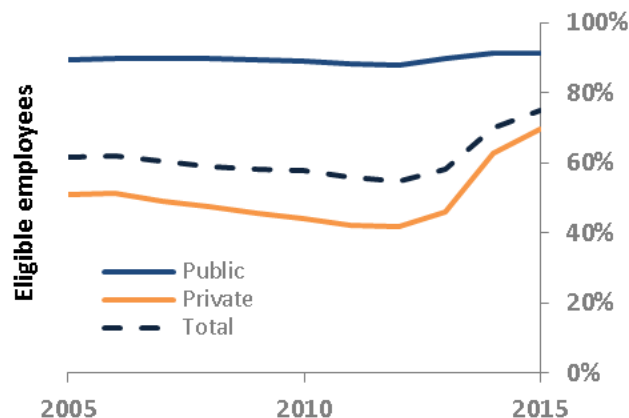


Automatic enrolment was introduced to help address the decline in private pension saving and to help normalise saving. It aims to increase workplace pension saving in the UK and forms part of a wider set of pension reforms designed to enable individuals to save towards achieving the lifestyle they aspire to in retirement. This annual official statistic publication is the third edition in the series. These official statistics complement the annual automatic enrolment evaluation reports by providing more detailed breakdowns of two key measures for evaluating the progress automatic enrolment implementation: increasing the number of savers, by monitoring trends in workplace pension participation and persistency of saving; and increasing the amount of savings, by monitoring trends in workplace pension saving.

## Main findings

### Savers, by sector



Three quarters of eligible employees are participating in a workplace pension

### Persistency of saving

79%

79 per cent of eligible employees have saved into a workplace pension in at least three of the last four years (referred to as persistency)

### Amount saved

£82bn

The annual total amount saved by eligible savers stands at £81.8 billion in 2015

## At a glance

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Any comments? We welcome feedback

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## What you need to know

Automatic enrolment mandates employers to provide a workplace pension for all workers meeting certain criteria<sup>1</sup>. Automatic enrolment commenced in 2012 beginning with the largest employers, with all employers in existence in April 2012 being required to meet their enrolment duties by February 2018. To date almost 6.9 million workers have been automatically enrolled and over 293,000 employers have completed their automatic enrolment duty<sup>2</sup>.

Throughout this report **eligible employees** are defined as employees who meet the automatic enrolment age and earnings criteria each year, and includes employees already a member of a workplace pension scheme (see methodology and technical notes for details).

In April 2018, contribution rates will increase from a minimum of 2% overall (with at least 1% from the employer) to a minimum of 5% overall (with at least 2% from the employer). Minimum contribution rates increase again in April 2019 to a minimum of 8% total (with at least 3% from employers).

## Summary of additional available data

All the information underpinning the charts and figures featured in this summary is included in accompanying excel tables.

## Notes

The analysis includes members of all qualifying workplace pension schemes: occupational pension schemes, group personal pensions (GPPs), and group stakeholder pensions (GSHPs). All analysis is based on eligible employees, and uprated using ONS Average Weekly Earnings values. Previous years' data have been adjusted to account for the annual revisions to the earnings thresholds used to determine automatic enrolment eligibility.

Rounding has been applied and suppression where the sample size is small (less than 20).

Data covers the period 2005 to 2015.

Charts show the percentage of eligible employees participating in a workplace pension unless otherwise stated.

We welcome feedback on the material provided to improve future releases.

<sup>1</sup> <https://www.gov.uk/workplace-pensions>

<sup>2</sup> <http://www.thepensionsregulator.gov.uk/docs/automatic-enrolment-declaration-of-compliance-monthly-report.pdf>

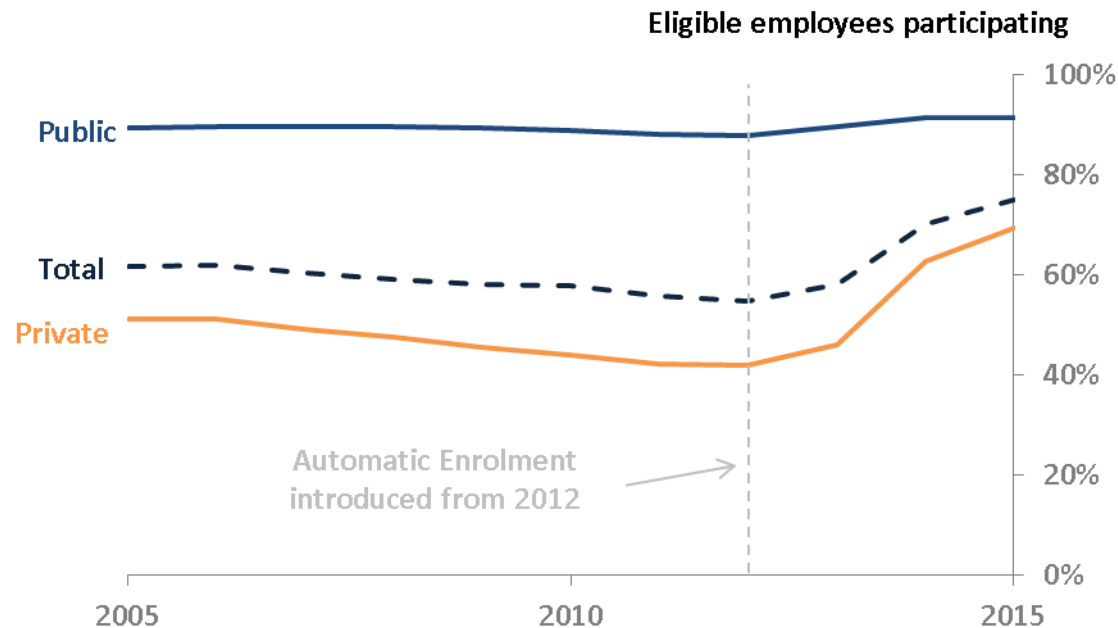
## Trends in workplace pension participation

# Overall, three quarters

of eligible employees were participating in a workplace pension in 2015



The proportion of private sector eligible employees participating in a workplace pension has been increasing since 2012; public sector participation remains high...



Between 2005 and 2012 there was a general downward trend in workplace pension participation, from 62 per cent (11.9 million eligible employees) to a low of 55 per cent (10.7 million). Since 2012 there has been a significant increase of 4.4 million to 15.1 million eligible employees participating in a workplace pension (75 per cent) in 2015, showing the positive impact of the workplace pension reforms to date.

**Public sector** pension participation remains high at 91 per cent (4.7 million public sector workers), an increase of 4 percentage points since 2012.

