



Department
for Work &
Pensions

Proportion of private sector employees eligible for automatic enrolment saving into a workplace pension

Broken down by Industry, Employer size, Earnings
band and Age band

December 2013

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Proportion of employees eligible for automatic enrolment in the private sector, saving into a workplace pension

Background

Millions of people in the UK are not saving enough for retirement. Automatic enrolment 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.

The Automatic Enrolment Evaluation Report 2013¹ brings together the latest evidence to show what has happened since automatic enrolment began and updates key indicators that will be used to monitor progress throughout implementation.

Methodology

Chapter 3 of the Evaluation report covers the pension participation of eligible employees² by various breakdowns. This uses DWP estimates, derived from the Annual Survey of Hours and Earnings (ASHE) from the Office for National Statistics (ONS).

This publication focuses on the private sector only, to monitor the trends in pension saving over time for this sector, broken down by industry, employer size, earnings and age.

The methodology used is identical to that used within the Evaluation report.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261672/rrep854.pdf

² An eligible employee must be aged at least 22 but under State Pension age, earn above the earnings trigger for automatic enrolment (£9,440 in 2012/13 earnings terms) and work, or usually work, in the UK.

Results

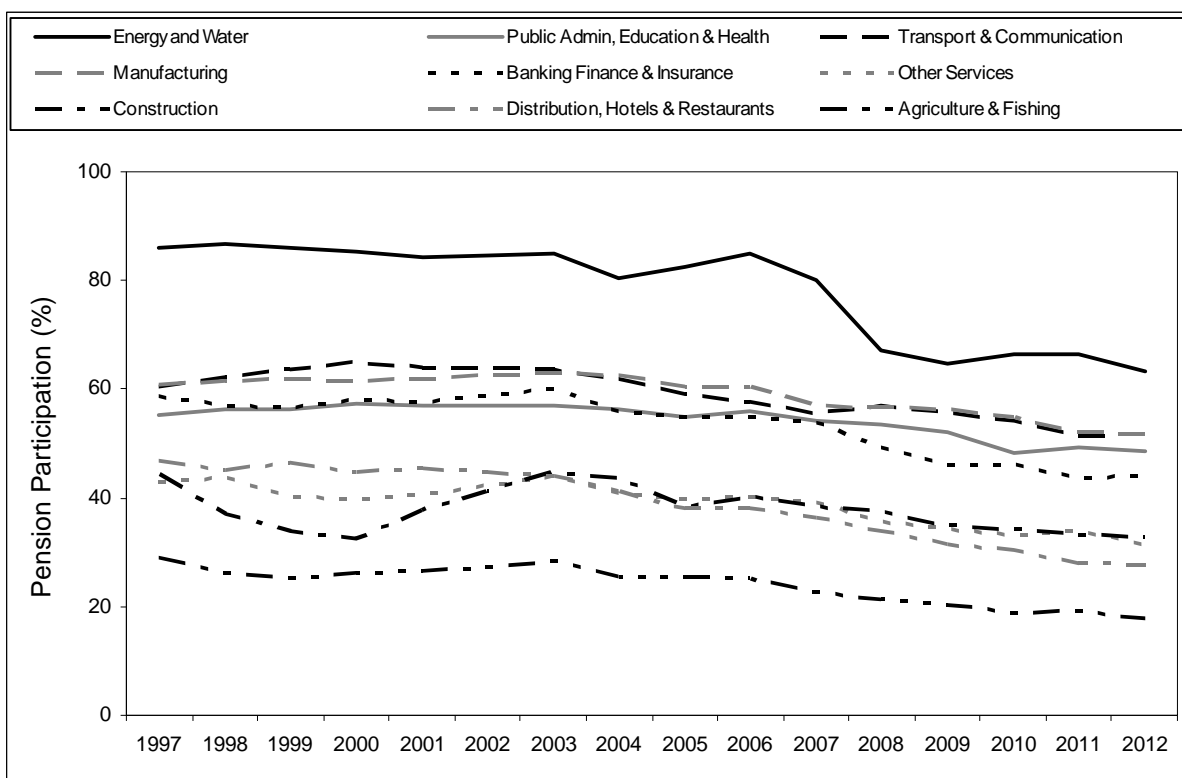
Industry

Chart 1 illustrates the pension participation rates by industry.

The general pattern of pension saving decline is visible in the private sector.

The Energy and Water industry continues to have the greatest participation rate at 63 per cent in 2012, whilst Agriculture and Fishing continues to have the lowest, of 18 per cent.

Chart 1: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by industry, 1997 to 2012



Note: Data up to 2008 is based on SIC 2003. From 2008 onwards, SIC 2007 is used, creating a slight break in the series. Care should therefore be taken when interpreting the full-time series.

