

Statistical bulletin

Annual Survey of Hours and Earnings pension tables, UK: 2017 provisional and 2016 revised results

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



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Table of contents

1. [Main points](#)
2. [Things you need to know about this release](#)
3. [Workplace pension scheme membership](#)
4. [Membership by age, working pattern, sex and earnings](#)
5. [Membership by occupation, size of employer and region](#)
6. [Contributions to workplace pensions](#)
7. [Definitions](#)
8. [Links to related statistics](#)
9. [Quality and methodology](#)

1 . Main points

- Employee workplace pension scheme membership has increased to 73% in 2017, from 67% in 2016, driven predominantly by increases in membership of occupational defined contribution schemes (including National Employment Savings Trust) within the private sector.
- In 2017, there were 89% of public sector employees who were members of a workplace pension scheme compared with 67% of private sector employees, this gap continues to narrow following the introduction of automatic enrolment in 2012.
- Those aged 22 to 29 years had the largest growth in pension membership from 65% in 2016 to 73% in 2017.
- In 2017, full-time employees in both the public and private sectors had almost equal proportions of workplace pension scheme membership for men and women (92% in public sector, 78% in private sector).
- In 2017, there were 94% of full-time employees with the highest gross weekly earnings (£600 and over) and 81% of lower earners (£100 to £200) in the public sector who were pension scheme members compared with 87% and 27% respectively in the private sector.
- Workplace pension scheme membership for private sector employers with 1 to 99 employees increased from 35% in 2016 to 52% in 2017, yet this group still had the lowest proportion of employees with a workplace pension scheme within the private and public sectors.
- Nearly half (48%) of private sector pension members in 2017 contributed greater than zero and under 2% of their earnings, an increase from 42% in 2016, this increase is likely to be driven by current minimum contribution levels for automatic enrolment.

2 . Things you need to know about this release

The Annual Survey of Hours and Earnings (ASHE) is an important source of information on workplace pensions in the UK as it collects information on all types of workplace pension: occupational pension schemes, group personal pensions and group stakeholder pensions.

The occupational defined contribution category includes employees who have pensions with the National Employment Savings Trust (NEST). Data for group self-invested personal pensions (GSIPP) are a type of group personal pension (GPP), data for GSIPP 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". For further information on ASHE please see the Quality and methodology section.

The main content of this bulletin relates to 2017 and has a reference date of the week containing 26 April 2017. Comparisons with 2016 relate to revised data, [tables for which are published as part of this release](#).

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 [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. When automatic enrolment was introduced in October 2012, eligible employees were those earning more than £8,105 per year (£10,000 since April 2014). Eligible employees are those aged between 22 and State Pension age.

Automatic enrolment is being introduced in stages, based on the size of the employers' 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 ([automatic enrolment timetable of starting dates](#)).

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 are able to 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 eventually have to receive minimum contributions of 8% of an employee's qualifying earnings, of which at least 3% must come from the employer by April 2019. However, there is a phasing-in period, during which lower contributions are allowed. From October 2012 to April 2018, the minimum contribution is 2% of an employee's qualifying earnings of which at least 1% must come from the employer.

The Pensions Act 2008 created the NEST, a new, trust-based defined contribution pension scheme, to assist employers with pension provision. Other separate trust-based arrangements, known as master trusts (see [Glossary \(PDF, 199KB\)](#) and Definitions section), 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.

3 . Workplace pension scheme membership

Employee workplace pension scheme membership was 73% in 2017 (Figure 1), an increase of 6 percentage points compared with 2016 when 67% of employees were workplace pension scheme members.

Although nearly three-quarters of employees had a workplace pension scheme in 2017 there were differences in the level of membership between sectors. The difference between sectors has been reducing since 2013 following the phased implementation of automatic enrolment of workplace pension schemes. By 2017:

- in the public sector, 89% of employees were members of a workplace pension scheme
- more than two-thirds (67%) of private sector employees had workplace pension scheme membership

As will be explained throughout this bulletin the majority of the growth in employee pension scheme membership between 2016 and 2017 was due to increased private sector occupational defined contribution membership, which includes National Employment Savings Trust (NEST).

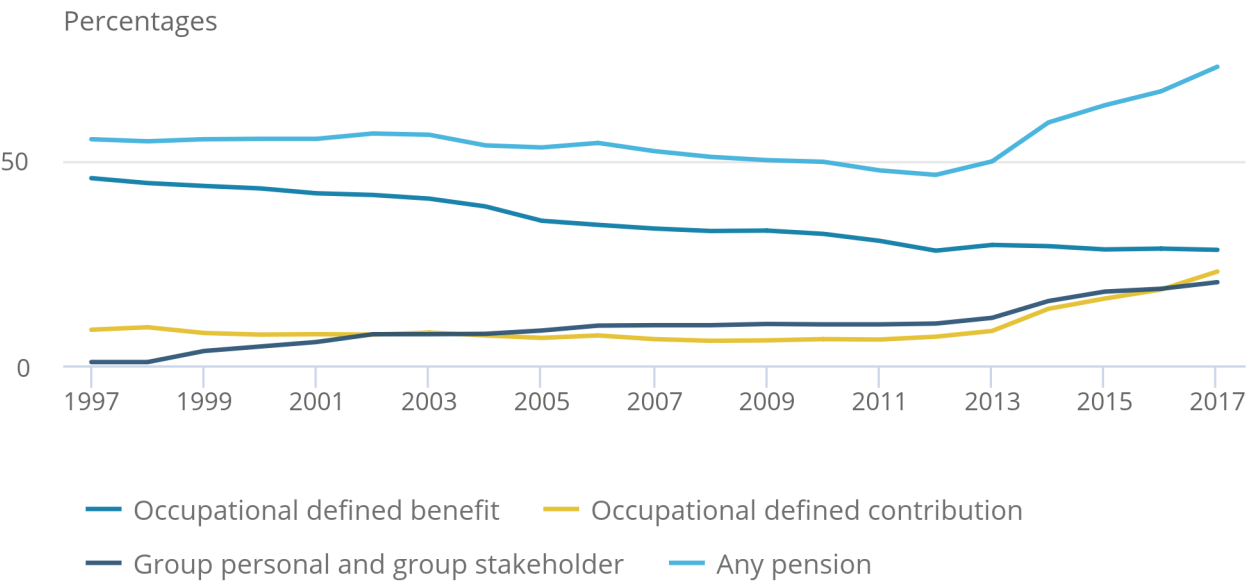
Figure 1: Proportion of employees with workplace pensions: by type of pension

UK, 1997 to 2017

Figure 1: Proportion of employees with workplace pensions, by type of pension

Automatic enrolment introduced October 2012

UK, 1997 to 2017



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 to earlier results.
2. The occupational defined contribution category includes employees who have pensions with the National Employer Savings Trust (NEST). The 'group personal and group stakeholder' category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.

