

Accredited Official Statistics

# Pensioners' Incomes: financial years ending 1995 to 2024

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This report examines how much income pensioners get each week and where they get that income from. It looks at how their incomes have changed over time and variations in income between different types of pensioners.

The population age distribution has changed a lot since FYE 1995, and pensioners now make up a larger proportion of the overall population. From April 2010, the State Pension age (SPa) has been increasing gradually for females, and since December 2018 has been increasing for both males and females.

Changes in the economy and to the benefit system mean that the amount and components of pensioners' average weekly incomes have changed over time. These statistics look at these changes.

## Family Resources Survey (FRS) fieldwork during financial year ending (FYE) 2024

During the survey years spanning the coronavirus (COVID-19) pandemic, FRS interviewing was conducted by telephone rather than using the established face-to-face method. Fieldwork operations during FYE 2024 have now returned to the arrangements in place prior to the pandemic.

In Great Britain, survey fieldwork operations used face-to-face interviewing as the preferred method of data collection for the duration of the year. Telephone interviewing was retained as an alternative based on household preference and interviewer availability. In Northern Ireland, a return to prioritising face-to-face interviewing was rolled out fully by interviewers from July 2022. Across the UK, 86% of FRS households were interviewed face-to-face during FYE 2024.

This year, while the achieved sample of just under 17,000 households is lower than that achieved in FYE 2023 (due to the boost in the sample size last year) it returned to more usual levels and compares well with FYE 2022. Additionally, the response rate increased to 31% in FYE 2024. Overall, we had an achieved sample size for Pensioners' Incomes (PI) data of around 6,300 pensioner units.

This publication concentrates on long-term changes in pensioners' incomes, and interpretation of year-on-year changes should be treated with caution, as they are not usually statistically significant. Users should be mindful of the differences in data collection approaches across the period and the effect this has had on sample composition when interpreting changes in estimates over recent years. Additional caution is advised when interpreting changes in the data during and since the pandemic.

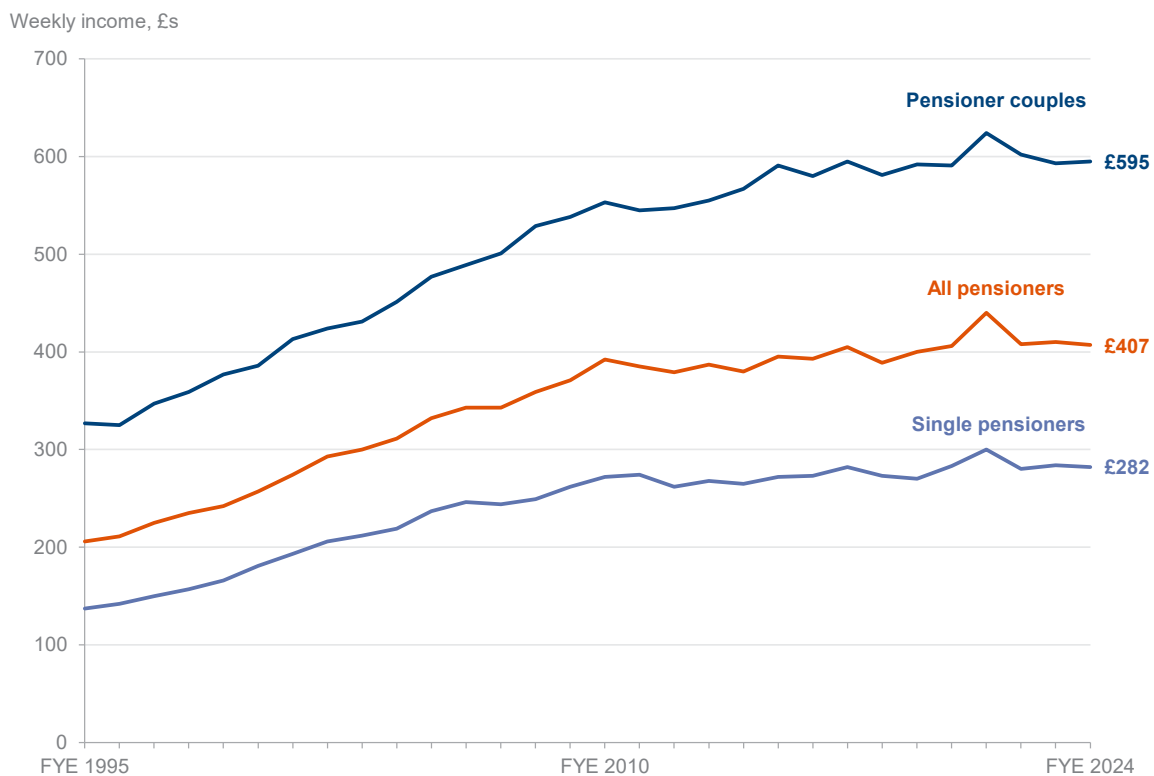
More information can be found in the [Households Below Average Income \(HBAI\) quality and methodology information report](#) and the [FRS background information and methodology](#).