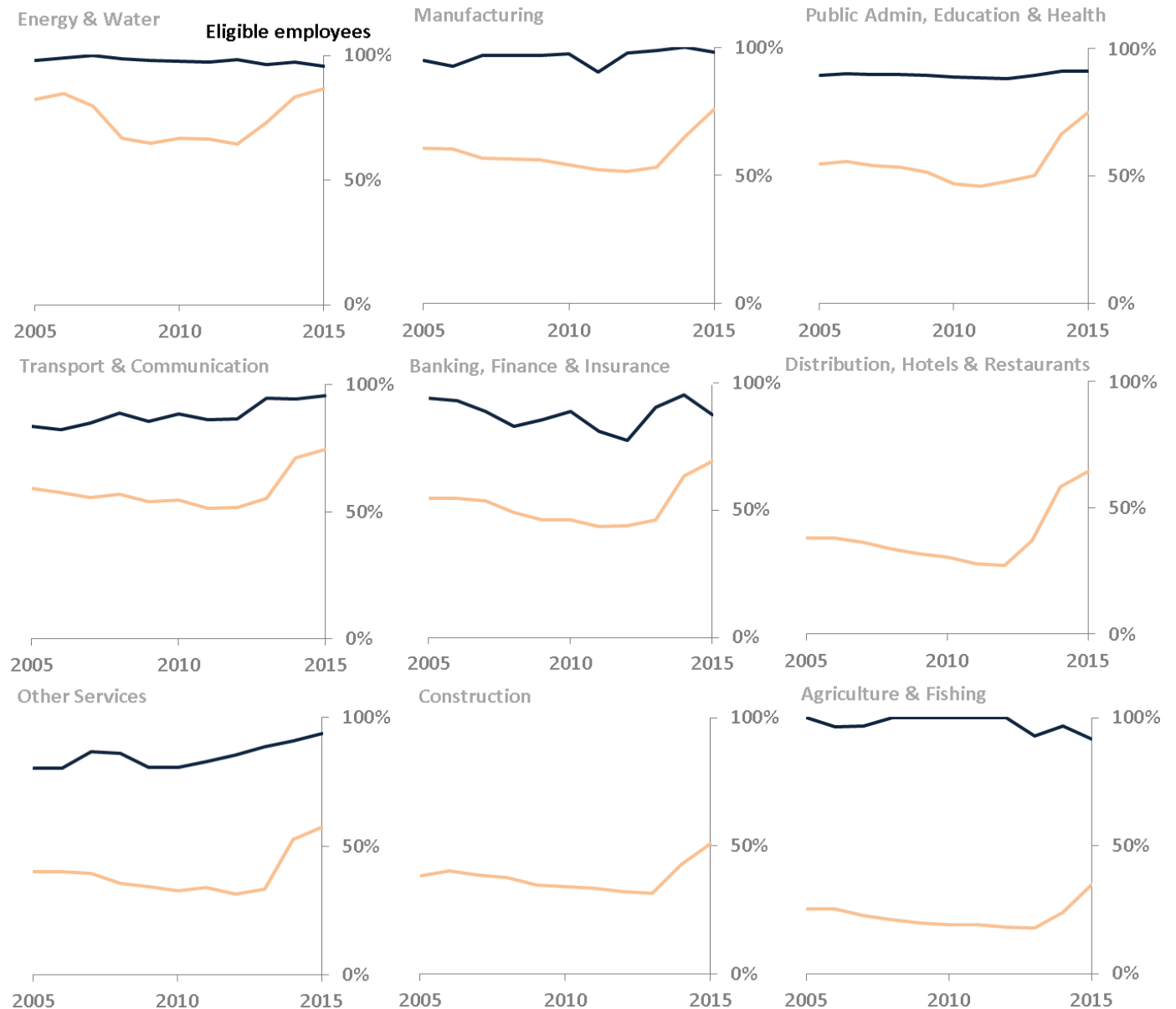
The largest increases have been seen within the **private sector**. Since 2012 private sector participation has risen by over 27 percentage points to 69 per cent of private sector eligible employees participating (10.4 million) in 2015.

# Industry, by sector

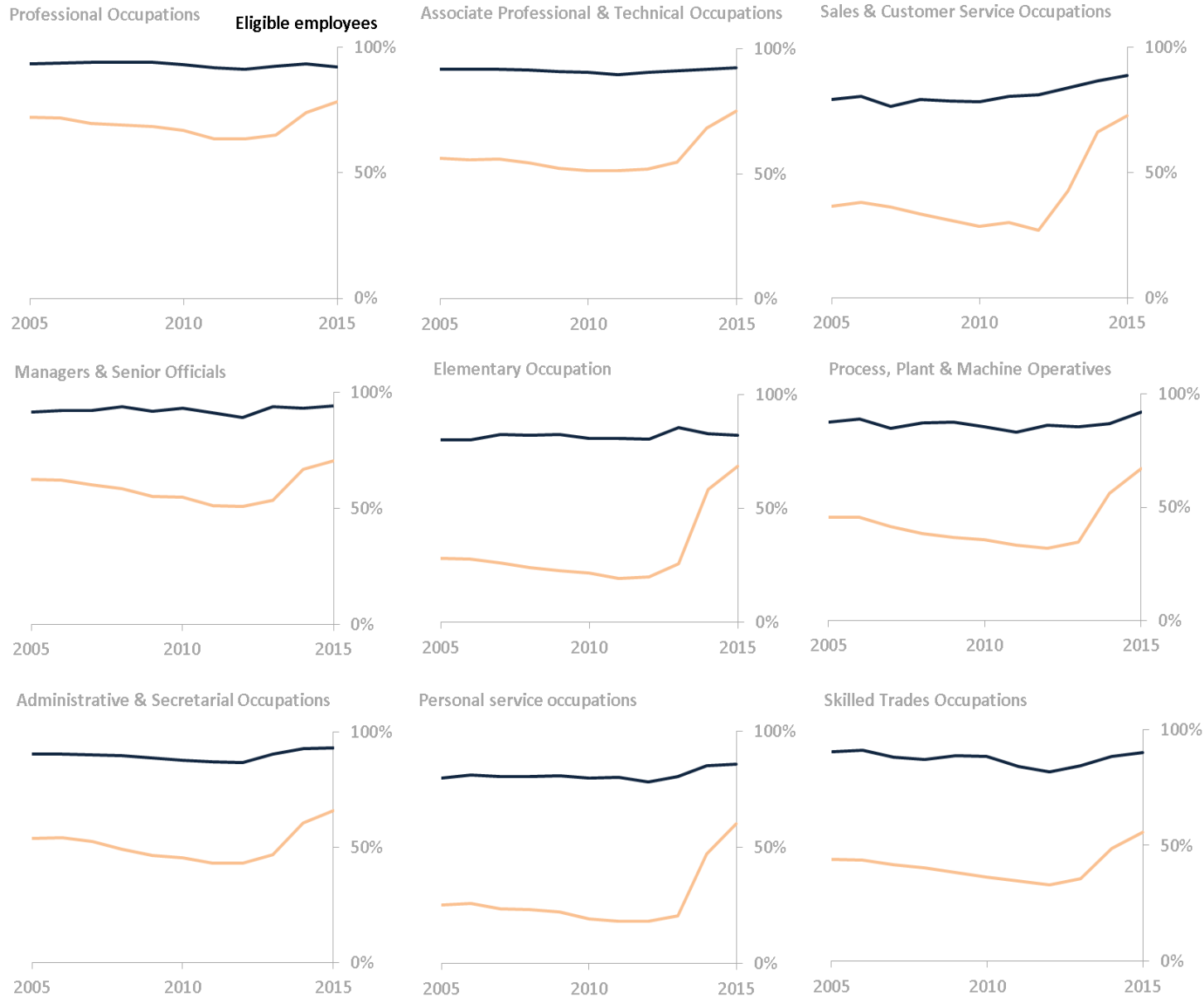
In 2015 workplace pension participation was highest in Energy & Water with 87 per cent of eligible employees participating and lowest in Agriculture & Fishing with 37 per cent participating.

In the **private sector** the industry seeing the largest increase between 2014 and 2015 was Agriculture & Fishing, from 24 per cent to 35 per cent. The Manufacturing industry also saw around an 11 percentage point increase in the period. Since 2012 the largest increase has been seen in the Distribution, Hotels & Restaurant industry, from 27 per cent to 64 per cent.

Participation in the **public sector** has remained relatively stable in comparison. All industries have higher participation levels than those in the private sector. The largest increase between 2014 and 2015 was in Other services (up 3 percentage points), whereas Banking, Finance & Insurance saw an 8 percentage point decrease in the period. Although this series has shown the most volatility since 2005, and levels remain high at 88 per cent (10 percentage points higher than in 2012). Public sector Construction and Distribution, Hotels & Restaurant industries not shown due to small sample sizes.



