top earners (£600 and over per week)

Proportion of full-time public sector employees with workplace pensions by gross weekly earnings band (current/nominal prices), UK, 2012 to 2019



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

Notes:

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).
2. Full-time employees are defined as those who work more than 30 paid hours per week or those in teaching professions working 25 paid hours or more per week.
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4. The earnings trigger for automatic enrolment eligibility was £8,105 in FYE 2013, £9,440 in FYE 2014 and £10,000 thereafter. Employees earning below the trigger level would not be eligible but could choose to opt into a workplace pension.
5. There is more volatility in the £100 to £199 earnings band due to a relatively lower sample earning this amount as this relates to full-time employment.

4 . Membership by occupation and size of employer

Further factors affecting levels of employee workplace pension scheme participation include occupation and employer size.

Occupation

Considering the proportion of all employees with a workplace pension by occupation in 2012, 2018 and 2019 (Figure 8):

- most occupations saw little change in the proportion of employees with a workplace pension between 2018 and 2019, with sales and customer service employees realising the largest growth from 59% to 64% in 2019
- employees in professional occupations remained the most likely to have a workplace pension, at 88% in 2019; employees in this occupation have consistently had high participation rates, with 74% in 2012
- as in 2012, employees in elementary occupations and sales and customer service occupations remained the least likely to be members of their workplace pension in 2019
- since 2012, employees in process plant and machine operative, sales and customer service, and skilled trades occupations had the largest growth in the proportion of employees with a workplace pension; by 2019, membership grew by 47, 45 and 42 percentage points respectively

Figure 8: Employees in sales and customer service and elementary occupations remained least likely to be members of their workplace pension, professional employees were the most likely

Proportion of employees with workplace pensions: by occupation, UK 2012, 2018 and 2019

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Proportion of employees with workplace pensions: by occupation, UK 2012, 2018 and 2019



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

Notes:

- Occupations as defined by the Standard Occupational Classification (SOC) 2010.

Size of employer

From 1 February 2018, the staged introduction of automatic enrolment duties completed (with phasing by size of employer). This meant that employers of all sizes (including new employers) must immediately fulfil their obligation. [However, individual employers have postponement rights.](#)

Consequently, there was little change in workplace pension membership levels between 2018 and 2019 (Figure 9), particularly for employers within the public sector. Private sector employers saw larger increases in pension participation levels with the largest increases being seen for employers with at least 5,000 employees, where participation increased from 74% in 2018 to 78% in 2019.

The differences in workplace pension membership levels between public sector and private sector employers remain in 2019. Employers with 1 employee to 99 employees had the lowest level of workplace pension participation in both sectors, at 82% in the public sector compared with 63% in the private sector.

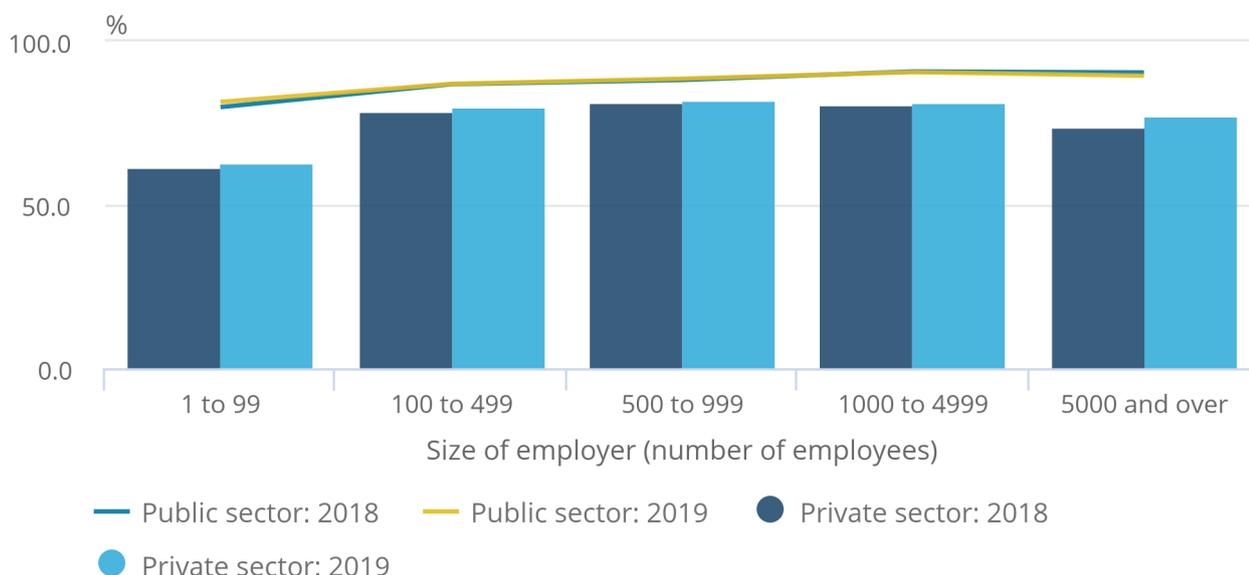
Employers with 1,000 to 4,999 employees had the highest level of workplace pension membership in the public sector (91%), whereas employers with 500 to 999 employees in the private sector had the highest membership levels (82%).