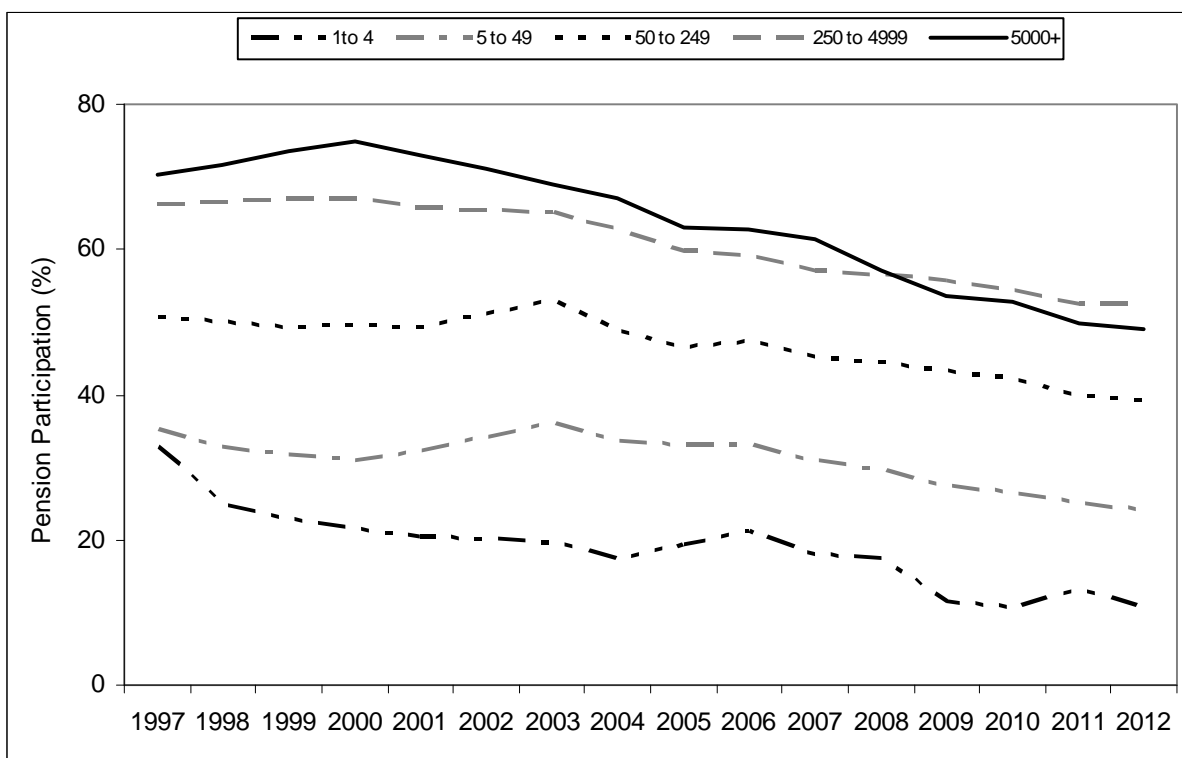
Employer Size

Chart 2 illustrates the pension participation rates by employer size.

Employers with 5,000 or more employees have a participation rate of lower than 50 per cent for the first time in 2012, at 49 per cent.

Overall participation rates are higher in larger employers. Within employers that have between 250 and 4,999 employees, the participation rate is at its highest at 53 per cent.

Chart 2: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by employer size, 1997 to 2012