# Occupation, by sector



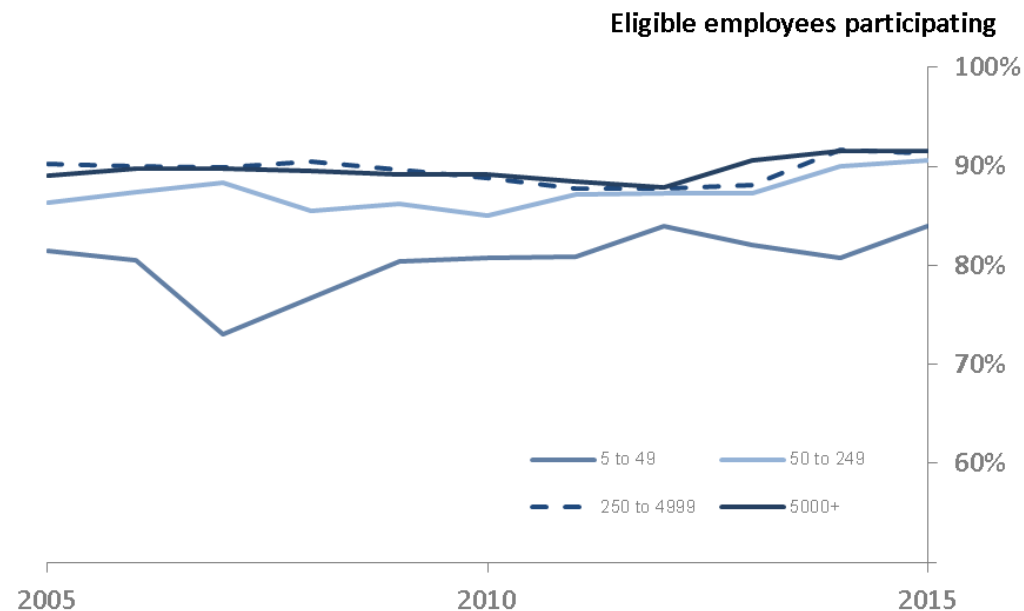
Overall, workplace pension participation remains highest in the Professional occupations with 85 per cent of eligible employees participating in 2015, compared to the lowest in Skilled trade occupations (such as plumber, carpenter, welder) where 58 per cent were participating in 2015.

In the **public sector** participation by occupation remains relatively stable with all occupations continuing to show higher participation levels than those seen in the private sector. Skilled trade occupations have shown the largest increase, since 2012, of 8 percentage points from 82 per cent to 90 per cent.

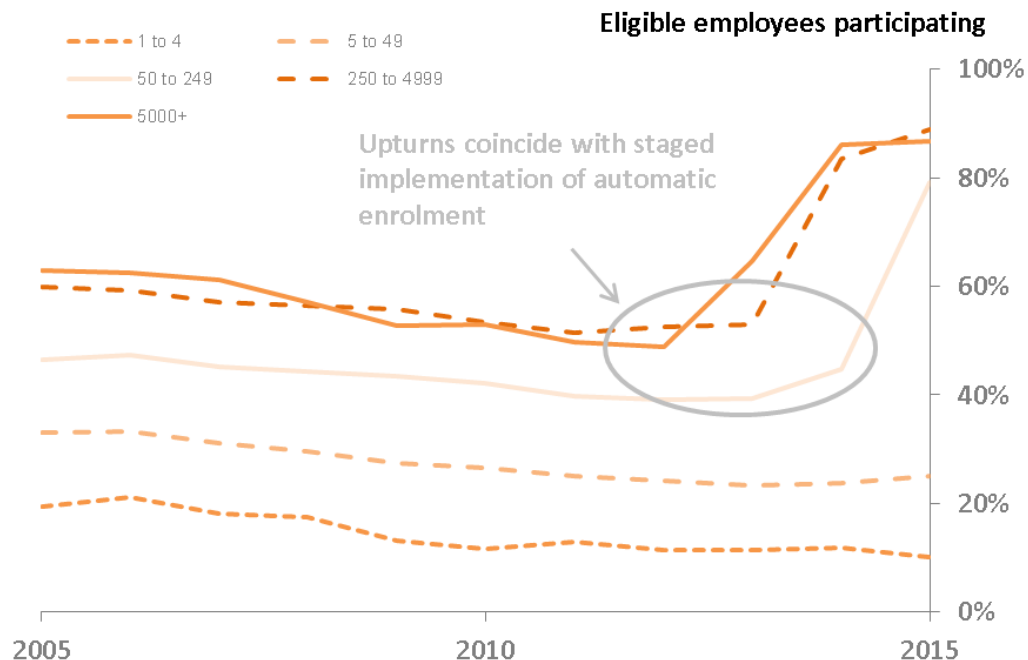
Between 2014 and 2015 all occupations in the **private sector** have seen increases in participation, continuing the upward trend since 2012. The largest increase in the period was in Personal service occupations (up 13 percentage points), with Elementary occupations (such as security guard, postal worker, cleaner) having seen the largest increase since the introduction of automatic enrolment.

## Employer size, by sector

In the **public sector**<sup>2</sup> participation rates have remained stable over the period. The largest public sector increase between 2014 and 2015 was seen in the small employer band (5 to 49 employees) which increased 3 percentage points. This band continues to have the lowest level of participation (84 per cent) compared to 92 per cent in the largest band (5,000 or more employees).

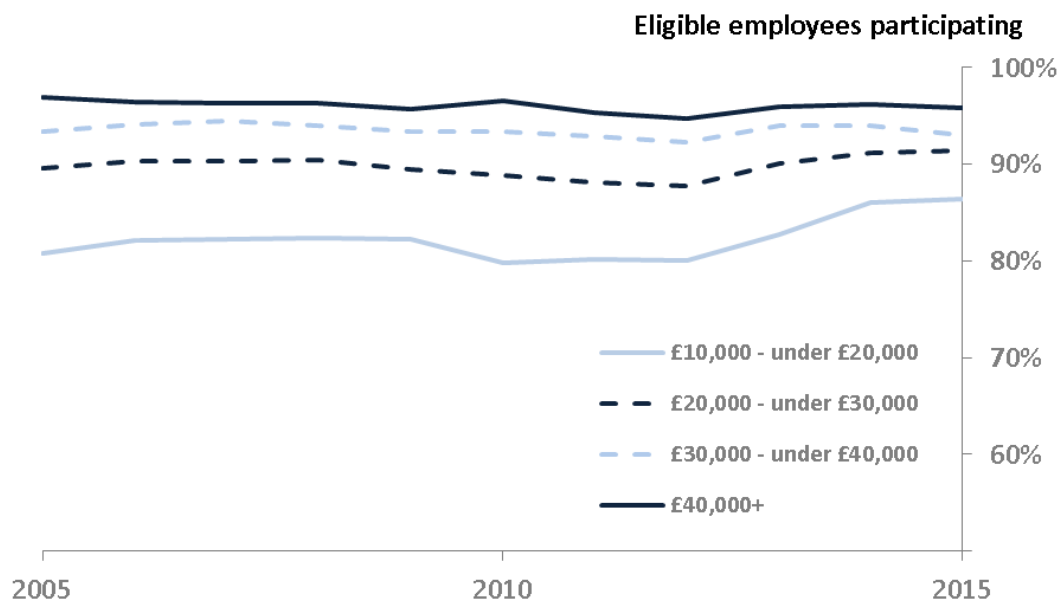


The highest level of **private sector** participation in 2015 was observed in the large employer band (250 to 4,999 employees), with 89 per cent of eligible employees participating. After large year-on-year increases since 2012 there was a levelling off in participation rates between 2014 and 2015 in the largest employers (5,000 or more employees). This coincides with the end of staging for large employers. Staging for small and micro employers (SMEs) only began in June 2015 and as such any impact will only be visible from the next ASHE.