Figure 9: Employers with 1 to 99 employees had the lowest level of workplace pension participation in both the public (82%) and private (63%) sector

Proportion of employees with workplace pensions: by sector and size of employer, UK, 2018 and 2019

Figure 9: Employers with 1 to 99 employees had the lowest level of workplace pension participation in both the public (82%) and private (63%) sector

Proportion of employees with workplace pensions: by sector and size of employer, UK, 2018 and 2019



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

Notes:

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).

5. Contributions to workplace pensions

The Annual Survey of Hours and Earnings (ASHE) also collects information on workplace pension contribution rates. Employee and employer contribution rate bands are shown by sector and pension type. Contribution rates are also available by age, occupation, industry and employer size in the [datasets](#) published as part of this release.

Between the start of automatic enrolment workplace pensions (October 2012) and 6 April 2019, the minimum contribution required to fulfil legal requirements has been phased. This is discussed in the [Workplace pension reforms section](#). As of 6 April 2019, compliant schemes have minimum contributions of 8% of an employee's qualifying earnings (earnings between lower earnings limit and upper earnings limit for the tax year ending 2020; the lower limit is equivalent to £116 per week and upper limit is equivalent to £892 per week). Of this minimum level, at least 3% must come from the employer.

The contribution rates collected within ASHE are different to the automatic enrolment minimum contribution legal definitions as ASHE's contribution rates are pension contributions as a percentage of pensionable earnings and not as a percentage of qualifying earnings. Consequently, the ASHE contribution rates provided are not directly comparable with the automatic enrolment minimum contribution rates.

There are fundamental differences between defined benefit (DB) and other pension types, essentially related to decumulation benefits, which consequently affect the level of contributions paid by both employers and employees. For DB schemes, a specific level of retirement income is defined unlike defined contribution (DC) schemes or group personal pensions (GPPs) or group stakeholder pensions (GSPs) where the benefits are determined by the contributions paid into the scheme, the investment return on those contributions and the type of annuity (if any) purchased upon retirement. Therefore, for DC schemes, GPPs or GSPs, higher contributions lead to increased benefits to the individual in retirement, whereas higher contributions in DB pensions do not change the amount received in retirement; instead, they are used to improve the sustainability of those schemes.

Employers with DB schemes have a legal requirement to ensure schemes are sufficiently funded to pay future pensions. Therefore, employer and employee contribution rates tend to be higher for DB pensions compared with other pension types.

Employee contributions

The proportion of public sector employees (with a workplace pension) in each employee contribution band remained largely unchanged between 2018 and 2019 (Figure 10), with 93% of all public sector employees with a workplace pension contributing at least 5% of their pensionable earnings to their workplace pension in 2019. This compares with 27% contributing at this level in the private sector. This reflects the fact that workplace pensions in the public sector are predominantly DB (Table 1), whereas only 1 in 10 private sector pensions are of that type.

