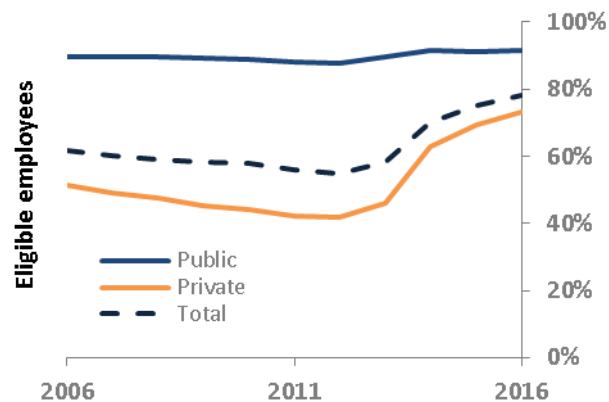


Automatic enrolment was introduced to help address the decline in private pension saving and to help normalise long-term saving. It aims to increase workplace pension saving in the UK and forms part of a wider set of pension reforms designed to enable individuals to save towards achieving the lifestyle they aspire to in retirement. This annual official statistics publication is the fourth 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



78 per cent of eligible employees were participating in a workplace pension in 2016, up from 75 per cent in 2015.

### Persistency of saving

77%

77 per cent of eligible employees have saved into a workplace pension in at least three of the last four years (referred to as persistency), a fall of 2 percentage points on this measure since 2015.

### Amount saved

£87bn

The annual total amount saved by eligible savers was £87.1 billion in 2016. An increase of £3.8 billion on the total amount saved in 2015.

## At a glance

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Any comments? We welcome feedback

Published: 15 June 2017

Next edition: TBC

ISBN 978-1-78425-934-1

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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 nearly 8 million workers have been automatically enrolled and over 598,000 employers have met their automatic enrolment duties<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 numbers suppressed where the sample size is small (less than 20).

Data covers the period 2006 to 2016.

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>

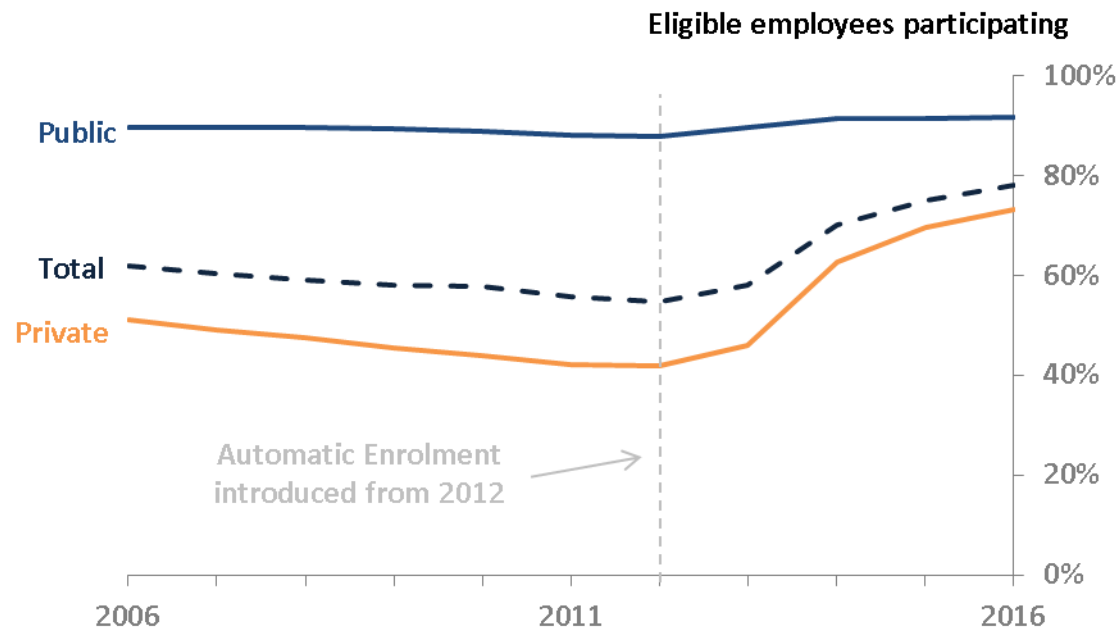
## Trends in workplace pension participation

# Overall, 78 per cent

of eligible employees were participating in a workplace pension in 2016



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



Between 2006 and 2012 there was a general downward trend in workplace pension participation, from 62 per cent (12.0 million eligible employees) to a low of 55 per cent (10.7 million). Since 2012 there has been a significant increase of 5.4 million to 16.2 million eligible employees participating in a workplace pension (78 per cent) in 2016, showing the positive impact of the workplace pension reforms to date.

**Public sector** pension participation remains high at 92 per cent (4.8 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 31 percentage points to 73 per cent of private sector eligible employees participating (11.3 million) in 2016.

# Industry, by sector

In 2016 workplace pension participation was highest in Energy & Water with 89 per cent of eligible employees participating and lowest in Agriculture & Fishing with 44 per cent participating.

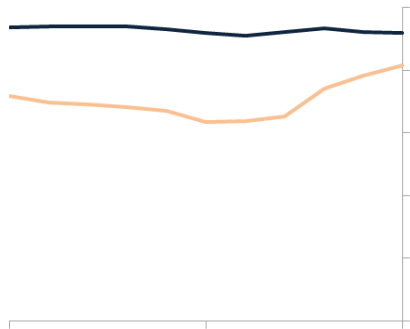
In the **private sector** the industry seeing the largest increase between 2015 and 2016 was Agriculture & Fishing, from 34 per cent to 45 per cent. Since 2012 the largest increase has been seen in the Distribution, Hotels & Restaurant industry, from 27 per cent to 69 per cent.

Participation in the **public sector** has remained relatively stable in comparison. All industries have higher participation levels than the equivalent in the private sector. The largest increase between 2015 and 2016 was in Energy & Water (up 4 percentage points), whereas Banking, Finance & Insurance saw a 7 percentage point decrease in the period. This is the second consecutive year-on-year fall, although this series has shown the most volatility since 2006 and levels remain high at 80 per cent (3 percentage points higher than in 2012). Public sector Construction; Distribution, Hotels & Restaurant time series; and Agriculture & Fishing 2016 data not shown due to small sample sizes.