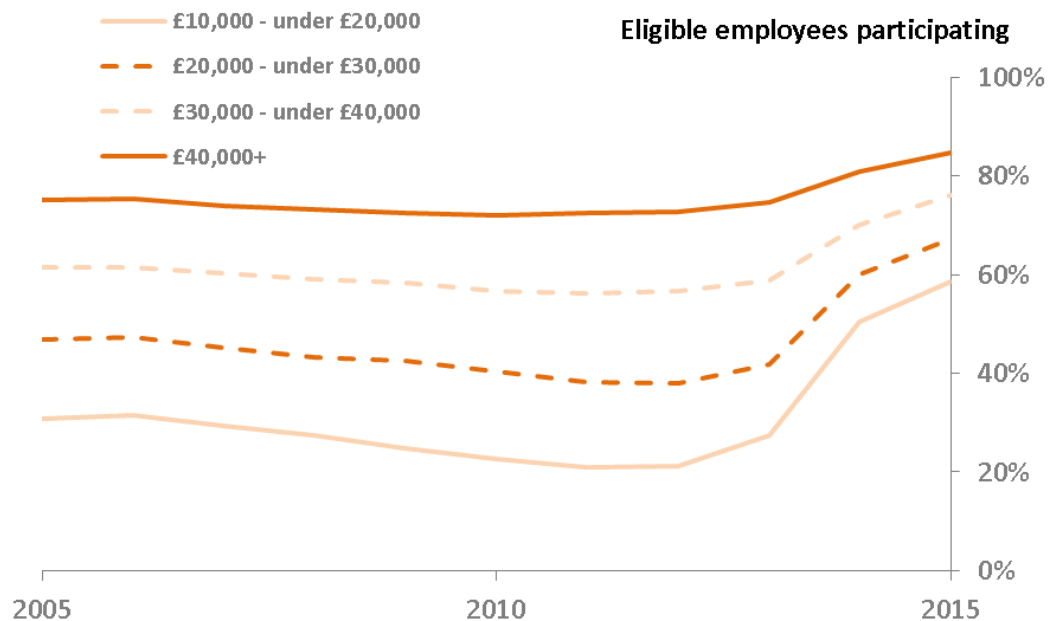
<sup>3</sup> Public sector 1 to 4 employee band not included due to small sample size

# Earnings, by sector



The highest earners (those earning over £40,000) continue to have the highest participation levels, in both the public and the private sectors. In 2015, 96 per cent of eligible public sector highest earning employees were participating in a workplace pension and 85 per cent in the private sector (88 per cent overall).

In the **public sector** the lowest earning bands have seen the largest increases in participation levels since 2012, although the levels of the lowest earning bands remain the lowest. There has been a 6 percentage point rise in the £10,000 – under £20,000 earnings band between 2012 and 2015.

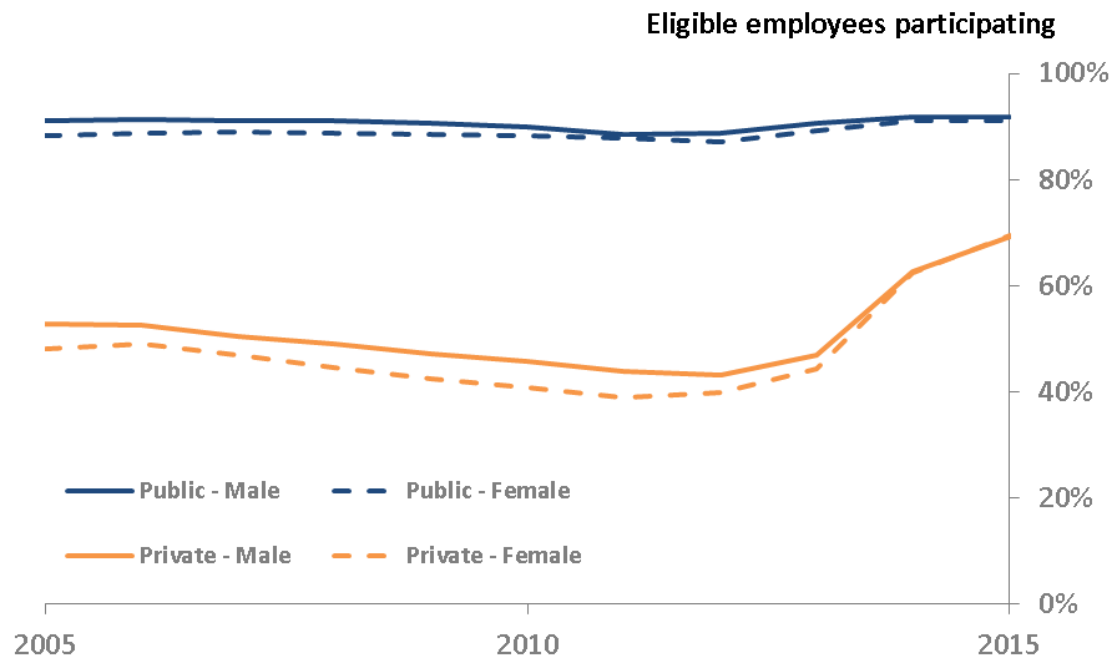


Similarly, in the **private sector** all earning brackets continue to show significant increases since the introduction of automatic enrolment with the largest increase (8 percentage points) in the £10,000 – under £20,000 category between 2014 and 2015.

## Gender, by sector

Participation rates were unchanged between 2014 and 2015 in the **public sector** for both male and female eligible employees. High levels of participation continue, 92 per cent for male and 91 per cent for female eligible employees.

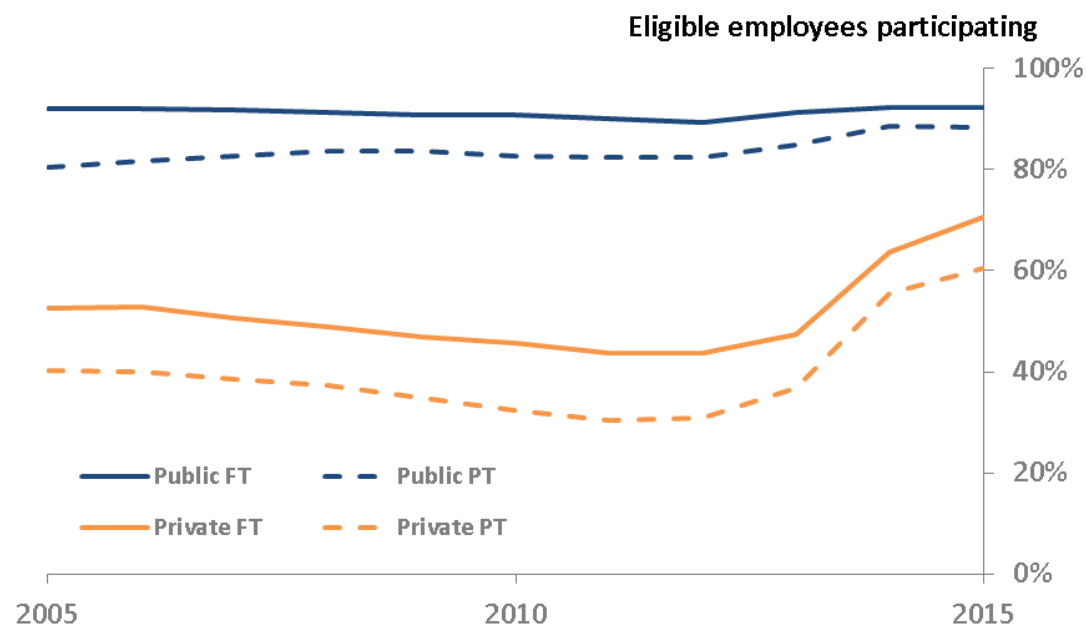
For the first time female participation in the **private sector** has risen to a level slightly higher than male eligible employees, 70 per cent compared to 69 per cent. Large increases between 2014 and 2015 continue the significant upward trend in the private sector since 2012.