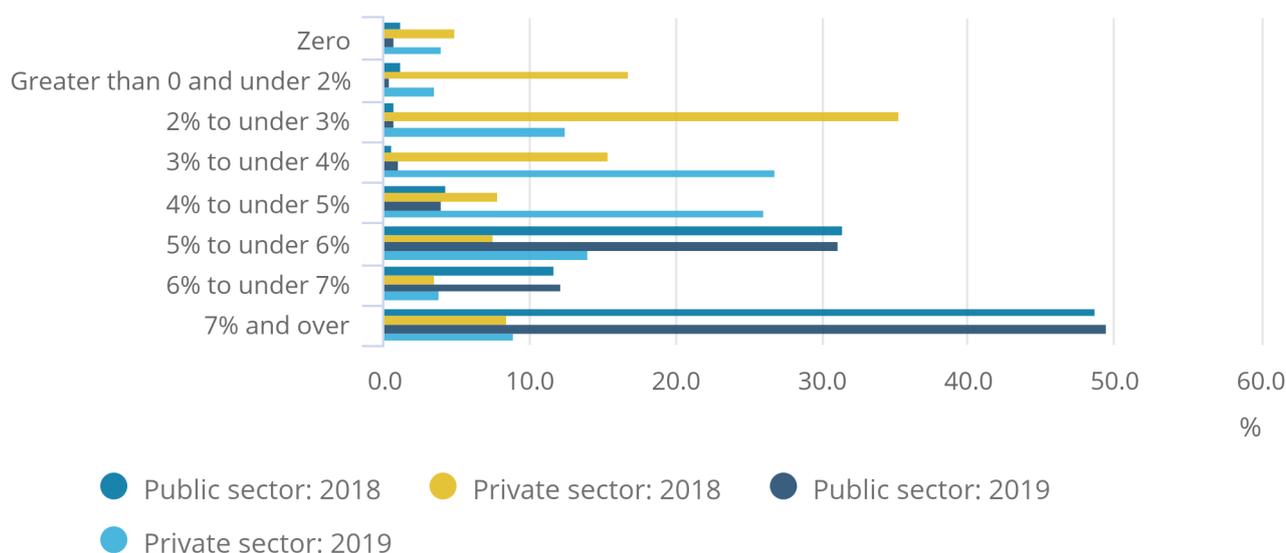
Within the private sector, although employees primarily contributed at a lower level to public sector employees, there were changes in all contribution bands between 2018 and 2019. This was likely prompted by changes in automatic enrolment minimum contribution legislation effective from April 2019. Between 2018 and 2019, all contribution rates under 3% saw reductions in the percentage of employees contributing at this level; conversely, all contribution rate bands of at least 3% saw increases. The largest changes were decreases in the proportion of private sector pension members contributing at least 2% but less than 3% (of their pensionable earnings), from 35% in 2018 to 13% in 2019, and increases to the proportion contributing at least 4% but less than 5%, from 8% in 2018 to 26% in 2019. Consequently, in 2019, 80% of private sector pension members contributed at least 3% into their workplace pension, up from 43% in 2018.

Figure 10: Four in five private sector pension members contributed at least 3% into their pension in 2019, up from just over two in five in 2018

Employees with workplace pensions: percentages by banded rate of employee contribution and sector, UK, 2018 and 2019

Figure 10: Four in five private sector pension members contributed at least 3% into their pension in 2019, up from just over two in five in 2018

Employees with workplace pensions: percentages by banded rate of employee contribution and sector, UK, 2018 and 2019



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

Notes:

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
3. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

When considering the proportion of employees in each employee contribution rate band for employees with workplace pensions by pension type (occupational DB (Figure 11), occupational DC (Figure 12), and GPP and GSP (Figure 13), in 2019 employees with workplace DB pensions predominantly (87%) contributed at least 5% of their pensionable earnings into their pension, with more than half of this group contributing at least 7%. This is relatively unchanged from previous years. Meanwhile, employees with occupational DC pensions, GPPs or GSPs had similar profiles, with at least half of all employees contributing at least 4% of their pensionable earnings.

Between 2018 and 2019, decreases were observed in the proportion of employees with DC pensions, GPPs and GSPs contributing at lower levels (up to 3%) and, conversely, increases in the proportion contributing at higher levels. The largest changes were around revised automatic enrolment minimum contribution thresholds, effective from 6 April 2019 (8% of qualifying earnings of which at least 3% must be paid by the employer). Employers have legislated regulations for minimum contributions, whereas the employee is legally obligated to pay the residual needed to fulfil overall minimum regulations.