## 1. Main stories

Except where otherwise stated, we use the unequivalised income of pensioners, estimated both before and after housing costs (BHC and AHC). Income AHC is derived by subtracting rent, water rates and charges, structural insurance premiums, mortgage interest payments and ground rent, and service charges from income BHC. This report uses variants of the Consumer Prices Index (CPI) to adjust for inflation, to look at how incomes change over time in real terms.

# Pensioners' incomes have increased since 1995 and have been stable since 2010

Average weekly income of pensioners (AHC) by family type in FYE 2024 prices (£)

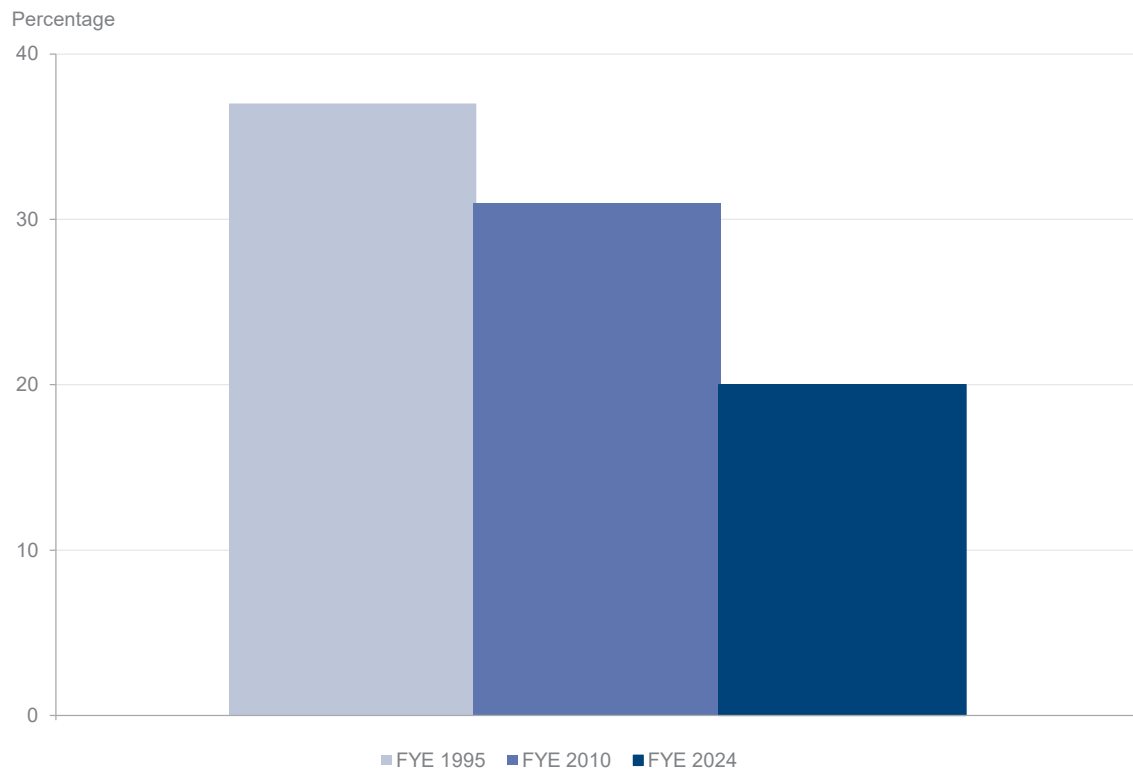


Pensioners' average weekly incomes increased for all pensioners, between the start of PI in FYE 1995, when it was £206, to £392 in FYE 2010. This increase is statistically significant. In the 14 years from FYE 2010 to FYE 2024, pensioners had similar average incomes with £392 and £407, respectively.

In FYE 2024, pensioners had an average income of £407, which is a statistically significant increase from FYE 1995.

# Fewer pensioners were receiving income-related benefits

Percentage of pensioners receiving income-related benefits, FYE 1995, FYE 2010 and FYE 2024