## Working pattern, by sector

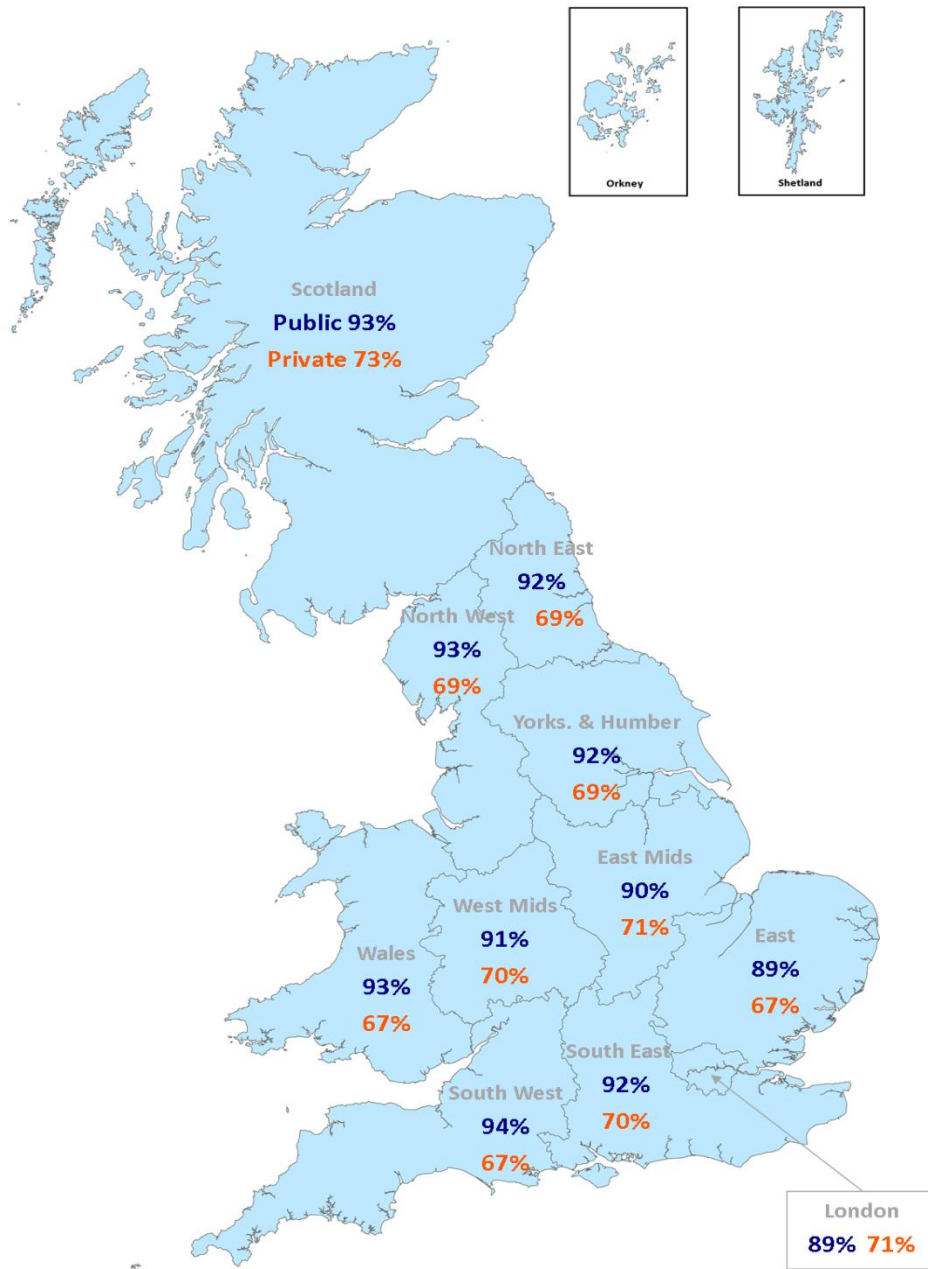
Overall, in 2015, participation remains higher for those working full time at 76 per cent compared to 72 per cent working part time. This gap has increased slightly since 2014, driven by the largest increase between 2014 and 2015 being in full time **private sector** participation which saw a 7 percentage point rise. This compares to a 5 percentage point rise in part time private sector participation levels.

Year-on-year around 15 per cent of eligible employees in the ASHE are classed as part time (i.e. working 30 hours or less per week or, for those in teaching professions, less than 25 hours per week), in 2015 the proportion was 14 per cent. It should also be noted that many part time workers will likely be earning less than the trigger therefore not included in the eligible population.





# Region, by sector



In general, there is little regional variation in workplace pension participation trends within sectors, but the large difference between the public and private sector participation levels is still apparent.

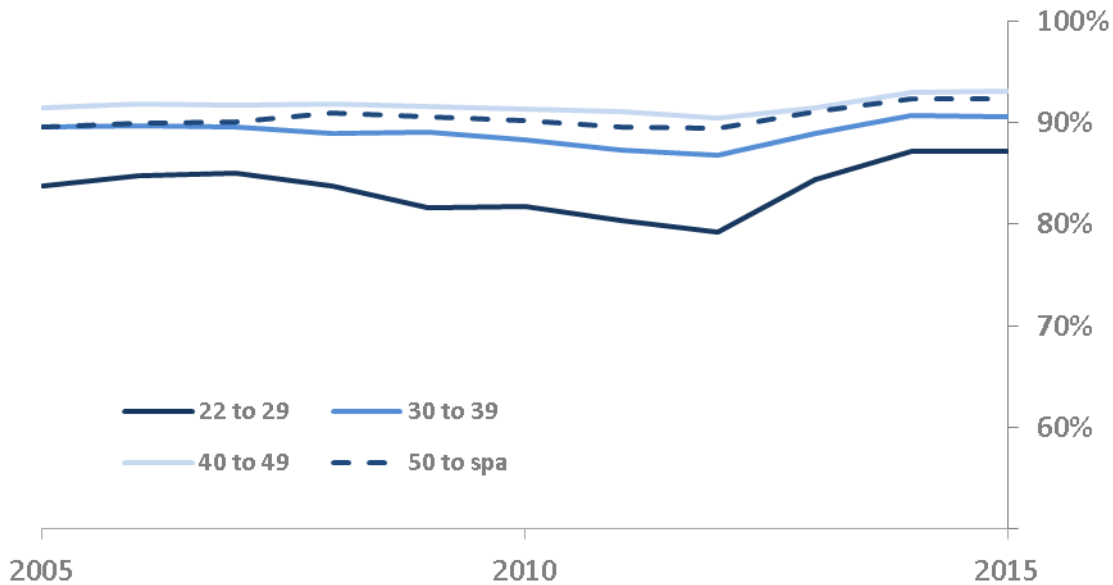
**The map opposite shows workplace pension participation of eligible employees by region and sector in 2015.**

Within the **public sector**, in 2015, the region with the highest levels of eligible employees participating in a workplace pension remains the South West, with 94 per cent. The lowest participation rates, of 89 per cent, are in London and East regions. The region seeing the largest yearly increase, of just over one percentage point, was the North West with participation increasing from 92 per cent to 93 per cent.

In the **private sector**, between 2014 and 2015, all regions have again seen large increases in pension participation, with the highest increase, of 9 percentage points, being in Yorkshire & The Humber and the lowest increase, of 5 percentage points, occurring in London. The region with the highest proportion of eligible employees participating in a workplace pension in 2015 was Scotland with 73 per cent compared with the lowest, of just under 67 per cent, in the South West.