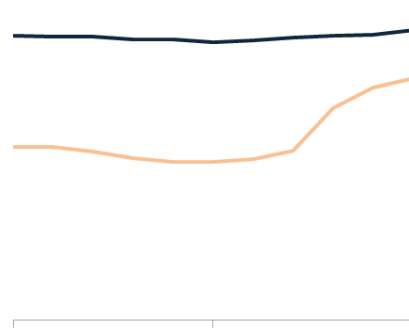


# Occupation, by sector

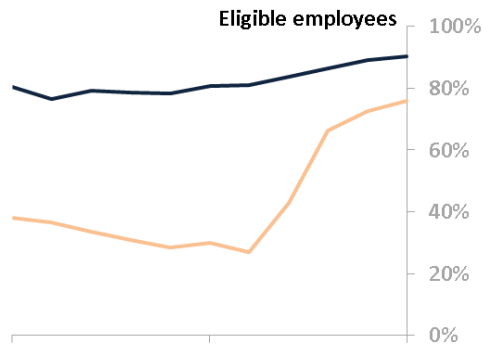
Professional Occupations



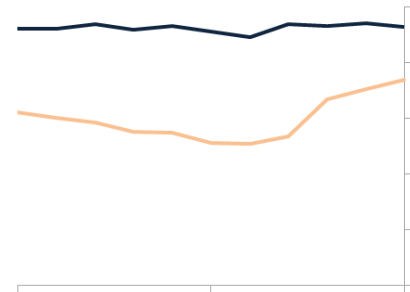
Associate Professional & Technical Occupations



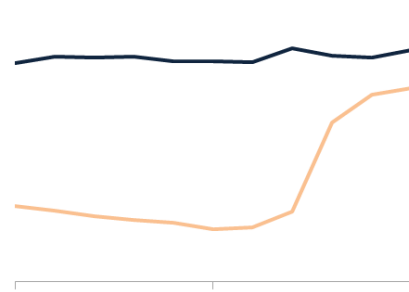
Sales & Customer Service Occupations



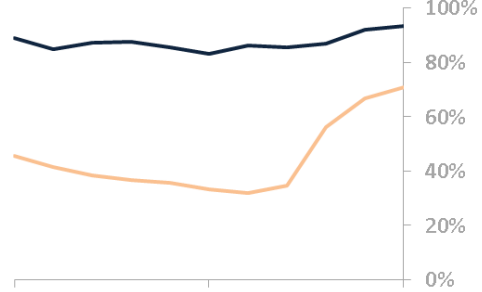
Managers & Senior Officials



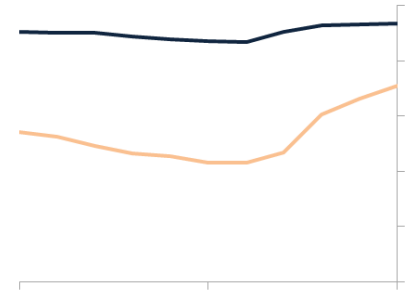
Elementary Occupation



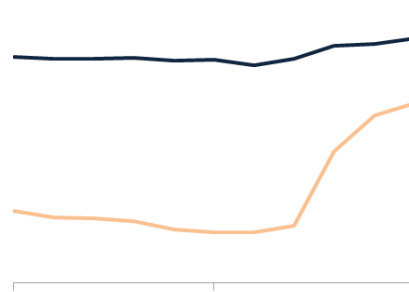
Process, Plant & Machine Operatives



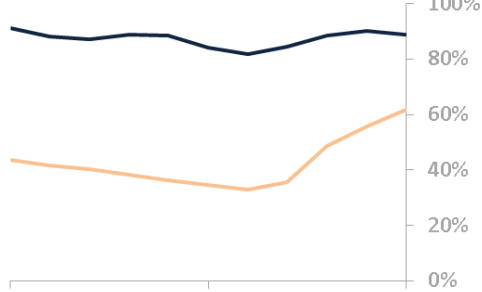
Administrative & Secretarial Occupations



Personal service occupations



Skilled Trades Occupations



2006 2011 2016

2006 2011 2016

2006 2011 2016

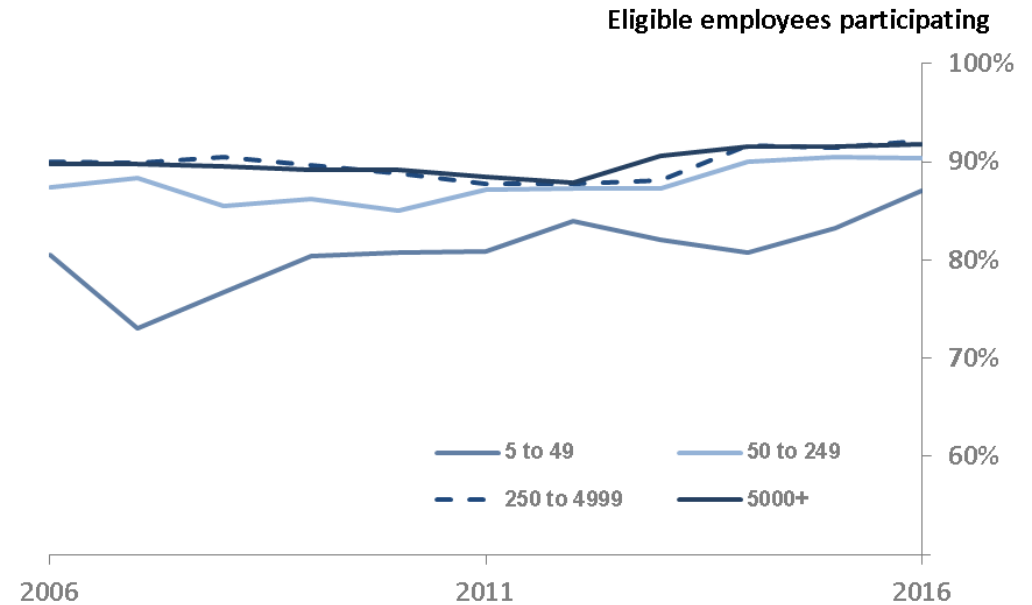
Overall, workplace pension participation remains highest in the Professional occupations with 86 per cent of eligible employees participating in 2016, compared to the lowest in Skilled trade occupations (such as plumber, carpenter, welder) where 63 per cent were participating in 2016.

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. Personal service occupations have shown the largest increase, since 2012, of over 9 percentage points, from 78 per cent to 88 per cent.