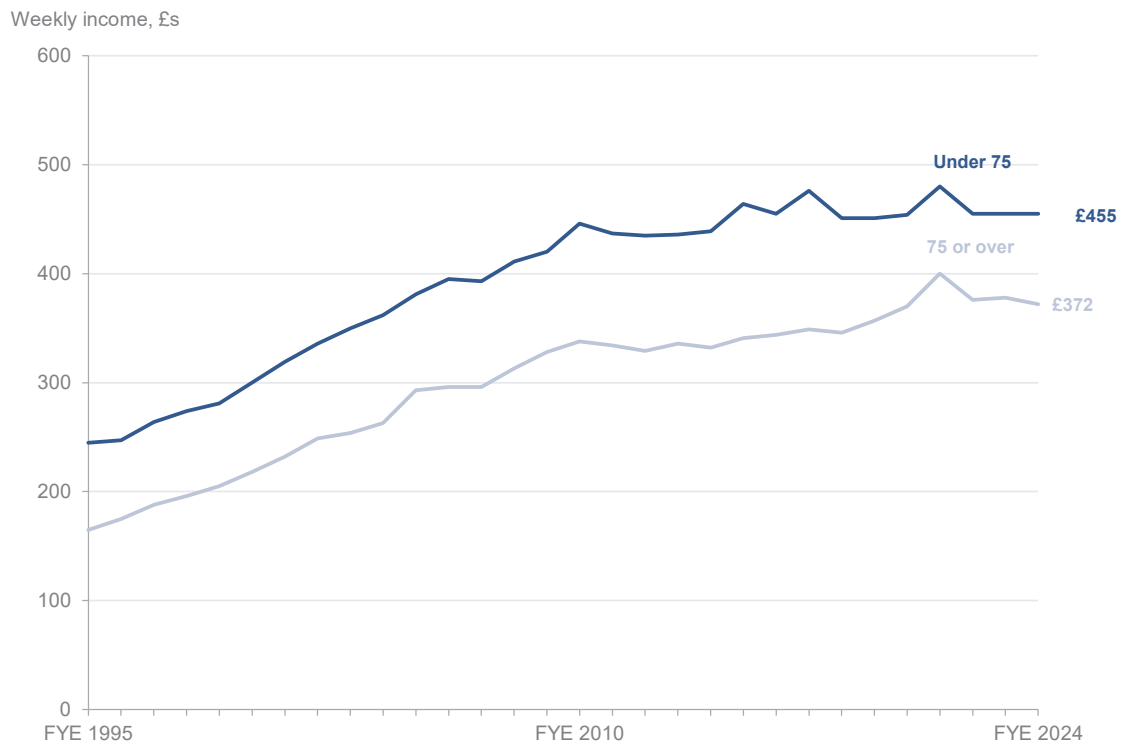


The percentage of pensioners in receipt of income-related benefits in FYE 2024 was 20%. This has been decreasing since the survey began in FYE 1995 when 37% of pensioners were in receipt of such benefits. This decrease is statistically significant. This reflects the overall increase in pensioner income from the State Pension and private pensions over time because an increase in income reduces eligibility for income-related benefits.

The percentage of pensioners in receipt in FYE 2010 was 31%. The decrease between FYE 1995 and FYE 2010, and the decrease between FYE 2010 to FYE 2024 are both statistically significant.

# Younger pensioners had higher average incomes than older pensioners

Average weekly income of pensioners (AHC) by age in FYE 2024 prices (£)



Younger pensioners had higher average incomes than older pensioners in FYE 2024. Pensioners under 75 had an average weekly income of £455 and pensioners that were 75 or over had an average income of £372. This difference is statistically significant.

## 2. What you need to know

Pensioners' Incomes (PI) contains estimates of the levels, sources, and distribution of pensioners' incomes. It also examines the position of pensioners within the income distribution of the population as a whole. The statistics are used by government departments, local authorities, academics, journalists, and the voluntary sector to gain a deeper understanding of pensioners' incomes.

In this report we measure income for pensioners. Pensioners consist of single pensioners and pensioner couples. A pensioner couple means at least one person in the couple is over State Pension age

(SPa). Estimates do not reflect income from others in a household but do include income from working-age partners who are part of a pensioner couple. Therefore, if a pensioner lives with their adult children, the children's income is not included in this analysis.

The head of a pensioner unit is the member of the household with the highest income if that person is part of the pensioner unit. Otherwise, the head is the first person named in the survey who is part of the pensioner unit.

## **Income measures**

Income measures used in Households Below Average Income (HBAI) consider variations in the size and composition of the households in which people live. This process is called equivalisation. Equivalisation reflects the fact that a family of several people needs a higher income than a single individual for them to enjoy a comparable standard of living. For more information on equivalisation, please see the [background information and methodology](#).

Except where otherwise stated, we use the unequivalised income of pensioners, estimated both before and after housing costs (BHC and AHC). One of the main functions of PI is to provide information on the income of pensioner units in monetary terms, split by sources of income. This can only be done using unequivalised income.

Unless otherwise stated for certain income breakdowns, we use median income as our measure of average income, as the mean is often biased upwards by extremely high values. The mean is used however, when looking at the breakdown of income components. We also use AHC figures unless otherwise stated, as this is a better reflection of pensioners' disposable incomes.

All income estimates have been adjusted for inflation. PI uses variants of the Consumer Prices Index (CPI) to adjust for inflation, to look at how incomes change over time in real terms.

See a full breakdown of how we measure income in the '[About these statistics](#)' section of this publication.

## **Survey data**

PI estimates are based on a sample of approximately 6,300 pensioner units in private households in the UK, taken from the [Family Resources Survey \(FRS\)](#).

Survey fieldwork operations continued with face-to-face interviewing as the predominant way of completing the survey, as was the case for FRS FYE 2023. Interviewers aimed to complete the survey in respondents' homes as a computer assisted personal interview.

Where respondents refused the interviewer entry to their home, but they were willing to take part in FRS, interviewers were permitted to conduct the FRS interview by telephone. Telephone interviews have been permitted as a data collection method for FRS since April 2020, initially to accommodate the impact on fieldwork of COVID-19. Whilst telephone interviewing is not the preferred approach for data collection on FRS, it has been permitted during FYE 2024 to encourage more households to participate.

At just under 17,000 households, the achieved sample is around 30% lower than that achieved in FYE 2023 (around 25,000). However, it should be noted that for FYE 2023 the issued sample was boosted to 99,000 households. For FYE 2024, the issued sample returned to around 59,000, with a target of 20,000 achieved households, comparable to the years prior to the coronavirus (COVID-19) pandemic.