# Age, by sector

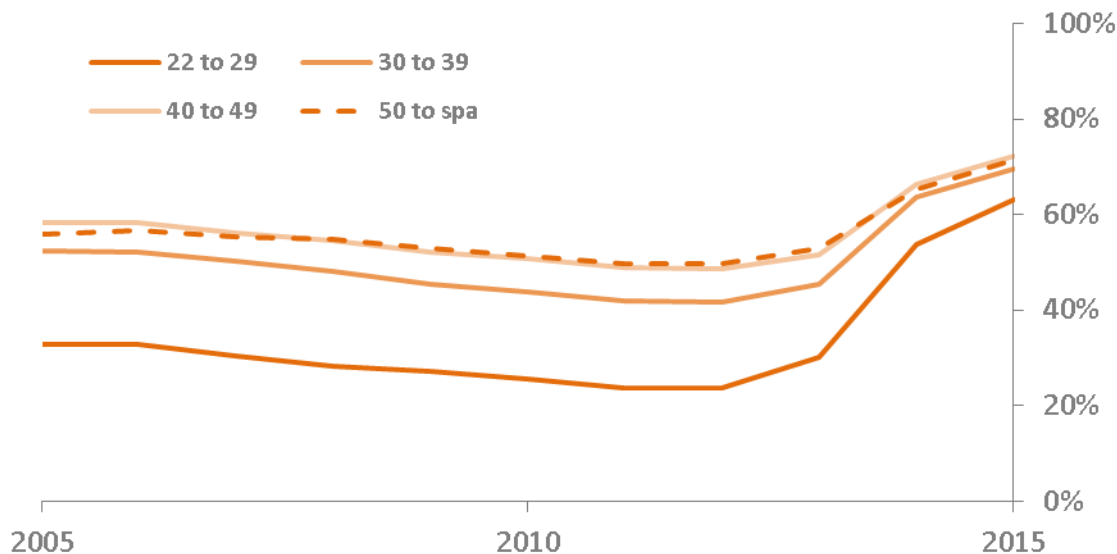
Eligible employees participating



In general, participation in workplace pensions continues to increase with age with the highest levels occurring within the older age groups. However, the largest increases between 2014 and 2015 being amongst eligible employees in the lower age groups, driven by private sector increases.

Pension participation in the **public sector** has remained stable, with the largest increases being eligible employees in the 22 to 29 years old age group, 87 per cent in 2015 (a rise of 8 percentage points since 2012).

Eligible employees participating



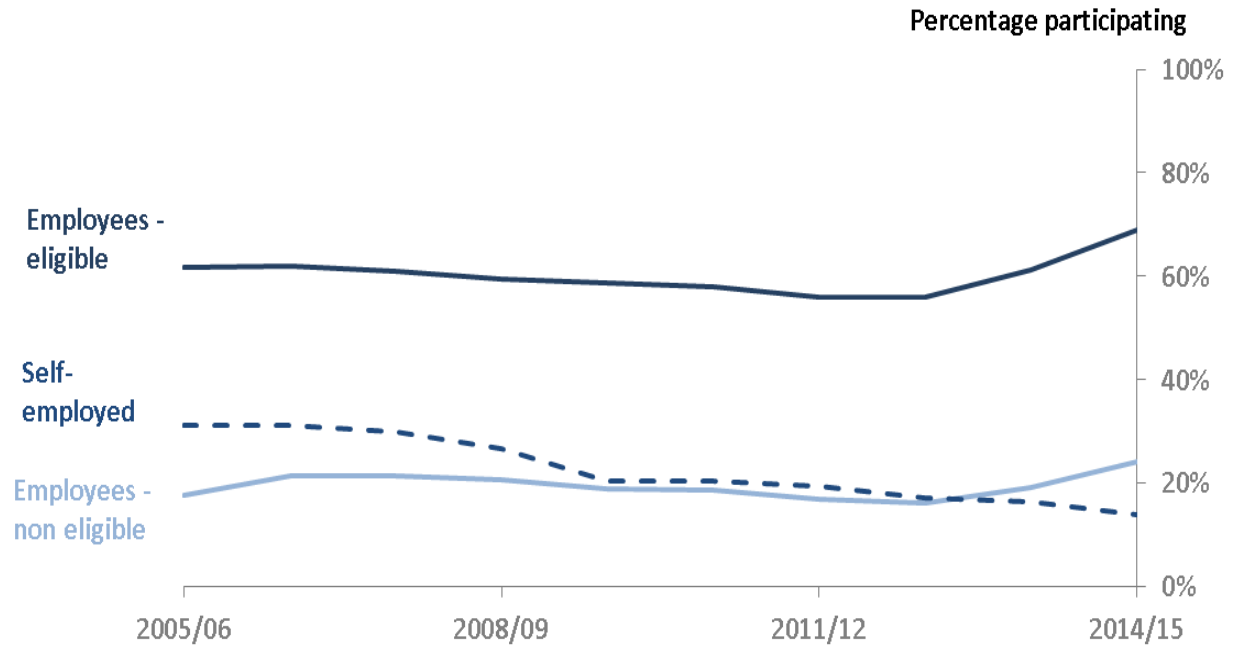
In the **private sector**, pension participation had been falling across all age bands until 2013, where all groups showed an increase. Again the largest increase was seen in the 22 to 29 age group, increasing from 24 per cent in 2012 to 63 per cent in 2015 (39 percentage point rise). All other age groups have also shown significant increases over this period too, those aged 30 to 39 increasing 28 percentage points.

## Economic status

This analysis uses the DWP Family Resources Survey (FRS) to provide breakdowns by characteristics not available from ASHE, however this means a sector breakdown is not possible. More detail on this analysis can be found in the accompanying **notes** section.

There was sustained decline in participation by eligible employees until 2012/13. Since then participation rates have shown a marked increase from 56 per cent in 2012/13 to 69 per cent in 2014/15.

An increase in participation can also be seen in the non-eligible group, rising from 16 per cent in 2012/13 to 24 per cent in 2014/15. However, there has been a steady decline in the self-employed group from 31 per cent in 2005/06 to 14 per cent in 2014/15.



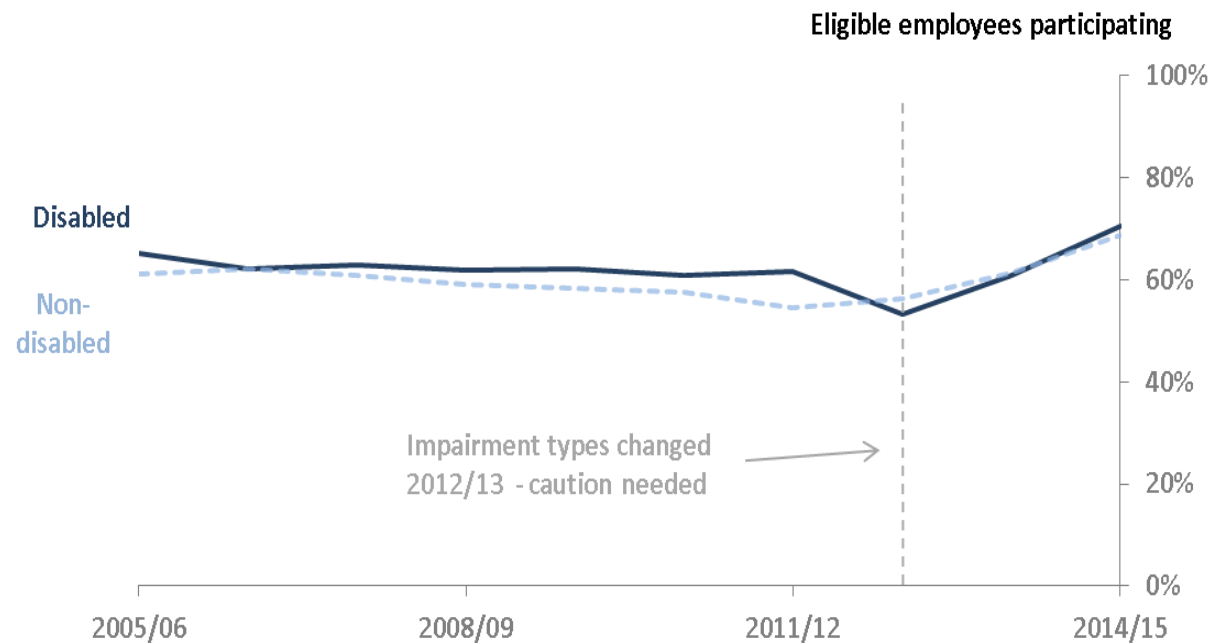
## Disability

The FRS data can also be used to show trends in pension participation for disabled and non-disabled eligible employees. There is little difference between these groups with 70 per cent of disabled eligible employees participating in 2014/15 and 69% of non-disabled eligible employees.