Between 2015 and 2016 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 Skilled trade occupations which was up 6 percentage points. The Elementary occupations (such as security guard, postal worker, cleaner) have seen the largest increase since the introduction of automatic enrolment, from 20 per cent in 2012 to 71 per cent in 2016.

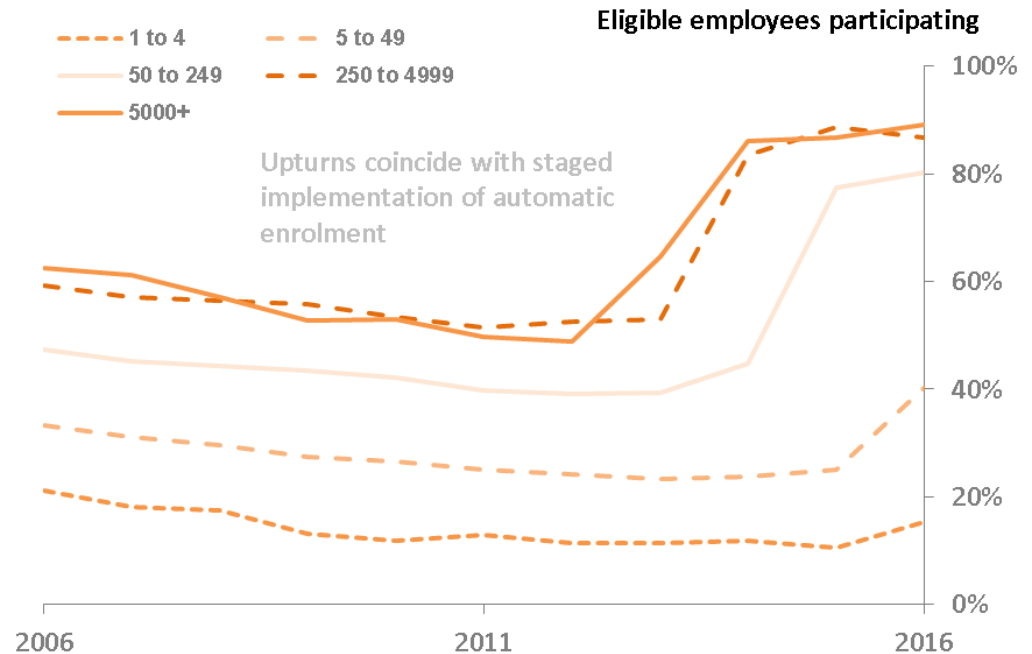
## Employer size, by sector

In the **public sector** participation rates have remained stable over the period. The largest public sector increase between 2015 and 2016 was seen in the small employer band (5 to 49 employees) which increased 4 percentage points. This band continues to have the lowest level of participation (87 per cent) compared to 92 per cent in the largest bands. Public sector 1 to 4 employee band not included due to small sample size.



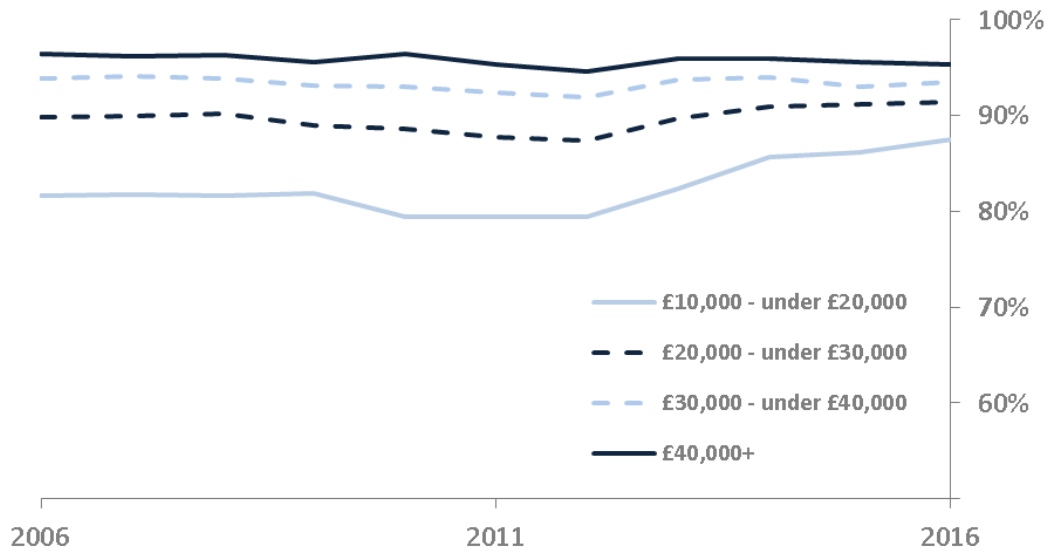
The highest level of **private sector** participation in 2016 was observed in the largest employer band (5,000 or more employees), with 89 per cent of eligible employees participating. After year-on-year increases since 2012 there was a small decrease (2 percentage points) in participation rates between 2015 and 2016 in the 250 to 4,999 employee category. This coincides with the end of automatic enrolment staging for large employers.

Staging for small and micro employers (SMEs) began in June 2015 and there was a large increase in participation (15 percentage points) between 2015 and 2016 in the small employer (5 to 49 employees) band. Participation in the micro band (1 to 4 employees) also increased by around 5 percentage points in the same period, from 11 per cent to over 15 per cent.