Figure 11: Similar to 2018, in 2019 47% of employees with defined benefit pensions contributed at least 7% into their workplace pension

Employees with defined benefit workplace pensions: percentages by banded rate of employee contribution, UK, 2018 and 2019

Notes:

1. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
2. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

Figure 12: In 2019, 78% of employees with defined contribution pensions contributed at least 3% into their workplace pension, up from 37% in 2018

Employees with defined contribution workplace pensions: percentages by banded rate of employee contribution, UK, 2018 and 2019

Notes:

1. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). The “group personal and group stakeholder” category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
3. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

Figure 13: In 2019, 81% of employees with group personal and stakeholder pensions contributed at least 3% into their workplace pension, up from 46% in 2018

Employees with group personal and stakeholder workplace pensions: percentages by banded rate of employee contribution, UK, 2018 and 2019

Notes:

1. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). The “group personal and group stakeholder” category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
3. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

Employer contributions

More than one in three employees with workplace pensions in the public sector (Figure 14) received contributions of at least 20% from their employer in 2019, an increase of eight percentage points from 2018 (26% to 34%). As the majority of workplace pensions in the public sector are of type DB (Table 1), the increased employer contributions are likely to be caused by funding valuations of public sector pension schemes in 2018, which imposed increases to employer contributions across all unfunded [public sector schemes](#) from April 2019 onwards. As DB pensions specify retirement benefits, the increased employer contribution will not affect the pension benefits received, only ensure the pension scheme is funded appropriately. The increased proportion of employees receiving 20% of their pensionable income from their employer did not impact the proportion receiving contributions of less than 12%, which was 5% in both 2018 and 2019.

In contrast, as in the previous year, more than 90% of private sector employees (Figure 14) with a workplace pension received less than 12% (of their pensionable earnings) in contributions from their employer. As most workplace pensions in the private sector are either DC schemes, GPPs or GSPs (Table 1), the retirement benefits received are in part affected by contributions.

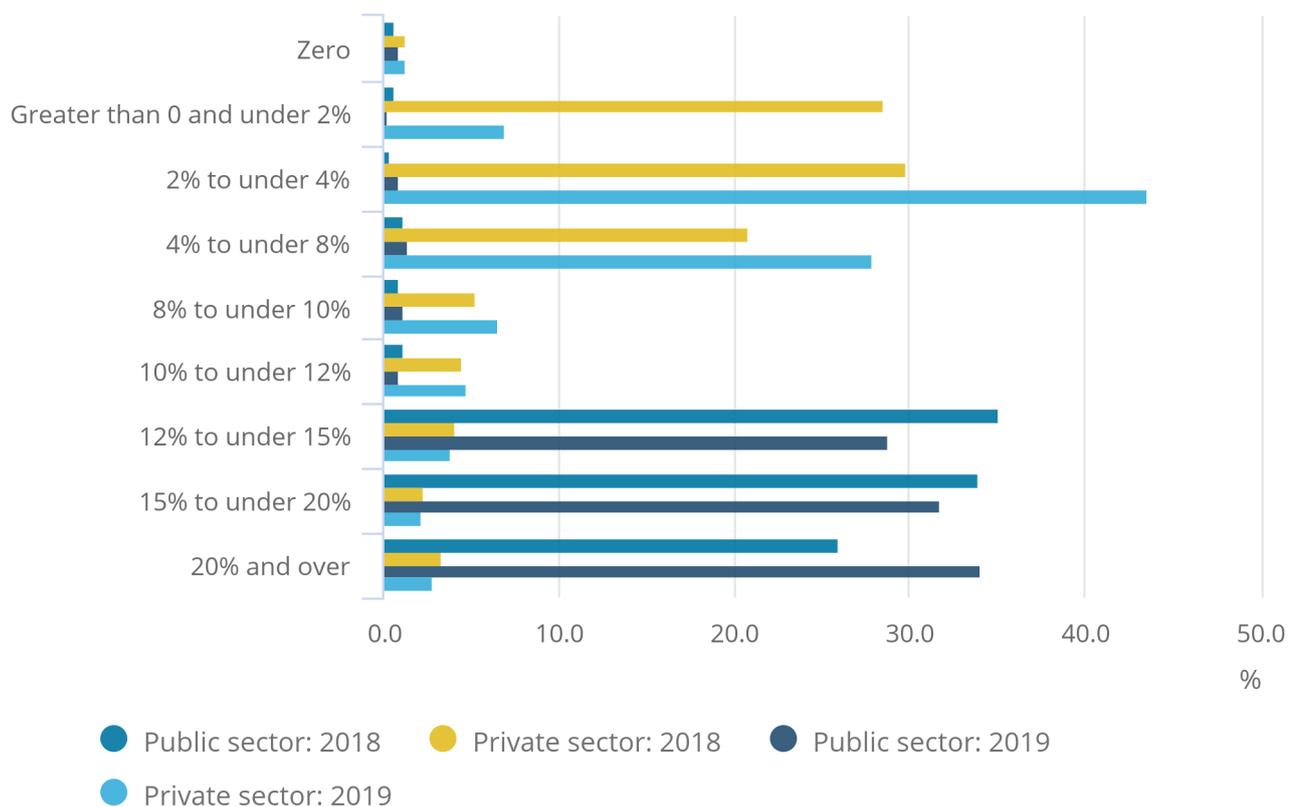
Although the proportion of private sector employees receiving the highest level of contributions from their employers remained unchanged between 2018 and 2019, there were changes in the lower contribution levels. In 2019, only 8% of private sector employees with workplace pensions received employer contributions of less than 2%, compared with 30% in 2018. Consequently, 72% of private sector employees with a workplace pension received employer contributions between 2% and less than 8% of their pensionable income, up from 51% in 2018. This increase may be explained by the completion of phased automatic enrolment minimum employer contributions in April 2019 where employers were regulated to contribute at least 3% of qualifying earnings.