Figure 2 illustrates the proportion of employees with a workplace pension, by pension type for 2017.

In 2017, occupational defined benefit was the pension type with the largest proportion, accounting for 39% of all employee workplace pension schemes. This scheme type has continued to retain its majority position, however, the proportion has been falling since 2012 when occupational defined benefit schemes represented 60% of workplace pension schemes.

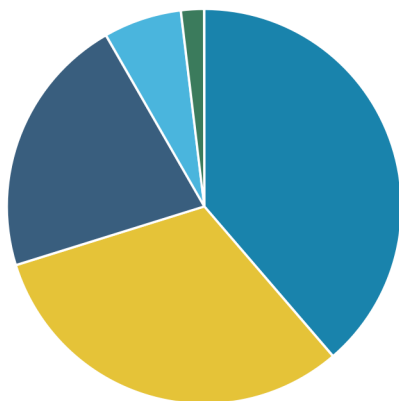
In contrast, the proportion of occupational defined contribution schemes has been increasing since 2012, reaching its current peak in 2017 (32%), more than twice its value in 2012 (15%). The proportion of all other scheme types remained largely unchanged since 2015.

Figure 2: Proportion of employees with workplace pensions: by type of pension

UK, 2017

Figure 2: Proportion of employees with workplace pensions: by type of pension

UK, 2017



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 Employer Savings Trust (NEST).

Although the difference in membership rates by sector has continued to reduce between 2016 and 2017, the profile of pension scheme type by sector remains very different (Table 1).

Public sector schemes were almost entirely occupational defined benefit schemes (93%), a small decrease of 1 percentage point since 2016; conversely only 13% of private sector schemes were occupational defined benefit.

The proportion of occupational defined contribution schemes (including NEST) has increased for both sectors between 2016 and 2017. In 2017, nearly half (45%) of all private sector pension scheme members were in occupational defined contribution (including NEST) schemes, compared with only 5% of public sector pension scheme members, an increase of 3 and 2 percentage points respectively.

Table 1: Employees with workplace pensions: percentages by type of pension UK, 2017

	Percentages		
	All employees ¹	Public sector	Private sector
Occupational defined benefit	38.7	92.7	13.3
Occupational defined contribution	31.5	4.6	44.6
Group personal pension	21.5	1.4	30.5
Group stakeholder pension	6.4	0.4	9.2
Unknown pension type	1.9	0.9	2.3
Weighted frequency	20,214,000	5,683,000	12,720,000
Unweighted frequency	132,009	37,364	83,684

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 Definitions). 'All employees' includes employees from the public and private sectors and employees working for organisations classified as non-profit bodies.
2. Data for Group Self-Invested Personal Pensions (GSIPP) are included within the category Group Personal Pensions (GPP).
3. Percentages may not sum to 100% due to rounding.
4. The occupational defined contribution category includes employees who have pensions with the National Employer Savings Trust (NEST).

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

There are a number of factors affecting workplace pension scheme participation including age, working pattern, sex and earnings.

Age

Figure 3 illustrates the proportion of employees with a workplace pension by age band.

As in 2016, pension membership in 2017 was highest for age groups eligible for automatic enrolment (22 years to State Pension age). Employees aged 40 to 49 and 50 to 54 years were most likely to be pension scheme members, with more than four-fifths (81%) in both age bands being workplace pension scheme members in 2017. The age group with the largest growth between 2016 and 2017 was those aged 22 to 29 years, with a growth of 8 percentage points from 65% in 2016 to 73% in 2017.

Occupational defined contribution and combined group personal pension and group stakeholder schemes contributed predominantly to the growth in all automatic enrolment eligibility age groups between 2016 and 2017.

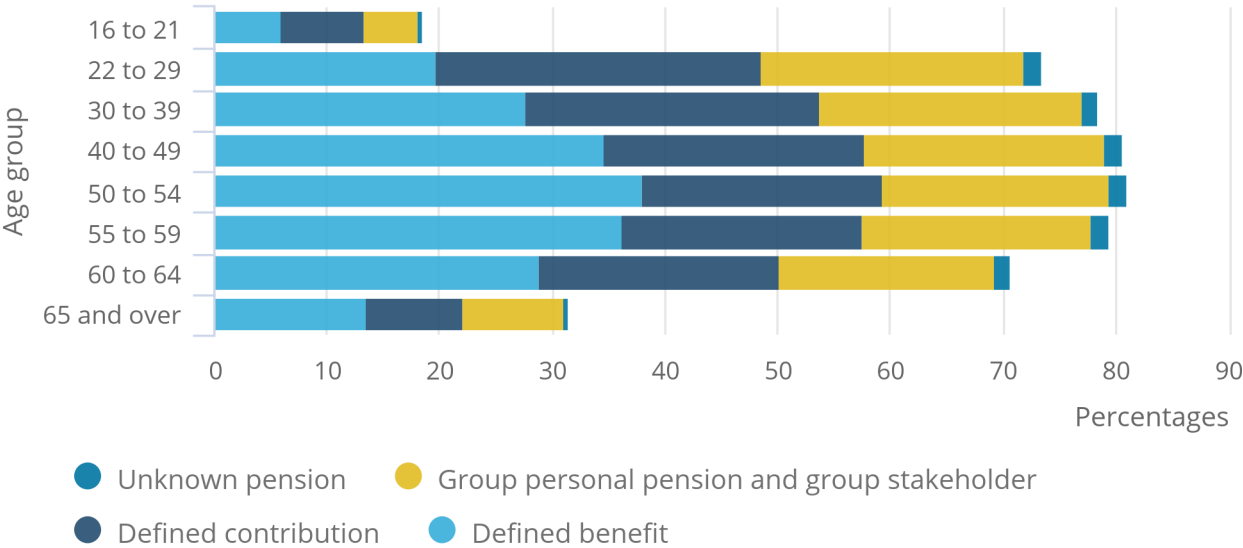
The percentage point growth of occupational defined contribution schemes between these periods was at least double the size of the growth in combined group personal pension and stakeholder schemes in these age groups (see Table 3 in the datasets).