# Earnings, by sector

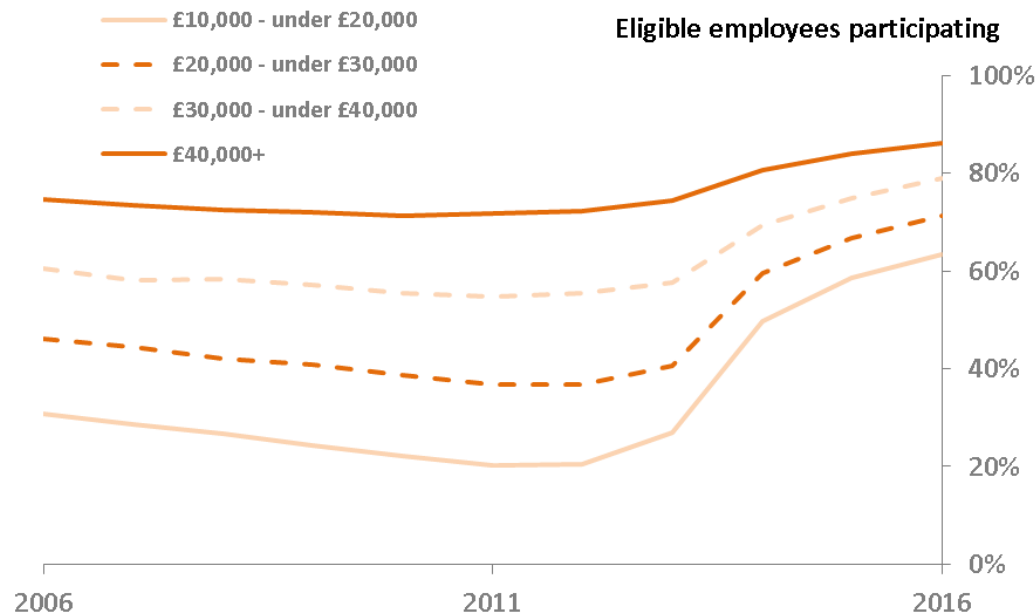
Eligible employees participating



The highest earners (those earning over £40,000) continue to have the highest participation levels, in both the public and the private sectors. In 2016, 95 per cent of eligible public sector highest earning employees were participating in a workplace pension and 86 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 participation in these bands remain lower than for higher earners. There has been an 8 percentage point rise in the £10,000 – under £20,000 earnings band between 2012 and 2016.

Eligible employees participating

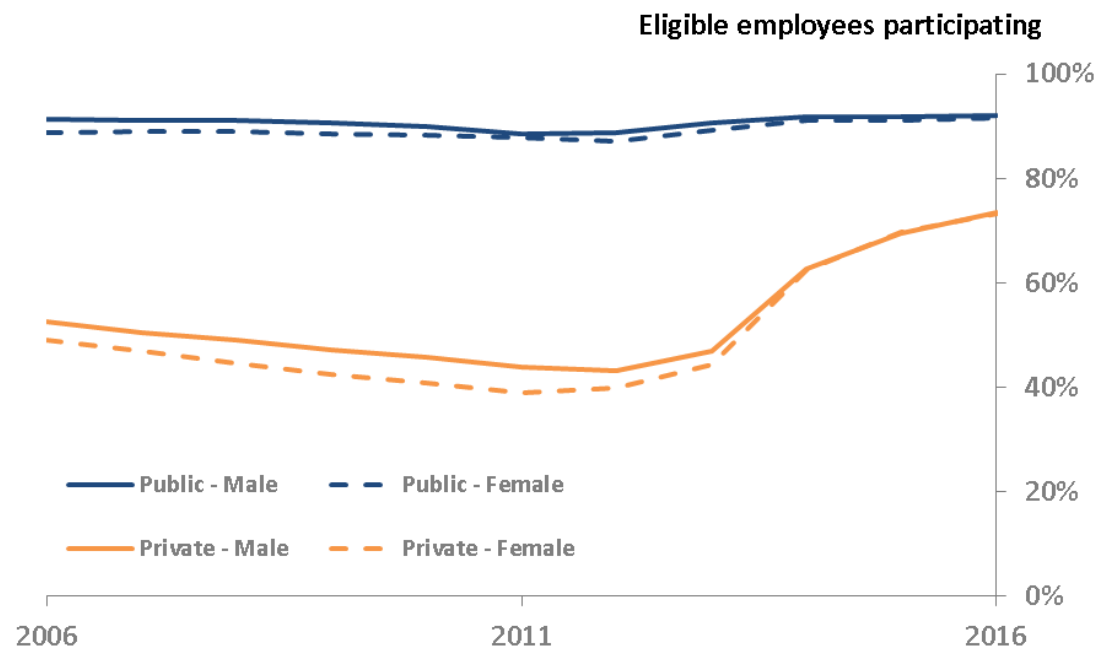


Similarly, in the **private sector** all earning bands continue to show increases since the introduction of automatic enrolment with the largest increase (5 percentage points) in the £10,000 – under £20,000 category between 2015 and 2016.

## Gender, by sector

Participation rates were unchanged between 2015 and 2016 in the **public sector**. High levels of participation continue, 92 per cent in 2016 for both male and female eligible employees.

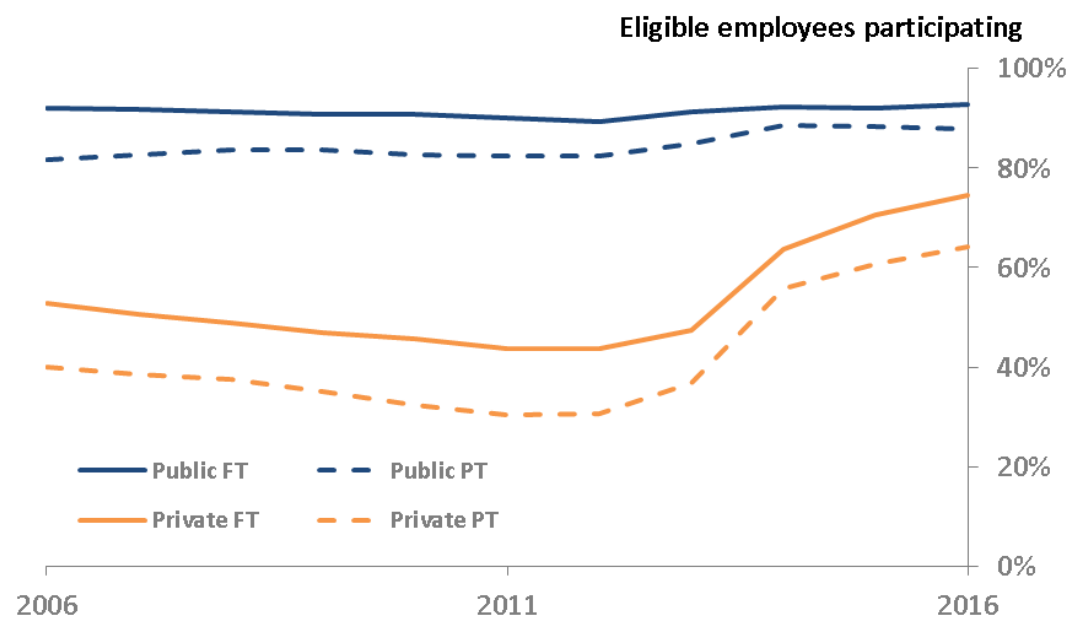
Similarly female participation in the **private sector** is at the same level as male eligible employees, 73 per cent. Large increases between 2015 and 2016 continue the significant upward trend in the private sector since 2012.