Figure 14: More than one in three public sector workplace pension members received at least 20% in contributions from their employer in 2019, up from just over one in four in 2018

Employees with workplace pensions: percentages by banded rate of employer contribution and sector, UK, 2018 and 2019

Figure 14: More than one in three public sector workplace pension members received at least 20% in contributions from their employer in 2019, up from just over one in four in 2018

Employees with workplace pensions: percentages by banded rate of employer contribution and sector, UK, 2018 and 2019



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

Notes:

1. The public and private sectors are classified using the legal status from the Inter-Departmental Business Register (see Glossary).
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
3. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

In 2019, almost six out of seven employees (85%) with a DB workplace pension received contributions of at least 12% of their pensionable earnings from their employers (Figure 15), unchanged from the previous year. However, a higher proportion of employees received at least 20% in 2019 (29%), up from 23% in 2018. This change is likely to be caused by [forced increases to employer contribution rates for all unfunded public sector pension schemes](#) from April 2019 onwards (to meet pension funding commitments for public sector pensions).

In comparison, less than 1 in 10 employees (9%) with an occupational DC pension received a contribution of at least 12% of their pensionable earnings from their employer in 2019 (Figure 16). The majority (70%) of employees with a pension of this type received between 2% and less than 8% of their pensionable earnings from their employers, compared with 45% receiving contributions at this level in 2018. This change is the result of more employers contributing at a higher rate in 2019 (fewer contributing greater than 0% to under 2% and more contributing at least 2% but less than 4%), likely because of increased automatic enrolment minimum threshold limits effective from 6 April 2019. Automatic enrolment legislation requires employers to pay a minimum contribution (3% of qualifying earnings from April 2019).

Employees with GPPs and GSPs (Figure 17) had similar proportions of employer contribution rates to employees with occupational DC pensions. In 2019, 77% received between 2% and less than 8% of their pensionable earnings from their employers, an increase of 15 percentage points since 2018.

Figure 15: A higher proportion of employees with defined benefit pensions received an employer contribution of at least 20% in 2019 (29%), up from 23% in 2018

Employees with defined benefit workplace pensions: by banded rate of employer contribution, UK, 2018 and 2019

Notes:

1. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
2. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

Figure 16: Increased proportion of workplace defined contribution pension members receiving employer contributions of between 2% and less than 8%, decreased proportion receiving under 2%

Employees with defined contribution workplace pensions: by banded rate of employer contribution, UK, 2018 and 2019

Notes:

1. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). The “group personal and group stakeholder” category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
3. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

Figure 17: The proportion of group personal and stakeholder workplace pension members receiving employer contributions between 2% and 8% rose considerably

Employees with group personal and stakeholder workplace pensions: by banded rate of employer contribution, UK, 2018 and 2019

Notes:

1. The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (Nest). The “group personal and group stakeholder” category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.
3. Contribution rates are not calculated as a percentage of qualifying earnings but as a percentage of pensionable earnings, hence the ASHE contribution rates are not directly comparable with the automatic enrolment minimum contribution legal definitions.