Figure 3: Proportion of employees with workplace pensions: by age band and type of pension

UK, 2017

Figure 3: Proportion of employees with workplace pensions: by age band and type of pension

UK, 2017



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 Employer Savings Trust (NEST). The 'Group personal and group stakeholder' category includes group personal pensions, group stakeholder pensions and group self-invested personal pensions.

Working pattern

As illustrated in Figure 4, workplace pension scheme membership participation varies by working pattern (full-time or part-time), sex and sector.

The largest growth in workplace pension scheme membership between 2016 and 2017 occurred in the private sector, in particular for full-time employees.

In comparison, the growth of full-time employees with pension membership in the public sector was very small (1 percentage point for all employees), with a slightly higher growth for public sector part-time employees, yet the proportion of public sector employees with a workplace pension scheme by working pattern and sex still remained higher than in the private sector.

In 2017, similar to 2016, full-time employees in both the public and private sectors had almost equal proportions of workplace pension scheme membership for men and women (92% full-time public sector employees, 78% full-time private sector employees).

The difference between the sectors of all full-time employees with a pension scheme narrowed from 22 percentage points in 2016 to 14 percentage points in 2017. This was driven by almost equal growth for private sector full-time men and women, 9 percentage points and 8 percentage points respectively, compared with minimal public sector growth.

In 2017, the percentage of part-time employees with a workplace pension scheme remained divergent between men and women, with a higher proportion of women having membership than men in both sectors:

- in the public sector, 82% of females and 69% of males working part-time were pension scheme members
- in the private sector, 43% of females and 33% of males working part-time were pension scheme members

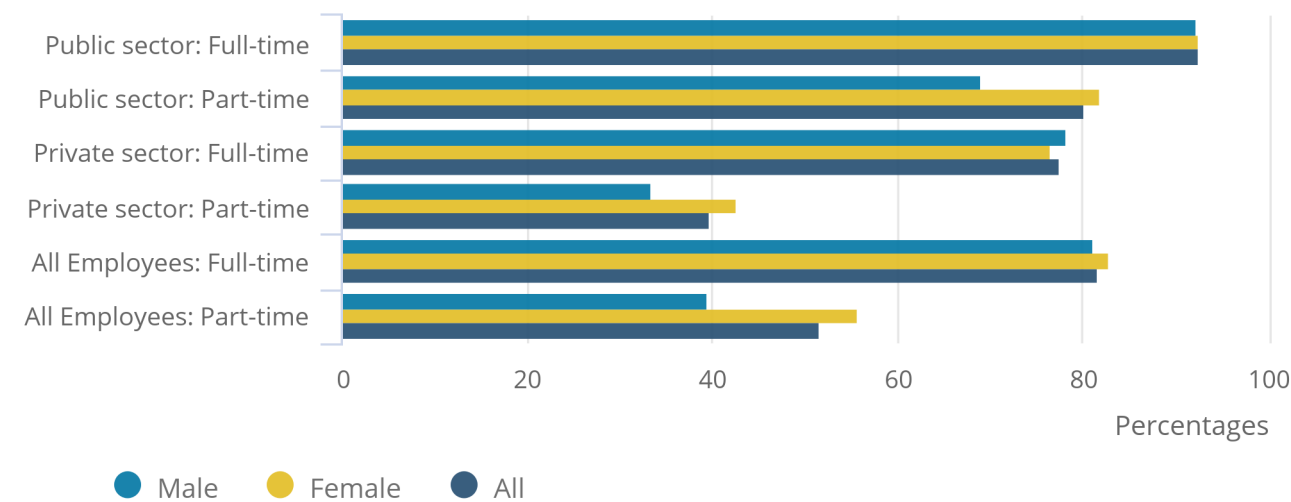
In 2017 there continued to be a large difference in pension scheme participation between the public and private sectors for part-time employees, unlike for full-time employees; however, this disparity narrowed, from 44 percentage points in 2016 to 40 percentage points in 2017. The reduced difference between 2016 and 2017 was driven primarily by the growth in the proportion of part-time female private sector employees with workplace pension scheme membership, which was more than twice the size of the growth of their male counterparts.

Figure 4: Proportion of employees with workplace pensions: by sector, working pattern and sex

UK, 2017

Figure 4: Proportion of employees with workplace pensions: by sector, working pattern and sex

UK, 2017



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 Definitions). 'All employees' includes employees from the public and private sectors and employees working for organisations classified as non-profit bodies.
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.

Earnings

Employee earnings influence workplace pension scheme participation. Figure 5 illustrates the proportion of full-time employees with pension scheme membership by sector and gross weekly earnings band.

For both private and public sector employees there is a relationship between earnings and pension scheme membership in that as earnings increase so does the likelihood of being a member of a workplace pension scheme, however, this is much more pronounced in the private sector.

In 2017, of all full-time employees in the public sector with the highest gross weekly earnings (£600 and over) 94% were pension scheme members, compared with 81% of full-time lower earners (£100 to £200 gross weekly earnings). This compares with 87% (£600 and over) and 27% (£100 to £200) of full-time employees in the private sector.