## Working pattern, by sector

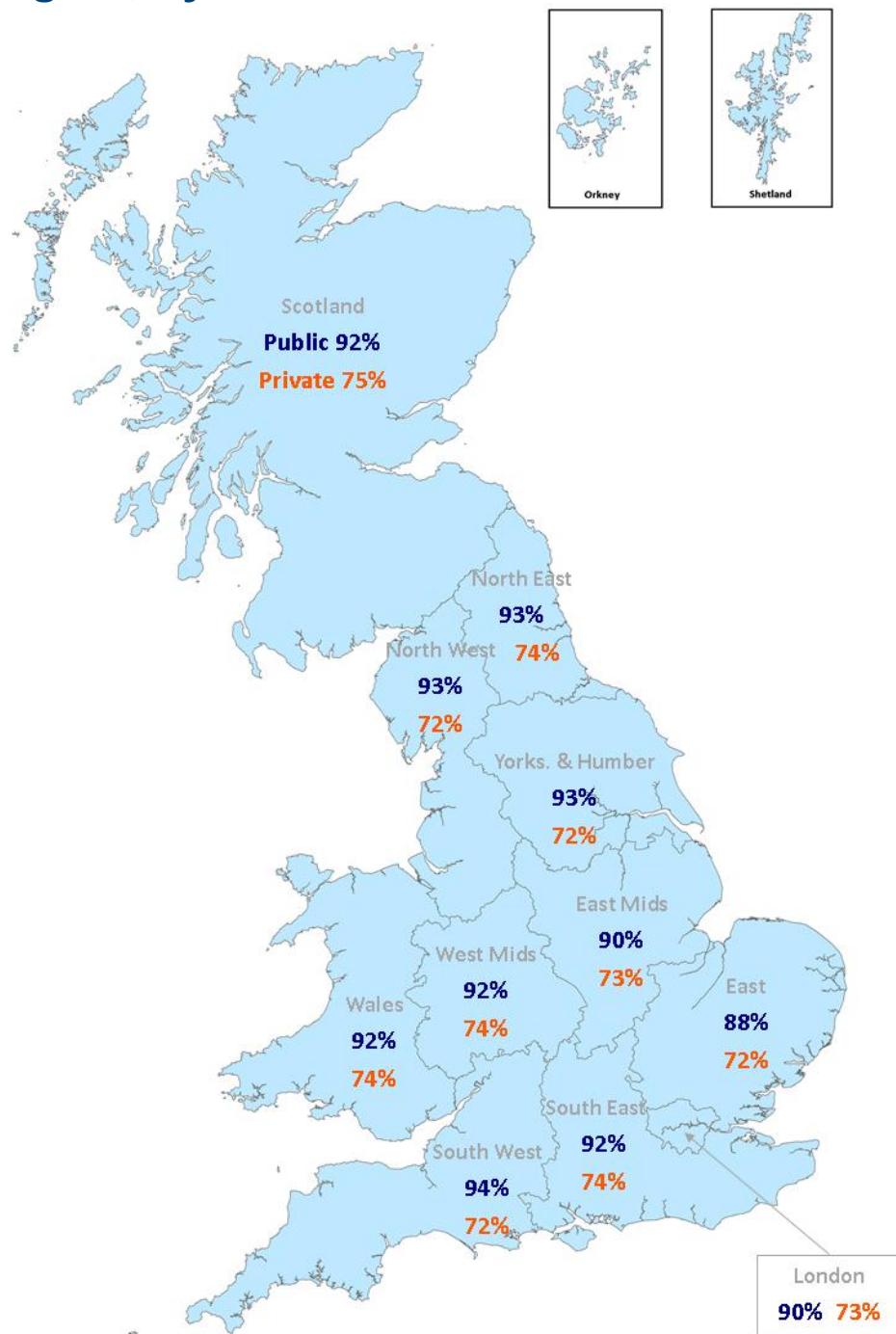
Overall, in 2016, participation remains higher for those working full time at 79 per cent compared to 73 per cent working part time. This gap has increased slightly since 2015, driven by the largest increase between 2015 and 2016 being in **full time private sector** participation which saw a 4 percentage point rise. This compares to a 3.5 percentage point rise in part time private sector participation levels.

Year-on-year around 15 per cent of eligible employees in the Annual Survey of Hours and Earnings (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 2016 the proportion was 15 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 across Great Britain.

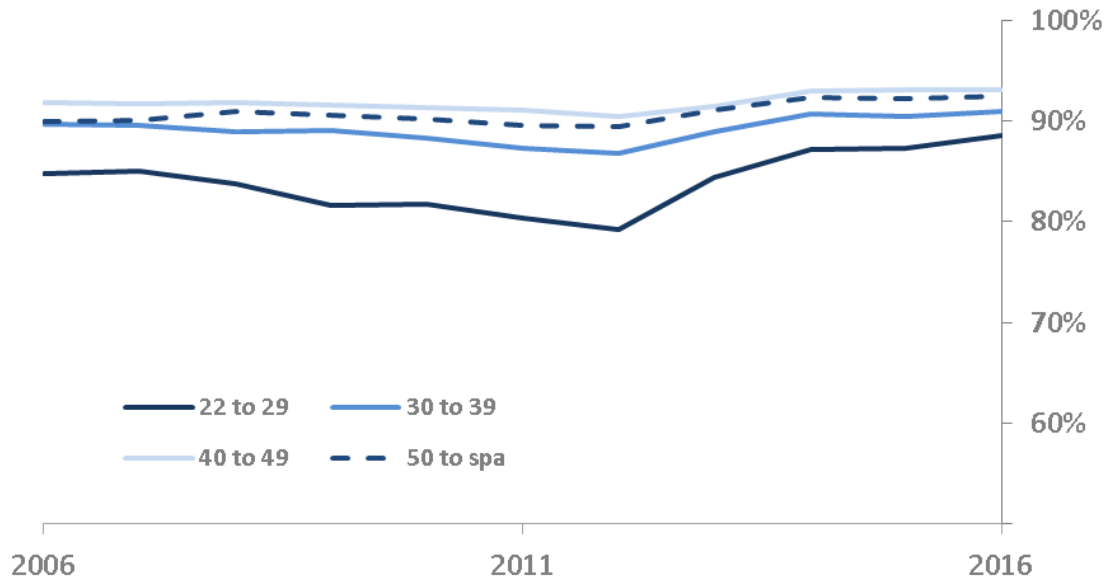
**The map opposite shows workplace pension participation of eligible employees by region and sector in 2016.**

Within the **public sector**, in 2016, 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 rate, of 88 per cent, is in the East region. The regions with the largest yearly increase, of around 2 percentage points, were the West Midlands and London.