The FRS is conducted across the whole financial year. The use of survey data means that the results in this report are subject to sampling variation. This affects how changes should be interpreted, especially over short time periods.

Statistical significance is a technical concept that says whether a reported change is likely to have arisen only by chance due to variations in the sampling. We calculate 95% confidence intervals around estimates in PI. This sets a standard that, where any change is reported as statistically significant, there is less than a one in 20 chance that the reported difference is due to sampling variation and there is no real underlying change. Statistically significant differences are clearly stated in the text. Other differences are not significant or have not been tested.

As shown in Table M1.2 of the [background information and methodology](#), comparisons over a single year are rarely statistically significant. Users are advised to draw conclusions from long-term trends rather than year-on-year changes.

Data is for the UK from FYE 2003 onwards. Data from earlier years is for GB only.

The population estimates used to weight the FRS FYE 2024 are primarily based on the mid-year estimates rolled forward from the 2011 Census. This series of population estimates do not take account of the 2021 and 2022 Censuses across the UK. For more information on this, please see the [background information and methodology](#).

## **Additional tables and data**

A comprehensive set of [data tables](#) breaking down headline results presented in this report are available. These tables are referenced throughout this report and show results for various demographic characteristics across the time series. Further breakdowns of the PI data can be created on [Stat-Xplore](#).

Any analysis of the changes in the estimates below UK level and across a range of breakdowns should be undertaken with additional caution as the combination of smaller sample sizes and additional bias means it may not be possible to make meaningful statistical assessments of trends and changes for these breakdowns.

The PI dataset is available to download via the [UK Data Service](#).

## **Correction to Cost of Living Support Schemes for FYE 2023 data**

When producing the FYE 2023 PI publication, one element of the Low income benefits and tax credits Cost of Living Payment was not included, which has impacted on the data tables. This means that the specific income component for pensioners was not included in the FRS and HBAI analysis which feeds into the PI publication. This error has been corrected in this release, with an impact of £1 per week increase in gross income for pensioners. Therefore, previous data tables should not be used. Stat-Xplore has also been corrected. The department's [policy statement](#) describes how DWP will handle revisions.

## **Considerations when interpreting average pensioner incomes**

PI finds that there are differences in average incomes between age groups as well as changes over time. There are several reasons for this which should be noted when interpreting these results:



- the 'age' effect: older pensioners are less likely to be in work and hence receive a smaller amount from earnings. Furthermore, they are less likely to have a partner who is in work. Any pension(s) they may be in receipt of are related to their earnings, years of scheme membership, and pension contributions (including National Insurance in the case of the State Pension) they made previously in their working lives
- the 'cohort' effect: the rapid rise in occupational pension coverage in the 1950s and 1960s will have been more beneficial to later cohorts. From the 1980s, coverage of high contribution defined benefit (DB) schemes started to decline with most private sector DB schemes now closed to new joiners. Only [4% of all schemes](#) are open to new entrants. Coverage in private sector workplace pensions only started to increase from 2012 following the introduction of Automatic Enrolment (AE). However, contributions to defined contribution (DC) schemes are [currently much lower](#) than previous DB schemes
- the length of time since retirement: pensions generally increase by less generous uprating measures after retirement. In addition, most annuities purchased with occupational or personal pensions are level annuities, which do not increase over time. Income in real terms is therefore decreasing for these annuities once inflation is considered
- uprating: The 'triple lock' ensured that the Basic State Pension and New State Pension increased by the highest of the increase in earnings, price inflation as measured by the CPI, or 2.5%. In FYE 2024 the Basic and New State Pension increased by 10.1% in line with Consumer Prices Index (CPI) inflation in September 2022
- changing SPa over time: from 6 April 2010, the SPa has been increasing gradually for females, and since December 2018 has been increasing for both males and females. The FRS data contained in this report was collected throughout FYE 204, during which the SPa for both males and females remained at 66 years. In this report, people are categorised as being above SPa based upon their reported birth date and the [timetable](#) for the legislated increases in SPa
- annuities and lump sums: 95% of all individuals receiving a private pension payment do so through a DB or DC Annuity. However, individuals who have just started accessing their private pension