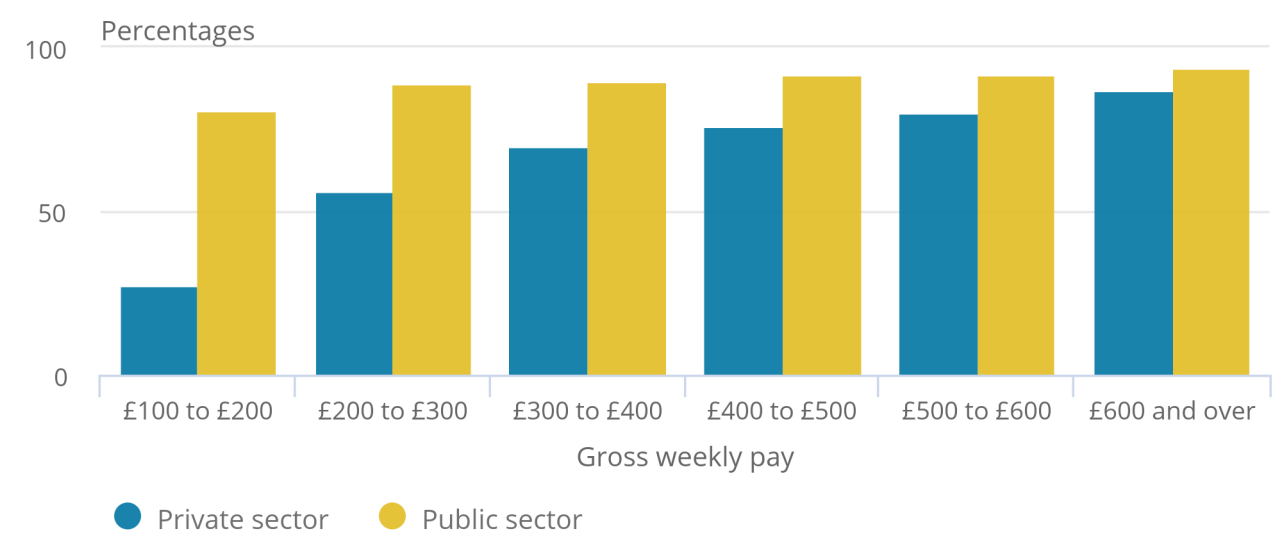
Between 2016 and 2017, there was little growth in the proportion of full-time public sector employees with pension scheme membership throughout all earnings bands. Conversely the proportion of private sector full-time employees with pension membership achieved reasonable growth in all earnings bands between 2016 and 2017, with the smallest growth (4 percentage points) occurring for lower earners (£100 to £200). This is likely to be because the automatic enrolment eligibility earnings minimum threshold is £10,000 per year, which equates to £192 per week.

Figure 5: Proportion of full-time employees with workplace pensions: by sector and gross weekly earnings band

UK, 2017

Figure 5: Proportion of full-time employees with workplace pensions: by sector and gross weekly earnings band

UK, 2017



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 Definitions).
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 this data is available in the datasets.
4. Assuming an employee earned the same amount each week for a year, then they would have to earn at least £192 a week to be eligible for automatic enrolment. Employees earning below £192 would not be eligible but could chose to opt in to a workplace pension. The majority of employees in the £100 to £200 weekly earnings band are not eligible for automatic enrolment.

5 . Membership by occupation, size of employer and region

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

Occupation

The proportion of all employees with a workplace pension in 2016 and 2017 by occupation is illustrated in Figure 6.

Between 2016 and 2017, there was growth in the proportion of employees with a workplace pension for all occupations, with skilled trades occupations experiencing the largest growth, from 56% in 2016 to 68% in 2017.

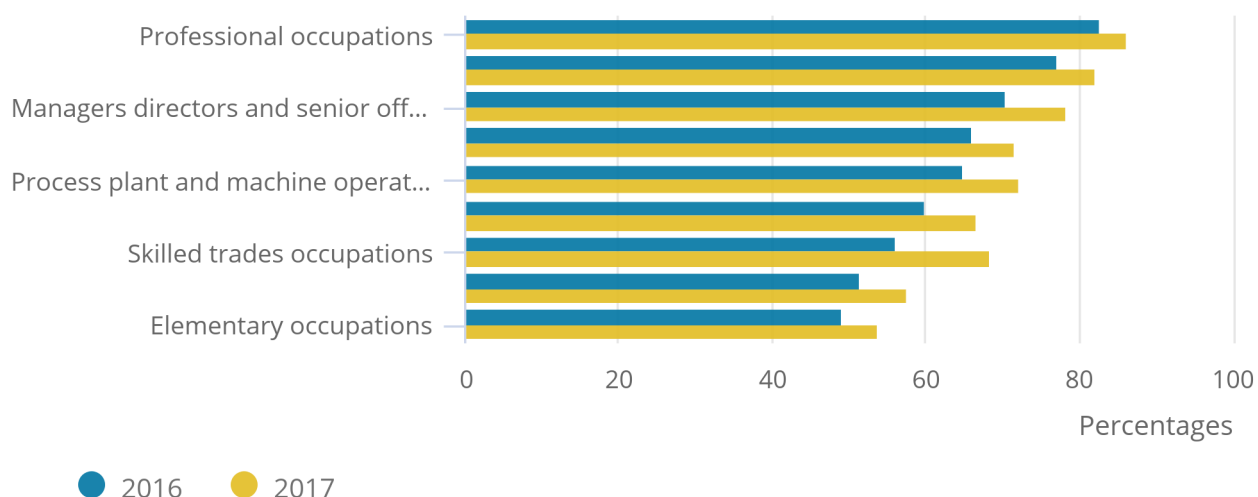
Professional occupations saw the smallest growth between 2016 and 2017 (4 percentage points), however, this occupation type remained the most likely to have a pension, 86% in 2017. Elementary occupation employees were the least likely to have pension scheme membership, 54% in 2017 and also had a low growth rate (5 percentage points) between 2016 and 2017 compared with the other occupation types.

Figure 6: Proportion of employees with workplace pensions: by occupation

UK, 2016 and 2017

Figure 6: Proportion of employees with workplace pensions: by occupation

UK, 2016 and 2017



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

Notes:

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

Size of employer

Figure 7 illustrates the proportion of employees with workplace pension scheme membership by sector and size of employer in 2017.

The largest growth in pension scheme membership between 2016 and 2017 occurred in the private sector for employers with 1 to 99 employees. Workplace pension scheme membership for this employer size-group increased from 35% in 2016 to 52% in 2017, it however, remained the group with the lowest proportion of employees with a workplace pension scheme. This increase is likely to be a consequence of staged automatic enrolment, as automatic enrolment duty date for employers with less than 30 employees was 1 January 2016 to 1 April 2017.