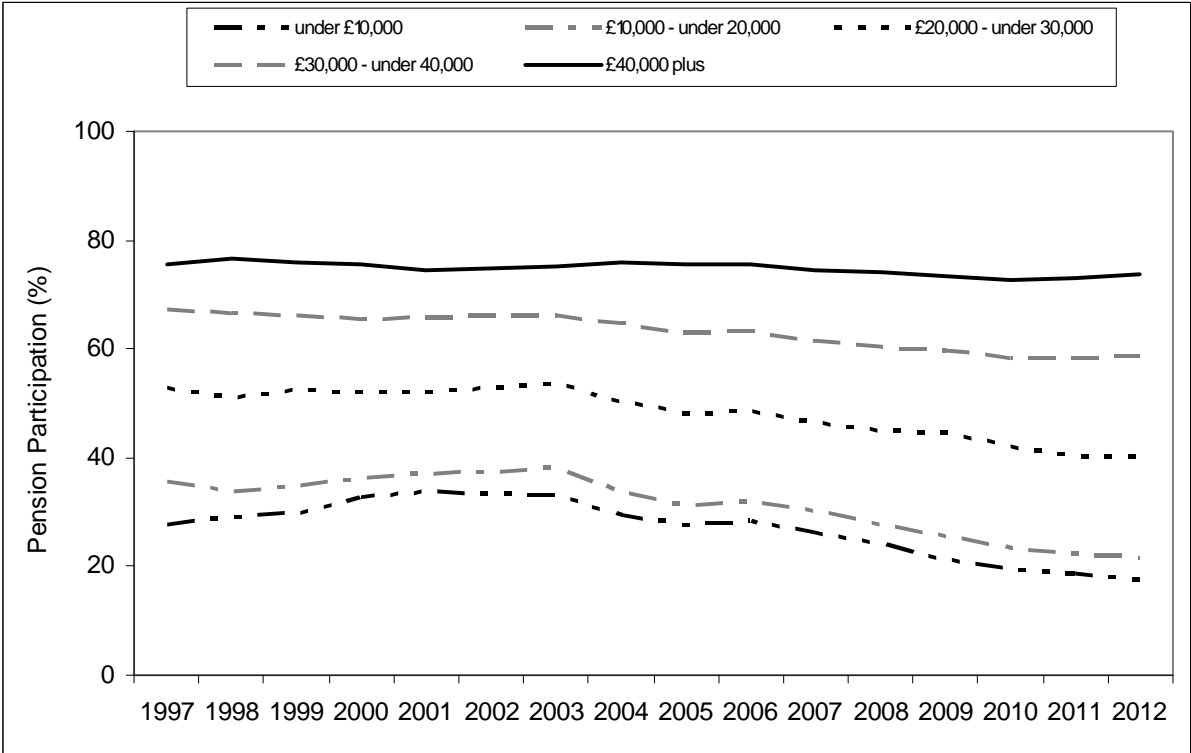
Earnings

Chart 3 illustrates the pension participation rates by earnings band.

The general pattern of pension saving decline is visible in the private sector, as it is for all employees, with the exception of the highest earners, who are saving at a relatively stable 74 per cent in 2012.

Pension participation rates are higher, as earnings increase. Those earning less than £10,000 have a 32 per cent saving rate.

Chart 3: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by earnings band, 1997 to 2012



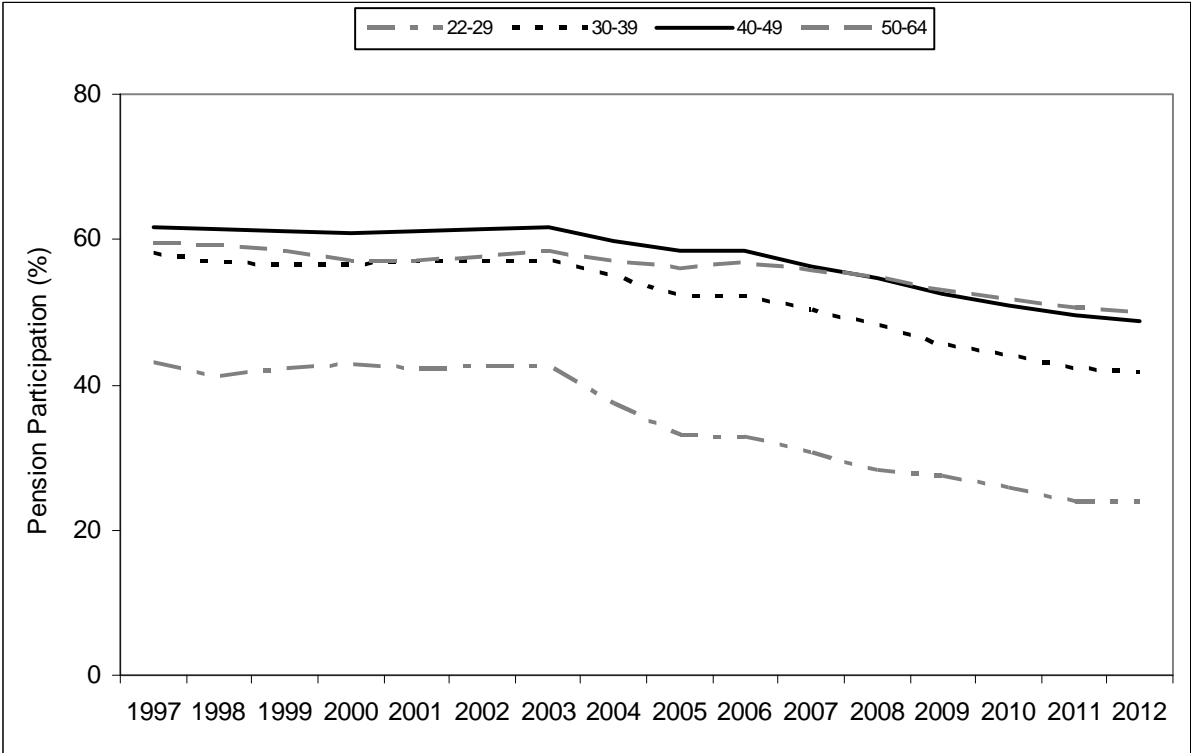
Age

Chart 4 illustrates the time series' for all age bands.