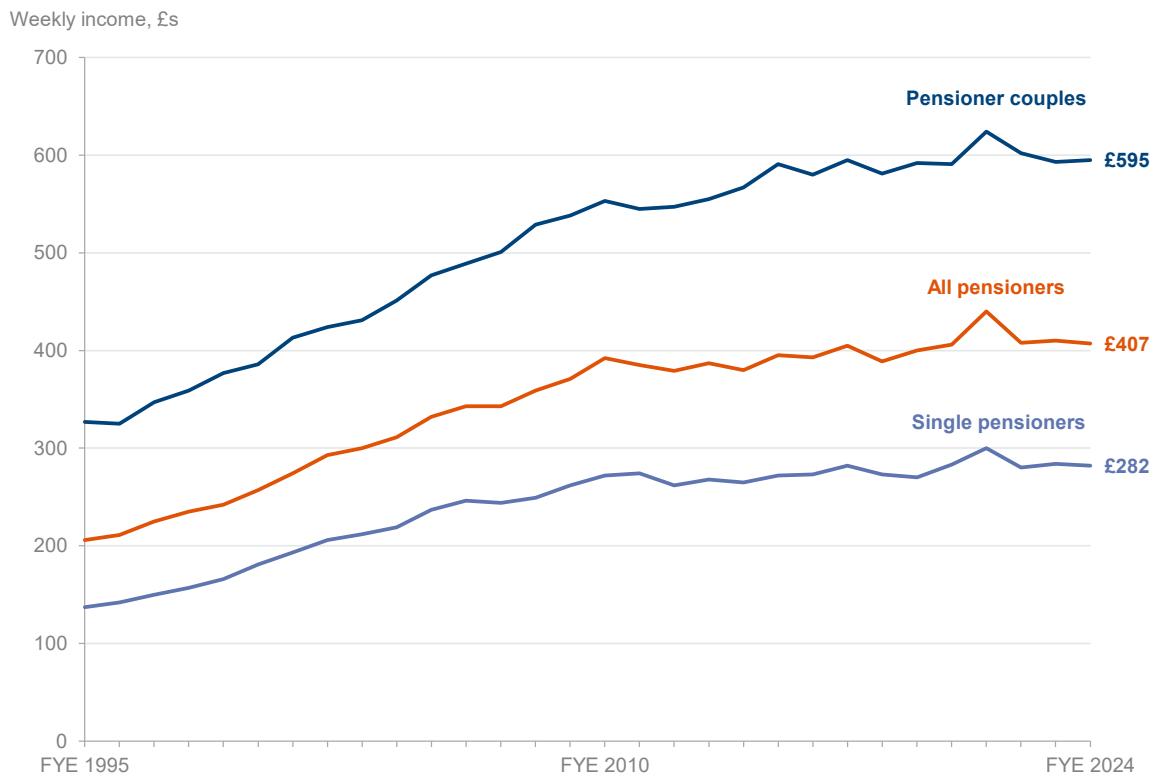
are much more likely to be receiving this through a Lump Sum or other [DC product \(49%\)](#)

- cost of living and wider support schemes: during FYE 2023, the UK Government implemented additional support for families through several cost of living support schemes, depending on people's circumstances. There were further changes in FYE 2024 to these schemes. These payments are included as part of the income variables on the FRS dataset and are therefore also present in the PI data. PI data tables using variables that include the calculation of pensioner unit income reflect the Cost of Living Payments that the pensioner unit received. For more information, please see the [FRS background information and methodology](#).

### 3. Overall income trends

#### Pensioners' incomes have increased since 1995 and have been stable 2010

Average weekly income of pensioners (AHC) by family type in FYE 2024 prices (£)



After the deduction of direct taxes, and housing costs, the average income of all pensioners in FYE 2024 was £407 per week. In the 14

years from FYE 2010 to FYE 2024, pensioners had similar average incomes with £392 and £407, respectively.

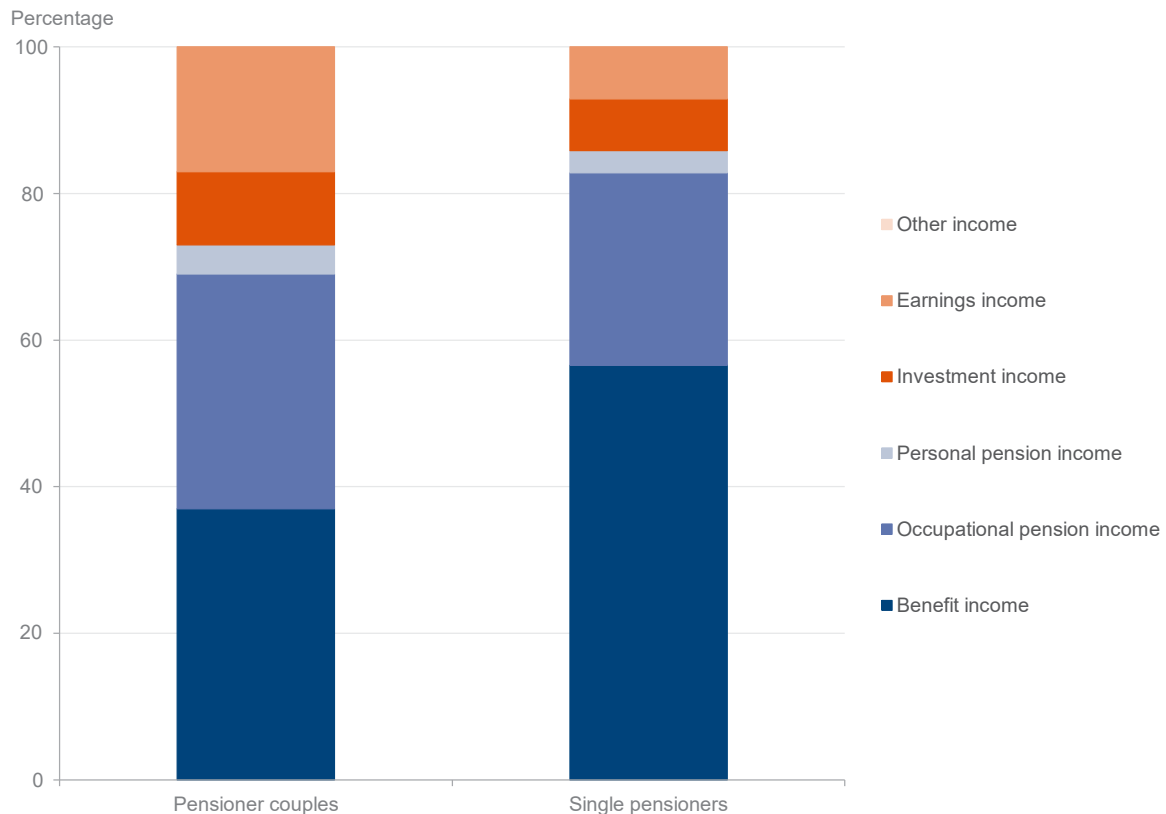
There is a statistically significant increase in the average income of all pensioners from FYE 1995, when it was £206 per week, to FYE 2010, £392 per week. This change reflected growth in income from benefits, including the State Pension, as well as increased income from occupational pensions.