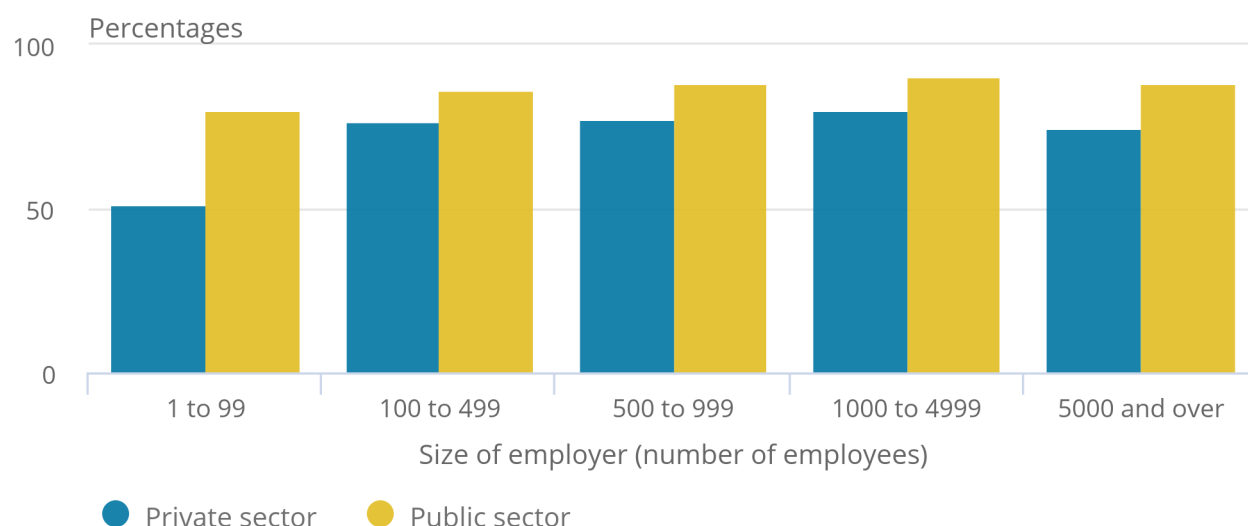
Public sector pension scheme membership growths were minor for all employer sizes between 2016 and 2017. All employer size-groups attained growths of either 1 or 2 percentage points, ensuring at least four in five public sector employees had a workplace pension scheme in 2017.

Figure 7: Proportion of employees with workplace pensions: by sector and size of employer

UK, 2017

Figure 7: Proportion of employees with workplace pensions: by sector and size of employer

UK, 2017



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 Definitions).

Region

Employee workplace pension scheme participation by region and sector in 2017 is illustrated in Figure 8.

Between 2016 and 2017, the private sector saw large increases in the proportion of employee pension scheme membership, with all regions achieving similar growth magnitude.

The East of England and the South West both had the largest growth (9 percentage points) and Wales had the smallest (7 percentage points).

There was also little variation between the region where private sector employers are located and the likelihood of their employees to be workplace pension scheme members; membership was highest in London (70%) and lowest in Wales (66%).

In contrast, the public sector saw minimal regional growth in pension scheme membership in 2017 compared with 2016, with some regions showing a decline.

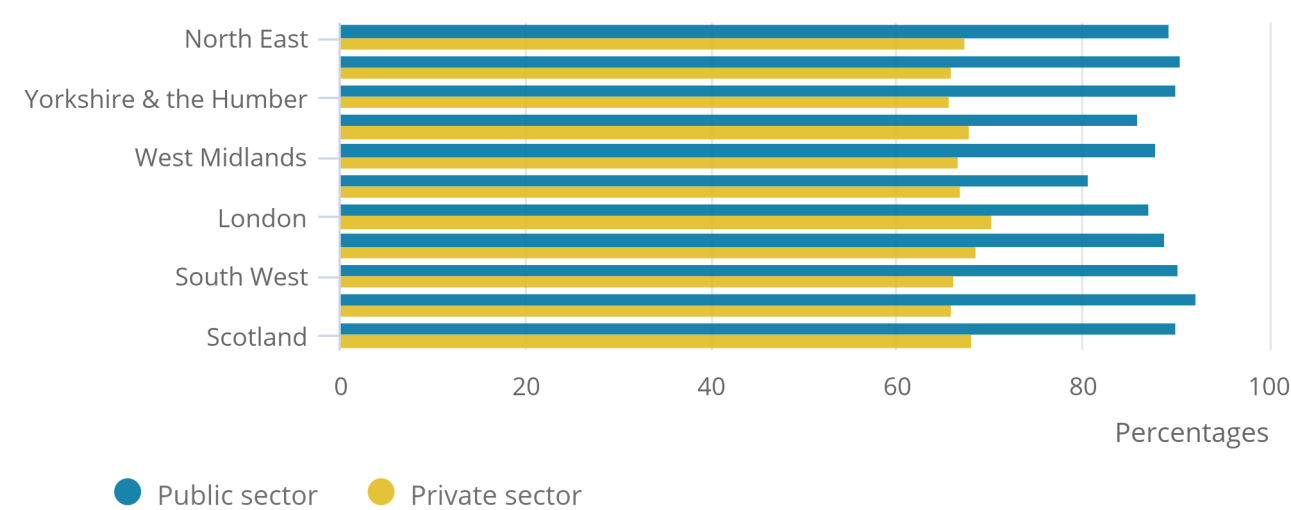
Unlike the private sector, the East of England had a slight decrease in membership levels from 82% in 2016 to 81% in 2017 and was the region with the lowest proportion of employee pension membership within the public sector. Employees in Wales had the highest proportion of pension scheme members within the public sector, with 92% of employees having membership.

Figure 8: Proportion of employees with workplace pensions: by sector and region

UK, 2017

Figure 8: Proportion of employees with workplace pensions: by sector and region

UK, 2017



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 Definitions).

6 . 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 in 2017 are illustrated by sector (Figures 9 and 10) and by pension type (Figures 11 and 12).

Contribution rates by age, occupation, industry and employer size are [available in the datasets](#) published as part of this release along with revised data for 2016.

There are inherent differences between defined benefit and defined contribution pension schemes, which can influence the level of contributions paid by both employers and employees. Consequently, employer and employee contribution rates tend to be higher in the public sector as the majority of pension schemes are defined benefit in type (Table 1). In the private sector, as defined benefit schemes are less common, contribution rates tend to be lower.

As part of the workplace pension reforms, minimum levels for employer and employee contributions required to allow pension schemes to qualify for automatic enrolment will be phased in over the period to 2019 (see Workplace pension reforms section). A rise in the number of new automatically-enrolled members starting on the minimum levels would increase the proportion of employee and employer contribution rates at those rates.

Figure 9 illustrates the proportion of employees in each employee contribution rate band by sector in 2017.

Between 2016 and 2017, the proportion of public sector employees in each contribution band remained largely unchanged. During both periods, almost half of all public sector employees with a workplace pension scheme contributed 7% or more of their pensionable earnings to their workplace pension whilst less than 1 in 10 employees contributed less than 5% of their pensionable earnings.

In contrast, in 2017 only 8% of employees with a workplace pension in the private sector contributed 7% or more of their pensionable earnings to their pension, a decrease of 1 percentage point since 2016. Nearly half of all private sector employees (48%) with pension membership contributed greater than zero and under 2% of their pensionable earnings, an increase of 6 percentage points since 2016. This compares with only 1% of public sector pension scheme employees contributing at this level.