Pension participation, in the private sector, has continued to decline in all age bands, with the rate of decline being higher for the younger age bands.

Eligible employees aged between 22 and 29 continue to have the lowest levels of participation, declining to 24 per cent in 2012, compared with 42 per cent of employees aged between 30 and 39. In the two older age bands (40 to 49 and 50 to 64) participation has remained relatively stable since 2011 at around 50 per cent.

Chart 4: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by Age Band, 1997 to 2012



Proportion of employees eligible for automatic enrolment, saving in the private sector

Tables

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

Table 1: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by industry, 1997 to 2012

	Energy and Water	Public Admin, Education & Health	Transport & Communication	Manufacturing	Banking Finance & Insurance	Other Services	Construction	Distribution, Hotels & Restaurants	Agriculture & Fishing
1997	86	55	61	61	59	43	44	47	29
1998	87	56	62	62	57	44	37	45	26
1999	86	56	64	62	57	40	34	46	25
2000	85	57	65	61	58	40	32	45	26
2001	84	57	64	62	58	41	38	45	27
2002	85	57	64	63	59	42	41	45	27
2003	85	57	64	63	60	44	45	44	28
2004	80	56	62	62	56	41	44	41	25
2005	82	55	59	61	55	40	38	38	25
2006	85	56	58	60	55	40	40	38	25
2007	80	54	56	57	54	39	39	36	23
2008	67	54	57	57	49	36	38	34	21
2009	65	52	56	56	46	34	35	32	20
2010	66	48	54	55	46	33	34	30	19
2011	66	49	51	52	44	34	33	28	19
2012	63	48	52	52	44	31	33	27	18

Note: Data up to 2008 is based on SIC 2003. From 2008 onwards, SIC 2007 is used, creating a slight break in the series. Care should therefore be taken when interpreting the full-time series.

Proportion of employees eligible for automatic enrolment, saving in the private sector

Table 2: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by employer size (number of employees), 1997 to 2012

	1 to 4	5 to 49	50 to 249	250 to 4999	5000+
1997	33	35	51	66	70
1998	25	33	50	67	72
1999	23	32	49	67	73
2000	21	31	49	67	75
2001	21	32	49	66	73
2002	20	34	51	66	71
2003	20	36	53	65	69
2004	17	34	49	63	67
2005	19	33	47	60	63
2006	21	33	47	59	63
2007	18	31	45	57	61
2008	17	30	44	56	57
2009	11	27	43	56	54
2010	11	27	42	54	53
2011	13	25	40	53	50
2012	11	24	39	53	49

Proportion of employees eligible for automatic enrolment, saving in the private sector

Table 3: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by earnings band, 1997 to 2012

	under £10,000	£10,000 - under 20,000	£20,000 - under 30,000	£30,000 - under 40,000	£40,000 plus
1997	28	35	53	67	76
1998	29	34	51	67	77
1999	30	35	52	66	76
2000	33	36	52	65	75
2001	34	37	52	66	75
2002	33	38	53	66	75
2003	33	38	53	66	75
2004	30	34	50	65	76
2005	28	31	48	63	76
2006	29	32	49	63	76
2007	26	30	46	62	75
2008	24	28	45	60	74
2009	21	26	45	60	73
2010	19	24	42	58	73
2011	19	22	40	58	73
2012	18	22	40	59	74

Proportion of employees eligible for automatic enrolment, saving in the private sector

Table 4: Proportion of eligible employees saving into a workplace pension scheme, GB, Private Sector, by age band, 1997 to 2012

	22-29	30-39	40-49	50-64
1997	43	58	62	59
1998	41	57	61	59
1999	42	57	61	58
2000	43	56	61	57
2001	42	57	61	57
2002	42	57	61	58
2003	43	57	62	58
2004	37	55	60	57
2005	33	52	58	56
2006	33	52	58	57
2007	31	50	56	56
2008	28	48	55	55
2009	27	46	53	53
2010	26	44	51	52
2011	24	42	50	51
2012	24	42	49	50

Notes

- 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 Average Weekly Earnings values. Gross annual earnings are derived using weekly pay, and no filter has been included for loss of pay in the pay period.
- Previous years' data have been adjusted to account for the annual revisions to the earnings thresholds used to determine automatic enrolment eligibility and the State Pension age (SPa) for women.
- ASHE data for 2002 contained 12 per cent of employees having a missing value for their employer size, which resulted in a bias in the results. Analysis has been smoothed to remove this bias.

Proportion of employees eligible for automatic enrolment, saving in the private sector

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