Both the disabled and non-disabled groups saw large increases between 2013/14 and 2014/15, rising 10 percentage points and 7 percentage points respectively.

The impairment types used to define disability status were changed in the 2012/13 survey to reflect new harmonised standards and therefore caution is needed where making comparisons over time.

It should be noted that disabled groups are generally less likely to be in the eligible group.



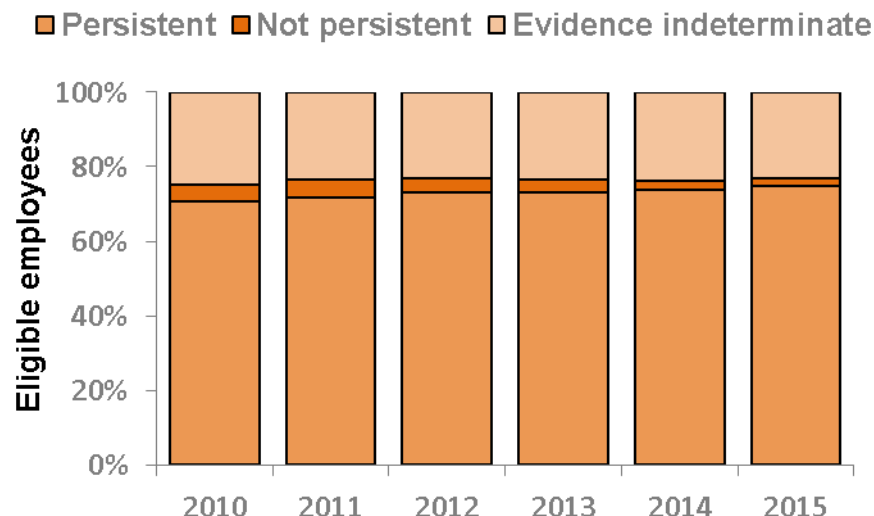
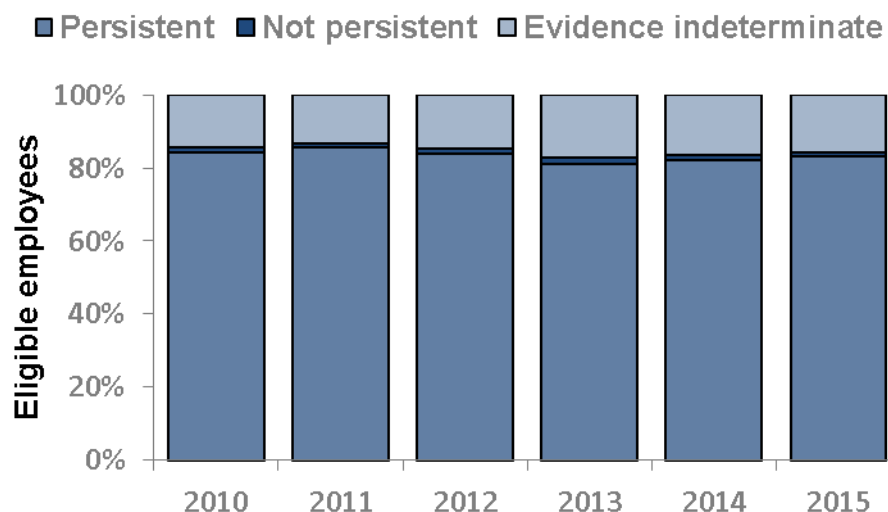
# Persistence of saving

## 79% of eligible employees are continuing to save persistently...

For the evaluation of automatic enrolment, the ASHE data is used to derive a persistency of saving measure to monitor the number of eligible employees regularly saving. This is defined as eligible employees saving into a workplace pension in **at least three years out of a period of four years**. Therefore this measure will be slow to reflect the effect of the increasing trend in workplace pension participation.

An eligible employee can disappear from the cohort either through changes in their eligibility status, stopping saving, leaving the labour market, staying with or moving to an employer who does not return the ASHE questionnaire.

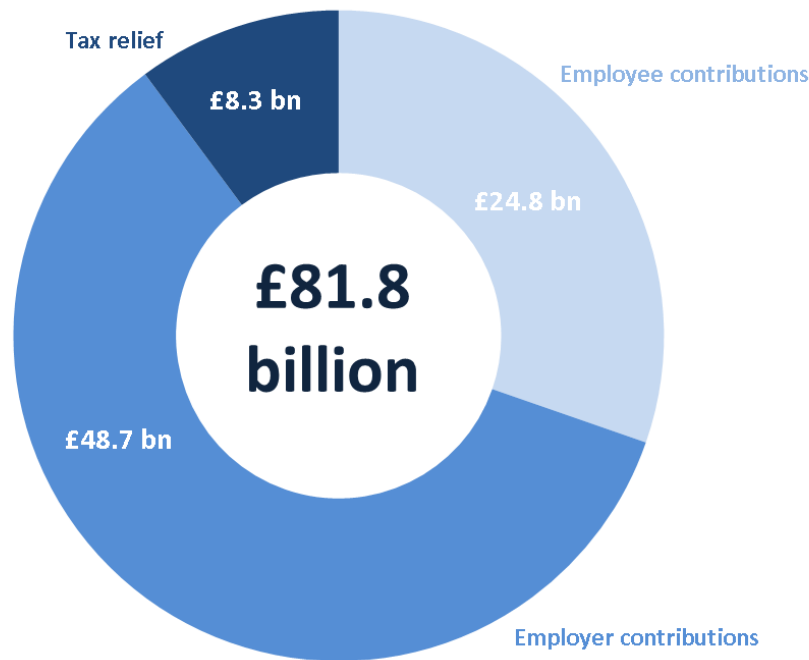
The latest analysis shows that there has been little change in persistency rates between 2014 and 2015. Overall, the vast majority of eligible employees are continuing to save persistently, at 79 per cent, and this has remained broadly consistent over the period shown. The proportion of eligible savers not saving persistently was one per cent in 2015, and for the remaining 20 per cent there is an indeterminate amount of evidence in the ASHE dataset to judge either way.



The estimates shown in charts above (percentage of eligible employees saving persistently 2010-2015, by **Public** and **Private** sector) are based on the number of years an eligible saver has been saving in a four year period. For example, the 2015 estimate is based on the number of years saving between 2012 and 2015, with eligibility being defined in 2012.