6 . Workplace pension reforms

The [Pensions Act 2008](#) put in place a framework for workplace pension reform designed to increase private pension saving in the UK. This framework was amended slightly by the [Pensions Act 2011](#) and [Pensions Act 2014](#). One of the main reforms was that from October 2012, all eligible employees are to be automatically enrolled into a qualifying workplace pension scheme.

Automatic enrolment applies to eligible employees who are not already participating in a qualifying workplace pension scheme with eligibility determined by an employee’s age and earnings. While the age criteria (from 22 years to State Pension age) has remained unchanged, the earnings trigger has increased. When automatic enrolment was introduced in October 2012, eligible employees were those earning more than £8,105 per year, then £9,440 from April 2013, and then £10,000 from April 2014. The change in limits means that in 2012, an employee earning the equivalent of £156 a week would be eligible for automatic enrolment, rising to £182 in 2013 and £192 from 2014 to today.

Automatic enrolment has been introduced in stages, based on the size of the employers’ Pay As You Earn (PAYE) scheme on 1 April 2012. Automatic enrolment started in October 2012 for employers with over 120,000 employees, with staged roll-out to all employers by 2018 (an [automatic enrolment timetable of starting dates](#) is available).

Under automatic enrolment, employers select a pension scheme for their employees. Employers have a duty to enrol all eligible employees into a pension scheme meeting the qualifying requirements set out within the Pensions Act 2008 and Pensions Act 2011 and to make contributions to this scheme on their employees’ behalf. Workers can opt out of their employer’s scheme if they wish but if they are still eligible, they will be re-enrolled after a three-year period.

In order to be considered a qualifying pension scheme, schemes will have to receive minimum contributions of an employee’s qualifying earnings. As with the implementation of automatic enrolment, minimum contribution levels have been phased in with initial contributions (from October 2012 to 5 April 2018) being 2% of an employee’s qualifying earnings, of which at least 1% must come from the employer. From 6 April 2018, the minimum contribution was 5% of an employee’s qualifying earnings, of which at least 2% must come from the employer. The final increment of the contribution level phasing period began 6 April 2019 where schemes will have to receive minimum contributions of 8% of an employee’s qualifying earnings, of which at least 3% must come from the employer.

The Pensions Act 2008 created the National Employment Savings Trust (Nest), a new, Trust-based defined contribution (DC) pension scheme, to assist employers with pension provision. Other separate Trust-based arrangements, known as Master Trusts (see [Pension Trends Glossary \(PDF, 198KB\)](#)), have also been set up to facilitate automatic enrolment.

These reforms represented a major change in the UK private pension system, aiming to extend coverage to the millions of employees without a private pension, in particular those in the target market of moderate to low earners.

7 . Employee workplace pensions data

[Pension type by age group and gross weekly earnings bands: Table P1](#)

Dataset | Released 4 March 2020

Annual estimates of the proportion of UK employees in each pension type and contracted-out status (prior to 2016), by age group and gross weekly earnings bands.

[Pension type by industry and gross weekly earnings bands: Table P2](#)

Dataset | Released 4 March 2020

Annual estimates of the proportion of UK employees in each pension type and contracted-out status (prior to 2016), by Standard Industrial Classification (SIC) (including public and private sector breakdown) and gross weekly earnings bands.

[Employee contribution bands by age group and pension type: Table P5](#)

Dataset | Released 4 March 2020

Annual estimates of the proportion of UK employees in employee contribution bands, by age group and by contracted-out status (prior to 2016) and pension type.

[Employer contribution bands by age group and pension type: Table P9](#)

Dataset | Released 4 March 2020

Annual estimates of the proportion of UK employees in employer contribution bands, by age group and by contracted-out status (prior to 2016) and pension type.

[Annual Survey of Hours and Earnings: summary of pension results](#)

Dataset | Released 4 March 2020

Membership and contributions to workplace pension arrangements for UK employees, by type, age, industry, public and private sector, occupation, and size of company.

View all data used in this statistical bulletin on the [Related data page](#).