In FYE 2024, the average income for pensioner couples was £595 per week. This was more than twice that of single pensioners, who had an average income of £282 per week. This difference is statistically significant.

See Table 2.1 for full data.

## Pensioner couples were less reliant on benefit income than single pensioners

Percentage of gross mean income from different sources by family type, FYE 2024



Pensioners receive income from a range of different sources. Changes in the composition of pensioners' incomes reflect underlying economic factors.

In FYE 2024, benefit income, which includes State Pension, was the largest component of total gross income for both pensioner couples and single pensioners. This was 56% for single pensioners, while for pensioner couples it was 37%.

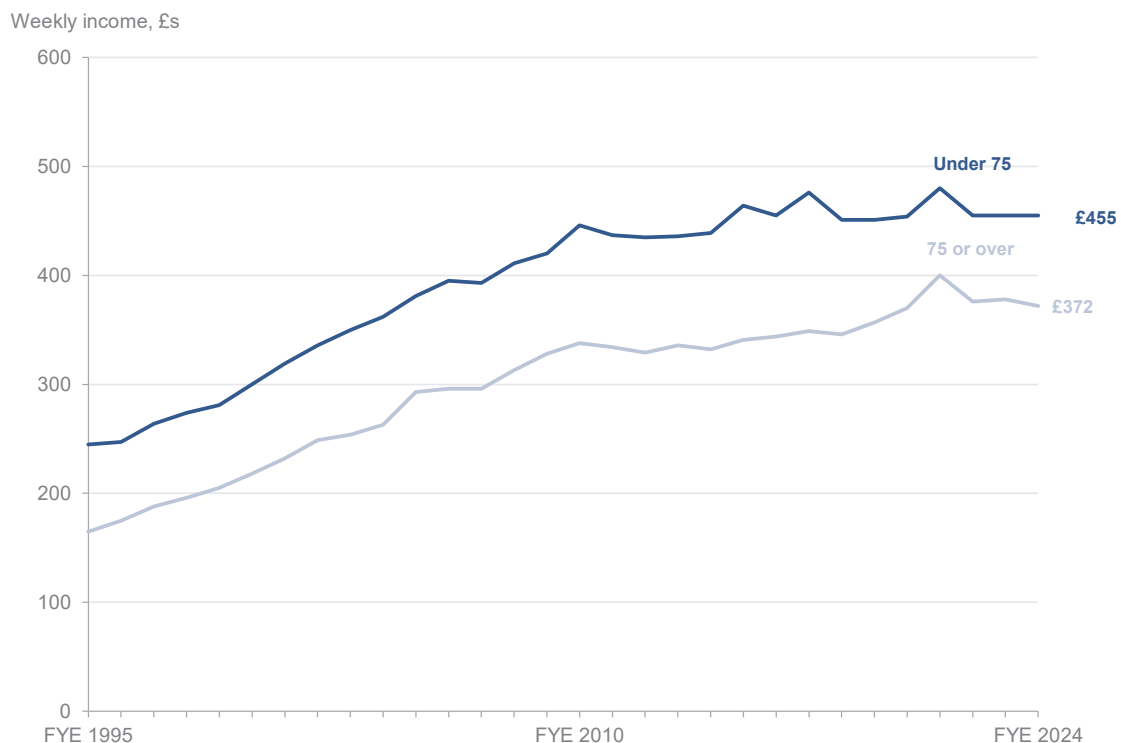
Income from occupational pensions was 32% of total gross income for pensioner couples and 26% for single pensioners.

Income from earnings made up seven per cent of total gross income for single pensioners. For pensioner couples, 17% of total gross income was from earnings. Couples that contained one adult below SPa made up 27% of all pensioner couples. For some of these couples, the adult below SPa contributed to the earnings income. Where one partner was over SPa, and one was below, earnings income made up 40% of total gross income for pensioner couples. For couples where both partners were over SPa, this was only eight per cent.

See Tables 2.1, 5.1 and 5.3 for full data.