# Increasing the amount of savings

Total saved in 2015 (£ billions)

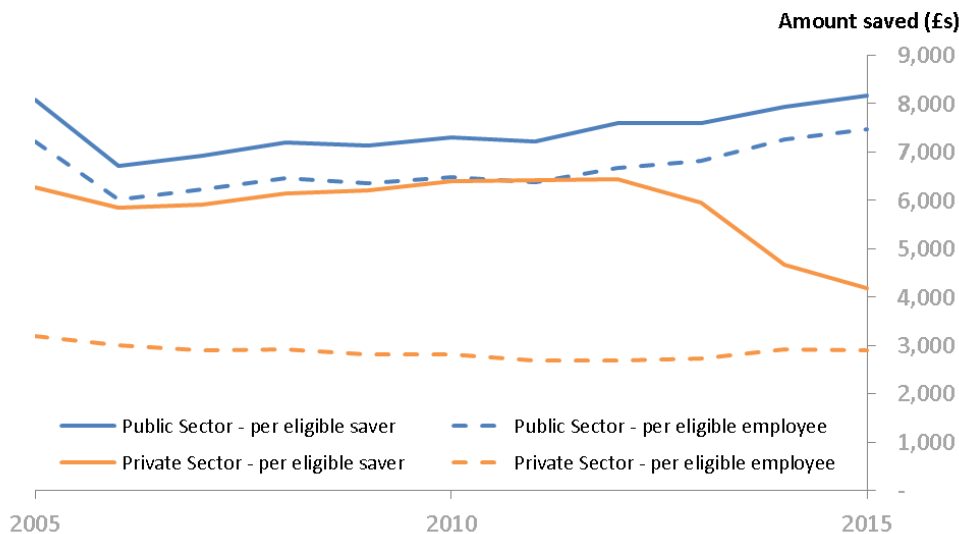


The annual total amount saved for eligible employees across both sectors stands at £81.8 billion in 2015, which is an increase of £1.4 billion from 2014. Annual total amounts saved increased in both public and private sectors from 2014. The **public sector** increased by £0.9 billion and the **private sector** by £0.6 billion.

Overall in 2015, contributions by employees accounted for 30 per cent of saving, with employer contributions accounting for 60 per cent, and tax relief the remaining 10 per cent.

For further information on the current trends in contribution rates for eligible employees please see the ONS website.

Updated DWP analysis, published October 2016, showing the estimated impact on savings by 2019/20 can also be found [here](#).



Within the public sector the amount saved per eligible saver (i.e. those who are saving into a workplace pension) continued to increase in 2015. In the private sector there was further decline between 2014 and 2015. This is likely to be a result of the increased number of savers in the private sector many of whom will be making contributions at the minimum level and therefore lowering the average overall. This is expected to change as a result of the planned increases, known as **phasing**, of the minimum contribution levels legislated for from 2018 (see methodological notes section).

## Methodological notes

**Eligible employee:** To define an eligible employee the data is restricted to capture employees who meet the automatic enrolment age and earnings criteria (see technical notes) each year, including employees already a member of a workplace pension scheme.

**Staged implementation:** The automatic enrolment duties are being staged in between October 2012 and February 2018 by employer size, starting with the largest employers based on PAYE scheme size, in October 2012, to the smallest in 2017. New PAYE schemes from April 2012 will be staged in last, in 2017 and 2018.

**Phasing:** The Government has set a minimum amount of money that has to be put into the pension by an employer and in total (i.e. employer and worker's contribution) which is increasing gradually over a number of years. Until 31st March 2018 the total minimum contribution will remain 2% of the worker's qualifying earnings of which the employer must contribute at least 1% and 0.2% will come from tax relief. From April 2018, the minimum contribution rises to 5% of which the employer must contribute at least 2% and 0.6% from tax relief. Then from April 2019 this rises again to a total of 8% of which the employer must contribute at least 3% and 1% will come in the form of tax relief.

**Data source, Annual Survey of Hours and Earnings (ASHE):** is published by the Office of National Statistics (ONS) and is a key 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 survey results are used widely in order to analyse pension participation and to monitor the impacts of pension reforms.

- ASHE is based on a 1% sample of employee jobs taken from HM Revenue & 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.
- The 2015 ASHE data was collected with reference to April 2015
- 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 Official Statistic as 'employees'.

For further information on ASHE please see the Background notes section on the ONS website.

**Data source, DWP Family Resources Survey (FRS):** is published by the Department for Work and Pensions (DWP), and is a continuous survey which collects information on the income and circumstances of individuals living in a representative sample of private households in the United Kingdom. The primary objective of the FRS is to provide DWP with information to inform the development, monitoring and evaluation of social welfare policy. Detailed information is collected on respondents' income from all sources including benefits, tax credits and pensions; housing tenure; caring needs and responsibilities; disability; expenditure on housing; education; childcare; family circumstances; child maintenance.

- As the latest FRS data was collected throughout the 2014/15 financial year and not collected with reference to an April reference date like the ASHE data, the two sources are not directly comparable. In addition any potential impact of automatic enrolment may be lessened in FRS findings because fewer employees will have been automatically enrolled due to the staged implementation approach.
- The FRS does not collect information on whether individuals work in the Public or Private sectors, as such breakdowns by sector cannot be provided.
- The impairment types used to define disability status have been changed in the 2012/13 survey to reflect new harmonised standards and therefore caution is needed where making comparisons over time.
- In October 2015, following further quality assurance of the methodology, a correction has been made to our analysis of the FRS which impacts on the trends for 2009/10 onwards.

For further information on FRS please see the latest published report.

## Technical notes for accompanying tables

The data behind each of the charts can be found in the accompanying tables.

- The analysis includes members of all workplace pension schemes: occupational pension schemes, group personal pensions (GPPs) and group stakeholder pensions (GSHPs).
  - All analysis is based on eligible employees, and uprated using ONS Average Weekly Earnings (AWE) values. Gross annual earnings are derived using weekly pay, and no filter has been included for loss of pay in the pay period. The ONS Average Weekly Earnings Statistics, EARN01 (KAC3) series is used.
  - Previous years' data have been adjusted to account for the annual revisions to the earnings thresholds used to determine automatic enrolment eligibility. The £10,000 threshold (in 2014/15 earning terms) has been applied in 2015. The £9,440 threshold (in 2013/14 earning terms) has been applied in 2014. The £8,105 threshold (in 2012/13 earning terms) has been applied in 2013 and deflated by AWE from 2005 to 2012.
  - State pension age (SPa) began to increase from 2011. The age tables take account of this change and therefore state pension age varies after 2011, these changes have also been applied when selecting employees between 22 and state pension age. See this link for more information.
- Data up to 2008 is based on Standard Industrial Classification (SIC) 2003. From 2008 onwards, SIC 2007 is used, creating a slight break in the series. Therefore, care should be taken when interpreting the full time series.
  - Data up to 2011 is based on Standard Occupational Classification (SOC) 2000. From 2011 onwards, SOC 2010 is used, creating a slight break in the series. Therefore, care should be taken when interpreting the full time series.
  - Rounding has been applied and suppression where the sample size is small.

# About these statistics

## Useful links

More information can be found about automatic enrolment at: <http://www.thepensionsregulator.gov.uk/automatic-enrolment.aspx> or <https://www.gov.uk/workplace-pensions>

Previous publications can be found at: <https://www.gov.uk/government/collections/workplace-pension-participation-and-savings-trends>

## Other National and Official Statistics

Details of other National and Official Statistics produced by the Department for Work and Pensions can be found on the DWP website at the following links:

- A list of Tabulation Tools: <https://www.gov.uk/government/organisations/department-for-work-pensions/series/dwp-statistics-tabulation-tool>;
- A schedule of statistical releases over the next 12 months and a list of the most recent releases: <https://www.gov.uk/government/organisations/department-for-work-pensions/about/statistics>;
- In accordance with the Code of Practice for Official Statistics, all DWP National Statistics are announced at: <https://www.gov.uk/government/statistics/announcements>

In addition, users can find links to DWP additional statistical analyses that have not been included in our standard publications at:

<https://www.gov.uk/government/organisations/department-for-work-pensions/series/ad-hoc-statistical-publications-list>

If you would like to receive occasional e-mails from DWP to directly inform you of documents seeking the views of users, please email [general.statistics@dwp.gsi.gov.uk](mailto:general.statistics@dwp.gsi.gov.uk) giving details of the DWP publications you use.