In the **private sector**, between 2015 and 2016, all regions have again seen increases in pension participation, with the highest increase, of 6 percentage points, being in Wales and the lowest increase, of 2 percentage points, occurring in Scotland. Although Scotland remains the region with the highest proportion of eligible employees participating in a workplace pension. In 2016, 75 per cent of eligible employees in Scotland were participating in a workplace pension compared with the lowest, 72 per cent, in the East.

# Age, by sector

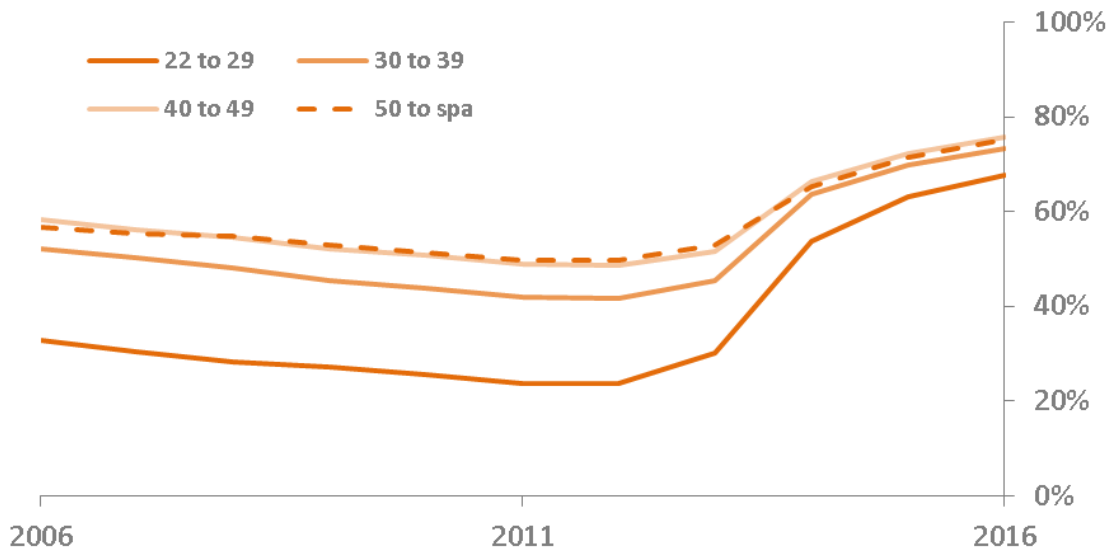
Eligible employees participating



In general, participation in workplace pensions continues to increase with age, with the highest levels occurring within the older age groups. But the largest increases have been seen amongst eligible employees in the lowest age groups, this is driven by increasing participation in the private sector.

Pension participation in the **public sector** has remained stable with the largest increase in the 22 to 29 years old age group where 89 per cent of eligible employees were participating in a workplace pension in 2016. This is a rise of 9 percentage points since 2012.

Eligible employees participating



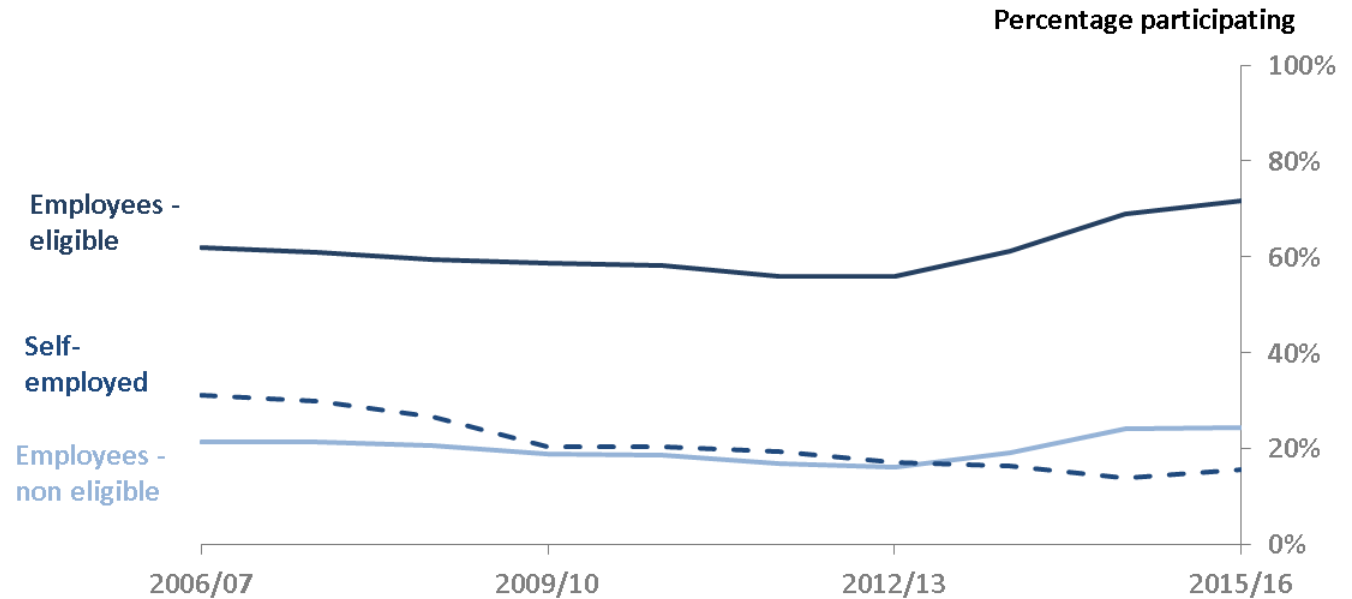
In the **private sector**, pension participation had been falling across all age bands until 2013, where all groups showed an increase. Again the largest increase was seen in the 22 to 29 age group, increasing from 24 per cent in 2012 to 68 per cent in 2016 (44 percentage point rise). All other age groups have also shown significant increases over this period too, those aged 30 to 39 increasing by 32 percentage points.