## Older pensioners had lower incomes than younger pensioners on average

### Average weekly income of pensioners (AHC) by age in FYE 2024 prices (£)



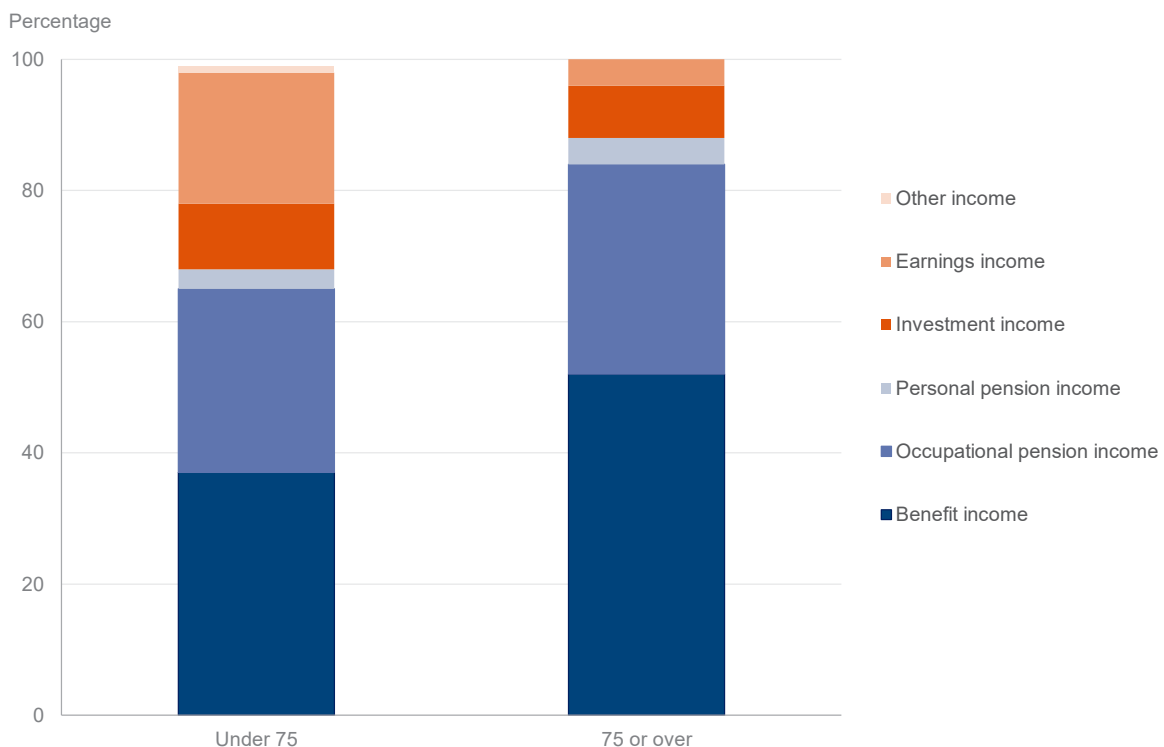
In FYE 2024, pensioners where the head was under 75 had higher average incomes than those where the head was 75 or over. Their average incomes were £455 and £372 per week, respectively. This difference is statistically significant.

In FYE 2024, 59% of pensioners where the head was 75 or over were single pensioners. On average, single pensioners had lower incomes. The average income for single pensioners aged under 75 and 75 or over was similar. More information about single pensioners' incomes can be found later in this section.

See Tables 1.2, 2.6 and 2.7 for full data.

## Older pensioners were more reliant on benefit income

### Percentage of gross mean income from different sources by age, FYE 2024



Benefit income, which includes State Pension, made up 52% of total gross income for pensioners where the head was aged 75 or over and 38% of total gross income for pensioners where the head was aged under 75.

The proportion of total gross income that was made up of occupational pension income was similar for both pensioner groups.