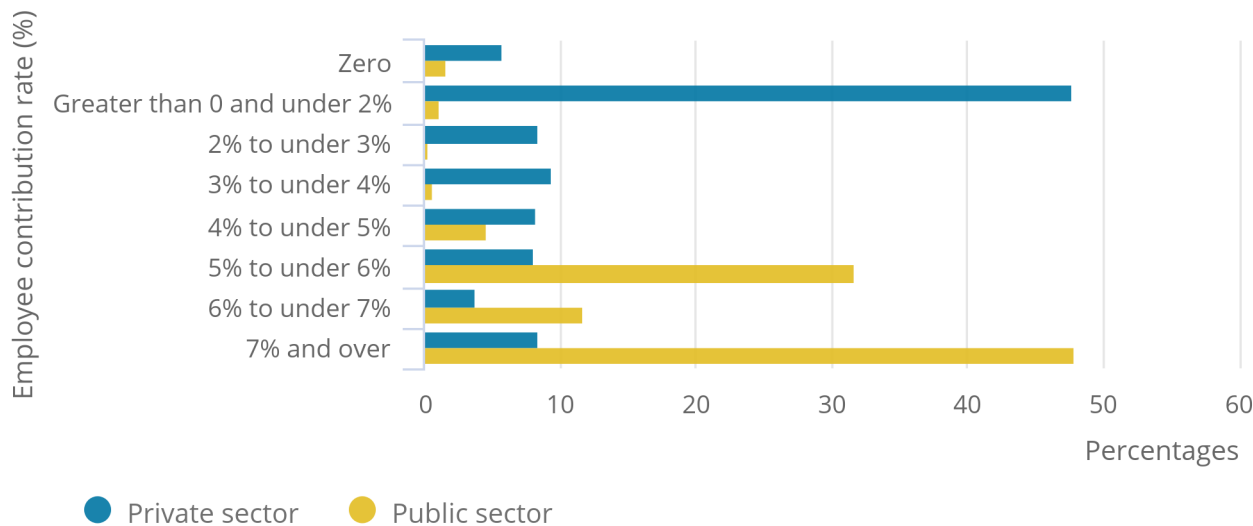
The increase in the proportion of private sector employees contributing greater than zero and under 2% may be explained by the rise in recently recruited pension scheme members that were automatically enrolled and consequently contributing the current required automatic enrolment minimum contribution level (2% of an employee's qualifying earnings (of which at least 1% must come from the employer)).

Figure 9: Employees with workplace pensions: percentages by banded rate of employee contribution and sector

UK, 2017

Figure 9: Employees with workplace pensions: percentages by banded rate of employee contribution and sector

UK, 2017



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 Definitions).
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence

The proportion of workplace pension scheme employees in each employer-contribution rate band in the public and private sectors in 2017 is illustrated in Figure 10.

In 2017, almost all (94%) public sector employees with a workplace pension scheme received employer contribution rates of 12% or more of their pensionable earnings, compared with only 12% of employees in the private sector.

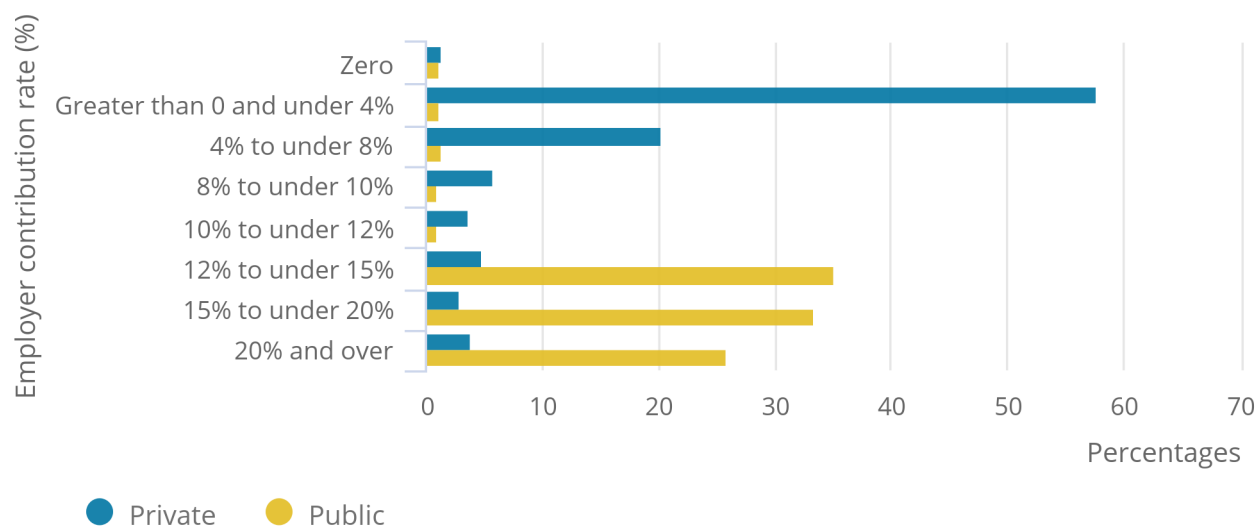
In 2017, there were 58% of private sector workplace pension members receiving contribution rates of greater than zero and under 4% of their pensionable earnings from their employers, an increase of 6 percentage points from 2016. This increase is explained by the rise in new automatically-enrolled members receiving current minimum employer contribution levels of 1% and is consistent with the increased proportion of employees in the private sector contributing greater than zero and under 2% (Figure 9).

Figure 10: Employees with workplace pensions: percentages by banded rate of employer contribution and sector

UK, 2017

Figure 10: Employees with workplace pensions: percentages by banded rate of employer contribution and sector

UK, 2017



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 Definitions).
2. Employee/employer contribution estimates exclude employees whose pay was affected by absence.

Figure 11 shows the proportion of employees in each employee-contribution rate band for employees with workplace pensions by pension type, in 2017.

Similar to 2016, in 2017 more than four in five (85%) employees with occupational defined benefit schemes contributed at least 5% of their pensionable earnings into their workplace pension.

In contrast, the majority of employees with occupational defined contribution and group personal and group stakeholder pensions contributed at a much lower rate.