## Economic status

This analysis uses the DWP Family Resources Survey (FRS) to provide breakdowns by characteristics not available from ASHE but it is not possible to provide breakdowns by sector. 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 72 per cent in 2015/16.

An increase in participation can also be seen in the non-eligible group, rising from 16 per cent in 2012/13 to 25 per cent in 2015/16. The steady decline in the self-employed group, from 31 per cent in 2006/07 to 14 per cent in 2014/15, saw a slight reversal in 2015/16 with an increase to 16 per cent.



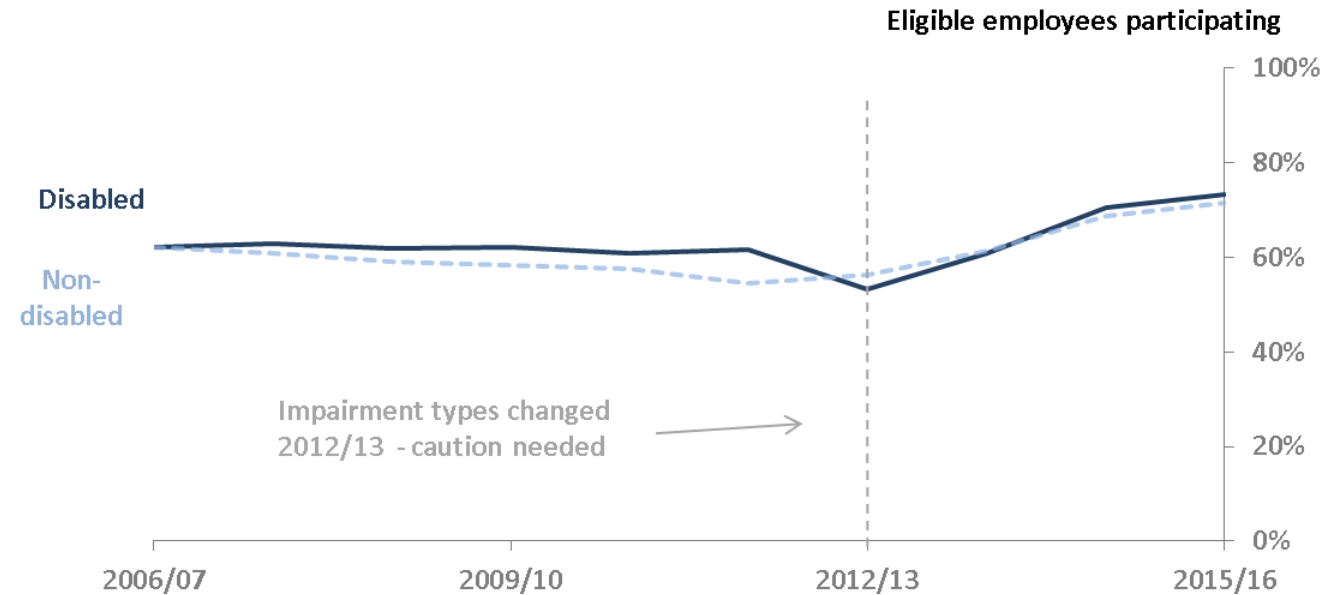
## Disability

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 73 per cent of disabled eligible employees participating in 2015/16 and 72 per cent of non-disabled eligible employees.

Both the disabled and non-disabled groups saw large increases between 2012/13 and 2015/16, rising 20 and 15 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.



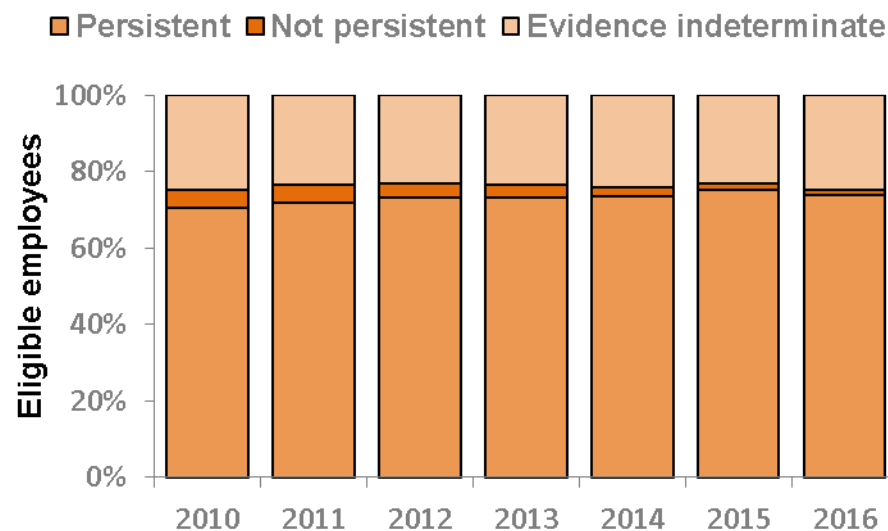
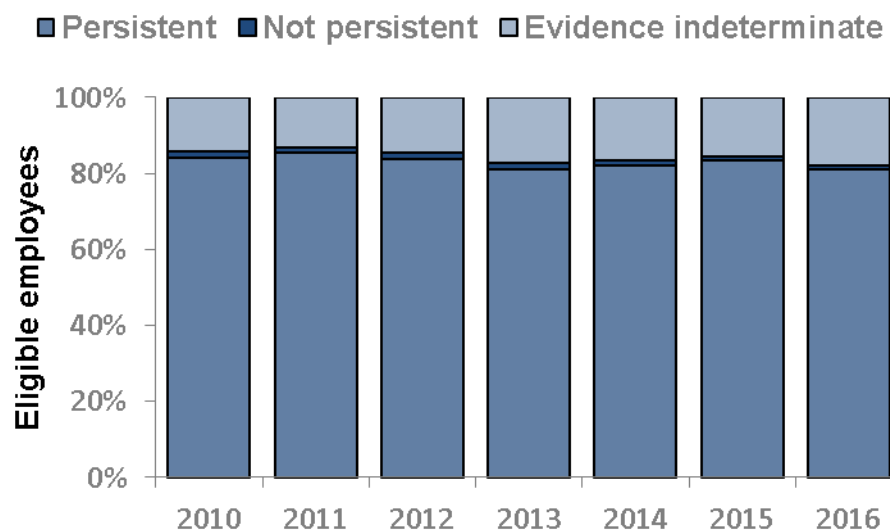
# Persistence of saving

## 77% of eligible employees are continuing to save persistently

For the ongoing 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**.