8 . Glossary

Defined benefit scheme

A defined benefit (DB) scheme is an occupational pension scheme in which the rules specify the rate of benefits to be paid. The most common DB scheme is a salary-related scheme in which the benefits are based on the number of years of pensionable service, the accrual rate and either the final salary, the average of selected years' salaries or the best year's salary within a specified period before retirement.

Defined contribution scheme

A defined contribution (DC) scheme is a pension scheme in which the benefits are determined by the contributions paid into the scheme, the investment return on those contributions and the type of annuity (if any) purchased upon retirement. It is also known as a money purchase scheme. DC pensions may be occupational, personal or stakeholder pensions.

Group personal pension (GPP)

A group personal pension (GPP) is an arrangement made for the employees of a particular employer, or group of employers, to participate in a personal pension on a group basis. This is a collecting arrangement only; the contract is between the individual and the pension provider, normally an insurance company. GPPs are a form of workplace pension.

Group self-invested personal pension (GSIPP)

A group self-invested personal pension (GSIPP) is an arrangement made for the employees of a particular employer, or group of employers, to participate in a personal pension on a group basis. The GSIPP is similar to the group personal pension except that it is the policy holder rather than the pension provider who chooses the investments. GSIPPs are a form of workplace pension.

Group stakeholder pension (GSP)

A group stakeholder pension (GSP) is an arrangement made for the employees of a particular employer, or group of employers, to participate in a stakeholder pension on a group basis. This is a collecting arrangement only; the contract is between the individual and the pension provider, normally an insurance company. GSPs are a form of workplace pension.

Personal pension

A personal pension is an arrangement where the contract to provide contributions in return for retirement benefits is between an individual and an insurance company. Such plans may be taken out by individuals on their own initiative (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). These would not be covered in the Annual Survey of Hours and Earnings (ASHE) results. Alternatively, they may be facilitated by an employer. These pensions are covered by ASHE and include GPPs and GSPs. Personal pensions are a form of DC pension.

Inter-Departmental Business Register (IDBR)

Introduced in 1994, the [Inter-Departmental Business Register \(IDBR\)](#) is the sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It is also an important data source for analysis of business activity.

Standard Occupational Classification (SOC)

The [Standard Occupational Classification \(SOC\)](#) is a classificatory system used in the UK to place individuals into occupational groups.

9 . Measuring the data

The Annual Survey of Hours and Earnings (ASHE) is a survey of employers and is an important source of information on workplace pensions in the UK, collecting information on all types of workplace pension: occupational pension schemes, group personal pensions (GPPs) and group stakeholder pensions (GSPs). As ASHE only covers workplace pensions, which are those that are either provided or facilitated by employers, it does not cover individual personal or stakeholder pensions, where individuals enter into a contract with an insurance company that is not facilitated by an employer.

The occupational defined contribution (DC) category includes employees who have pensions with the National Employment Savings Trust (Nest). As group self-invested personal pensions (GSIPPs) are a type of GPP, data for GSIPPs are included within the category GPP throughout this bulletin. The survey results are used widely to analyse pension participation and to monitor the impacts of pension reforms.

ASHE collects information on employee membership of the current employer's workplace pension scheme. This does not include preserved rights in any former employer's pension scheme or pensions paid by former employers.

ASHE collects information from employers on employee jobs, although they are referred to in this bulletin as "employees". More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [ASHE QMI](#). Further background information is available from the [ASHE methodology and guidance](#).

The main content of this bulletin relates to provisional results for 2019 and has a reference date of the week containing 10 April 2019. Comparisons with 2018 relate to revised data, tables for which are published as part of this release.

10 . Related links

[Employee earnings in the UK: 2019](#)

Bulletin | Released 29 October 2019

Measures of employee earnings, using data from the Annual Survey for Hours and Earnings (ASHE).

[Occupational Pension Schemes Survey, UK: 2018](#)

Bulletin | Released 20 June 2019

The nature of occupational pension provision in the UK providing summary data from the Occupational Pension Schemes Survey on membership of schemes and contributions paid.

[Pension wealth in Great Britain: April 2016 to March 2018](#)

Bulletin | Released 5 December 2019

Private pension wealth in Great Britain, April 2016 to March 2018, taken from the sixth round of the Wealth and Assets Survey.

[Automatic Enrolment evaluation report 2019](#)

Report | Released 24 February 2020

This report evaluates the implementation of automatic enrolment into workplace pensions.