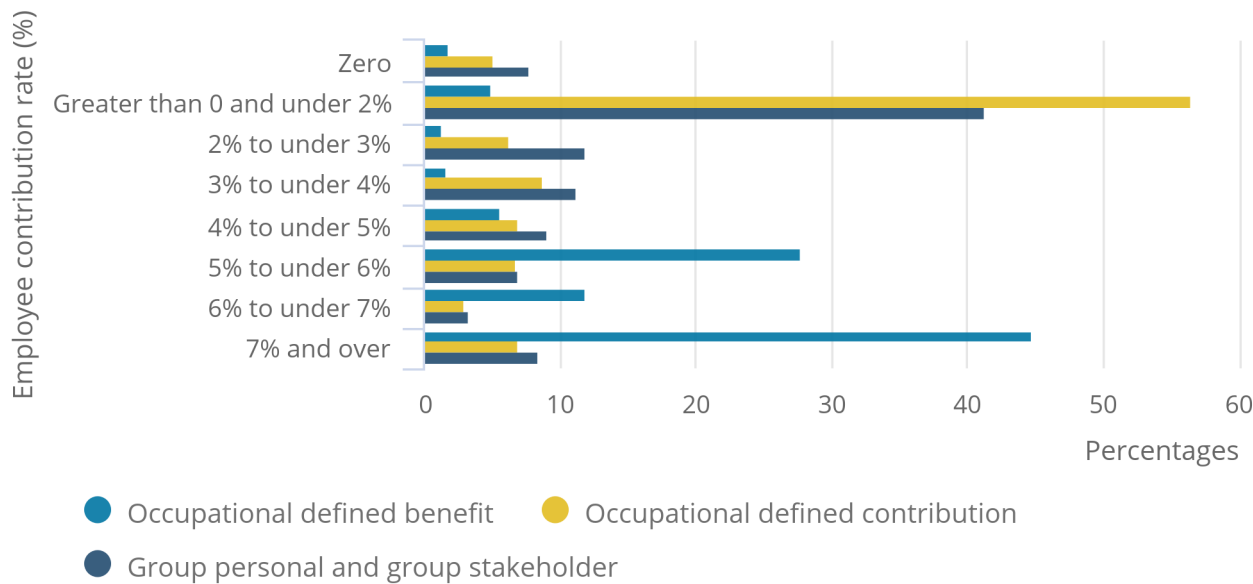
More than half (57%) of employees with occupational defined contribution schemes contributed greater than zero and under 2% of their pensionable earnings in 2017, an increase of 5 percentage points since 2016. More than two-fifths (41%) of employees with group personal and group stakeholder pensions contributed at this level, increasing from 38% in 2016. These growths are likely to be caused by new automatically-enrolled pension scheme members contributing the current required automatic enrolment minimum contribution level.

Figure 11: Employees with workplace pensions: percentages by banded rate of employee contribution and pension type

UK, 2017

Figure 11: Employees with workplace pensions: percentages by banded rate of employee contribution and pension type

UK, 2017



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 Employer 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.

Figure 12 illustrates the proportion of employees in each employer contribution rate band, for all employees with workplace pensions, by pension type in 2017.

In 2017, unchanged from 2016, there were 86% of employees with an occupational defined benefit pension receiving employer contributions of at least 12%.

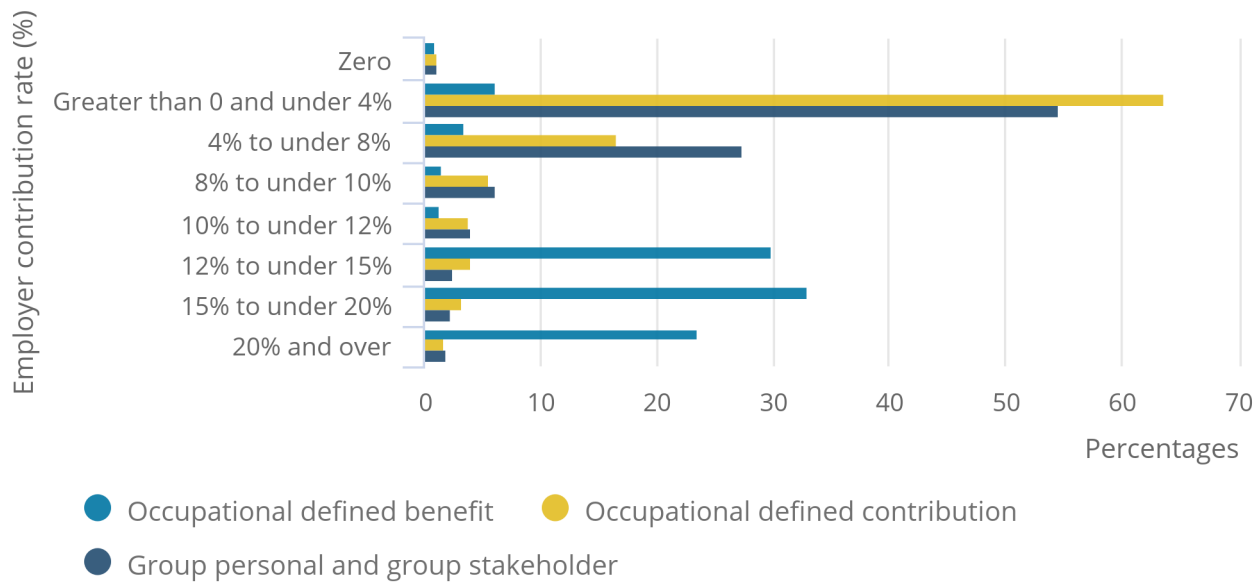
In 2017, there were 64% of employees with occupational defined contribution pensions and 55% of employees with group personal and group stakeholder pensions receiving employer contributions of greater than zero but less than 4% of pensionable earnings, both of which increased by 4 percentage points since 2016. These increases may be explained by new memberships, recruited because of automatic enrolment, receiving current minimum employer contributions.

Figure 12: Employees with workplace pensions: by banded rate of employer contribution; and pension type

UK, 2017

Figure 12: Employees with workplace pensions: by banded rate of employer contribution; and pension type

UK, 2017



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 Employer 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.

7 . Definitions

Automatic enrolment:

Under reforms brought in by the Pensions Act 2008, with updates in the Pensions Acts 2011 and 2014, automatic enrolment was introduced in October 2012 stating employers must enroll all eligible employees (who are not already participating in a qualifying workplace pension scheme) into a qualifying workplace private pension.