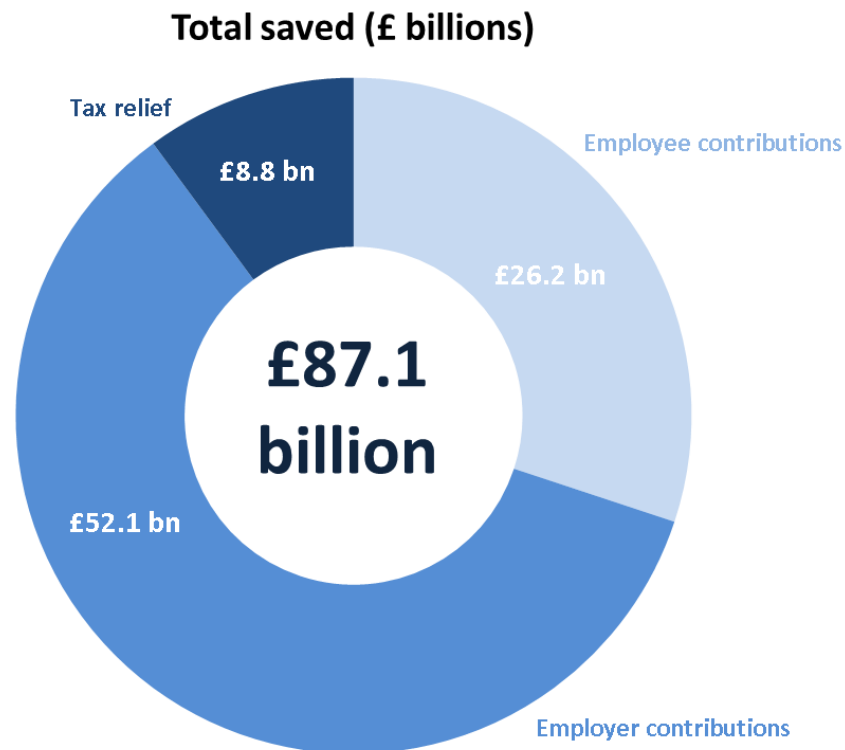
An eligible employee can disappear from the cohort either through changes in their eligibility status, stopping saving, leaving the labour market, staying with or moving to an employer who does not return the ASHE questionnaire.

The latest analysis shows that there has been a small decrease in persistency rates between 2015 and 2016, from 79 per cent in 2015 to 77 per cent in 2016. Overall, the vast majority of eligible savers are continuing to save persistently, at 77 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 2016, and for the remaining 22 per cent there is an indeterminate amount of evidence in the ASHE dataset to judge either way.



The estimates shown in the charts above (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 2016 estimate is based on the number of years saving between 2013 and 2016 for those eligible employees who were saving in 2013. Similarly the 2015 estimate is based on the number of years saving between 2012 and 2015 for those eligible employees who were saving in 2012, and so on.

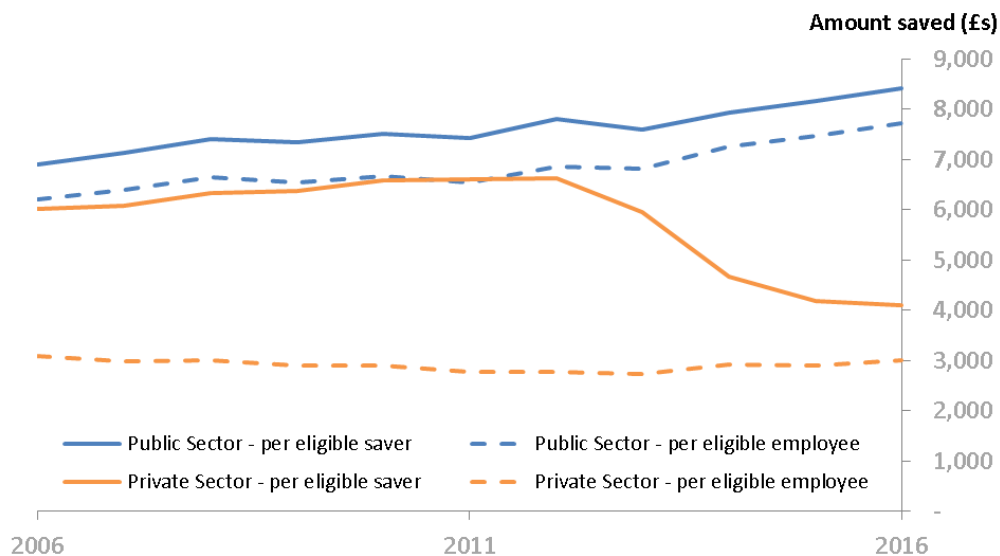
# Increasing the amount of savings



The annual total amount saved for eligible employees across both sectors stands at £87.1 billion in 2016, which is an increase of £3.8 billion from 2015. Annual total amounts saved have increased in both the public and private sectors since 2015. The **public sector** increased by £1.8 billion and the **private sector** by £2.0 billion.

Overall in 2016, 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.

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 2016. In the private sector there was further decline between 2015 and 2016. 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 to the minimum contribution levels legislated for from 2018, known as **phasing** (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 5<sup>th</sup> April 2018 the total minimum contribution will remain 2% of the worker's qualifying earnings of which the employer must contribute at least 1% and a further 0.2% will come in the form of tax relief from the Government. From 6<sup>th</sup> April 2018, the minimum contribution rises to 5% of which the employer must contribute at least 2% and a further 0.6% in tax relief from the Government. 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 from the Government.

**Data source, Annual Survey of Hours and Earnings (ASHE):** is published by the Office for 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 2016 ASHE data was collected with reference to April 2016.
- 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 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 2015/16 financial year and is not collected with reference to a specific time period like the ASHE data, therefore 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, therefore 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 data which impacts on the trends for 2009/10 onwards.

For further information on FRS please see the latest published report: <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-201516>

## 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 2015/16 earning terms) has been applied in 2016. 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 2006 to 2012.
  - State Pension age (SPa) began to increase from 2011. The age tables take account of this change and therefore SPa varies after 2011, these changes have also been applied when selecting employees between 22 and SPa. 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 numbers suppressed 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 and at the following links:

- The DWP benefit statistics dissemination tool: <https://sw.stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml>;
- 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** giving details of the DWP publications you use.