Staged automatic enrolment is based on the size of the employer's Pay As You Earn (PAYE) scheme and began in October 2012 with larger employers. It will be rolled out to all employers by 2018. Workers can opt out but will be re-enrolled every three years. Between October 2012 and April 2018, the minimum contribution is 2% of an employee's qualifying earnings of which at least 1% must come from the employer. (See also the workplace pension reforms section, [Automatic enrolment evaluation strategy 2017](#)).

Contributions:

Payments into a pension by employees (and other individuals) or by employers.

Defined benefit scheme:

An occupational pension scheme in which the rules specify the rate of benefits to be paid. The most common defined benefit 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 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. Defined contribution pensions may be occupational, personal or stakeholder pensions.

Group personal pension (GPP):

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):

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:

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. Group stakeholder pensions are a form of workplace pension.

Inter-Departmental Business Register:

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

Master trust:

A multi-employer trust-based pension scheme, which is promoted to and used by a range of unconnected employers.

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.

Opt-out:

Where a jobholder has been automatically enrolled, they can choose to “opt out” of a pension scheme. This has the effect of undoing active membership, as if the worker had never been a member of a scheme on that occasion. It can only happen within a specific time period, known as the “opt-out period”.

Opt-out period:

A jobholder who officially becomes a member of a pension scheme under the automatic enrolment provisions has a period of one calendar month during which they can opt out and get a full refund of any contributions made. This “opt-out period” starts from whichever date is the later of the date active membership was achieved or the date they received a letter from their employer with their enrolment information. After this opt-out period a jobholder can still choose to leave the scheme at any time, but will not usually get a refund of contributions, which will be held in their pension until they retire.

Pension scheme:

A legal arrangement offering benefits to members upon retirement. Schemes are provided by employers and are differentiated by a wide range of rules governing membership eligibility, contributions, benefits and taxation. Pension schemes in the private sector have trustees. Personal pensions and stakeholder pensions offered by insurance companies may also be referred to as schemes, but technically they are individual accounts rather than schemes.

Personal pension:

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 group personal pensions and group stakeholder pensions. Personal pensions are a form of defined contribution pension.

Phasing:

The government has set a minimum amount of money that has to be put into the pension by an employer and in total (that is, employer and worker's contribution). Currently the total minimum contribution is 2% of the worker's salary of which the employer must contribute at least 1% and 0.2% comes from the state in tax relief. From 6 April 2018, the minimum contribution rises to 5% of which the employer must contribute at least 2% and the state contributes 0.6% in tax relief. On 6 April 2019, the contribution rate rises again to a total of 8% of which the employer must contribute at least 3% and the state contributes 1% through tax relief.

Private sector schemes:

Schemes covering the part of the economy consisting of individuals, firms and other institutions. In ASHE, the public and private sectors are classified using the legal status from the Inter-Departmental Business Register. The private sector comprises businesses whose legal status is defined as "Company", "Sole proprietor" or "Partnership".

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. In ASHE, the public and private sectors are classified using the legal status from the Inter-Departmental Business Register. The public sector comprises those whose legal status is defined as "Public corporation", "Central government" or "Local authority".

Re-enrolment:

Every three years, staff who were automatically enrolled but opted out of or ceased active membership of a pension scheme more than 12 months before an employer's re-enrolment date must be automatically re-enrolled into the scheme. Again, they have the choice to opt out. This prompts them to revisit their initial decision to opt out.

Stakeholder pension:

Available since 2001, a flexible, portable, personal pension arrangement (provided by insurance companies) with capped management charges, that must meet the conditions set out in the Welfare Reform and Pensions Act 1999 and be registered with The Pensions Regulator. They can be taken out by an individual or facilitated by an employer. Stakeholder pensions are a form of defined contribution pension.

Standard Occupational Classification (SOC):

The [classificatory system used in the UK to place individuals into occupational groups](#).

Trust-based pensions:

Pension schemes set up under trust law by one or more employers for the benefit of workers. In a trust-based scheme a board of trustees is set up to run the scheme. Trustees are accountable for making decisions about the way the scheme is run, although they may delegate some of the everyday tasks to a third party. See also Occupational pension scheme and Master trust.

Workplace pension:

A workplace pension is a pension that is provided or facilitated by a workplace, principally for employees. It includes both occupational pension schemes and all forms of group personal and group stakeholder pensions.

8 . Links to related statistics

Further statistics on [workplace pensions](#), including [Automatic enrolment evaluation strategy](#), [pensions](#), [savings and investments](#) and [pension wealth](#) in the UK are available.

The full [Annual Survey of Hours and Earnings: 2017 provisional results](#) is also available.

9 . Quality and methodology

The [ASHE Quality and Methodology Information report](#) contains information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

Further background information is available from the [Annual Survey of Hours and Earnings \(ASHE\) methodology and guidance](#).

As ASHE is a survey of employers, it covers only 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 and where that contract is not facilitated by an employer.

In ASHE, employees are defined as making contributions to a workplace pension if they have made a contribution, or had a contribution made on their behalf, in the survey pay period.

[Detailed pensions tables from the 2017 Annual Survey of Hours and Earnings \(ASHE\)](#) are published as part of this release.

In addition to information on pensions, ASHE also provides information about the levels, distribution and make-up of earnings and hours paid for employees in all industries and occupations in [Annual Survey of Hours and Earnings, 2017 Provisional Results](#).

ASHE is based on a 1% sample of employee jobs taken from HM Revenue and Customs (HMRC) PAYE records. Information is obtained from employers and treated confidentially. ASHE does not cover the self-employed nor does it cover employees not paid during the reference period. In 2017, information related to the pay period which included 26 April.

The rules covering which employments' employers were required to report in PAYE changed in April 2013, effectively extending the coverage of the ASHE sample to include employments that were not covered under the previous rules. The new reporting system is known as "Real Time Information" (or RTI). Analysis of 2014 results showed that the composition of the ASHE sample was not substantially distorted as a consequence of the move to RTI. This is because the majority of the RTI-type jobs were already being reported via PAYE by employers in previous years. Consequently, it is believed that the impact of the move to RTI on the estimates for ASHE is negligible.

Statistics contained in this bulletin for 2016 relate to revised 2016 data, tables for which are published as part of this release: Annual Survey of Hours and Earnings, pension tables 2016 revised results.

The public and private sectors are classified using the legal status from the [Inter-Departmental Business Register](#) (see Definitions). "All employees" include employees from the public and private sectors and employees working for organisations classified as non-profit bodies.