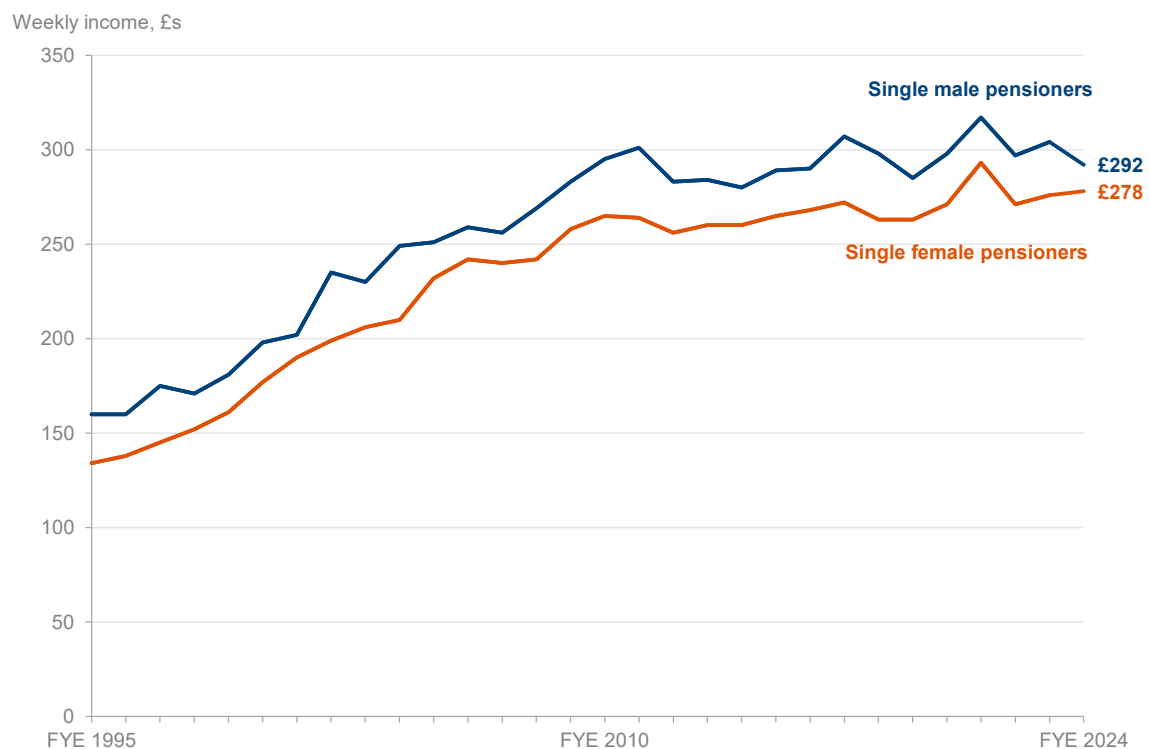
Occupational pension income accounted for 32% of total gross income for pensioners 75 or over and 28% for those under 75. While occupational pension income was higher for the younger age group, this group also had higher overall income, resulting in the percentage contribution of their occupational pension income being slightly smaller.

Earnings income accounted for 20% for pensioners where the head was under 75 and where the head was aged 75 or over, it was four per cent. Older pensioners are less likely to be in work, which may explain why on average they receive a smaller amount from earnings.

See Table 2.7 for full data.

## The difference in average incomes between single male pensioners and single female pensioners is narrowing

Average weekly income of pensioners (AHC) by gender in FYE 2024 prices (£)

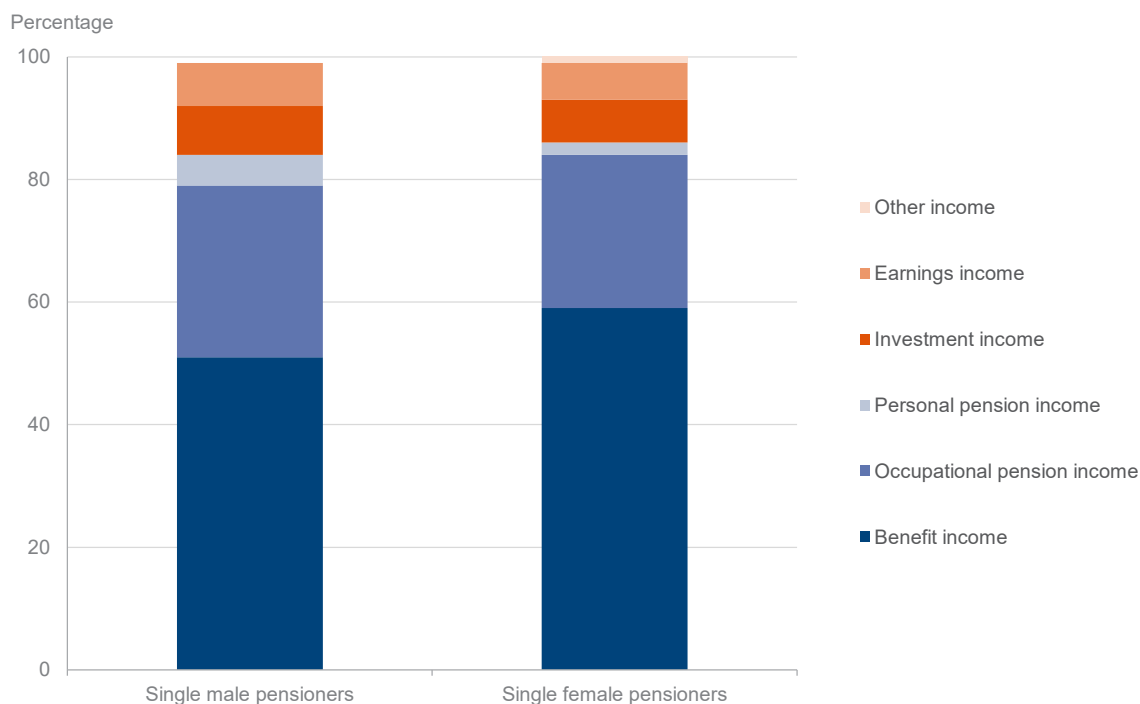


Single male pensioners had higher average incomes than single female pensioners in FYE 2024. Single males had an average weekly income of £292 and single females had an average income of £278.

See Table 2.8 for full data.

## Single female pensioners were more reliant on benefit income

Percentage of gross mean income from different sources by gender, FYE 2024



The difference in incomes between single male and single female pensioners reflects differences in the components that make up individuals' total gross income.

In FYE 2024, benefit income, which includes State Pension, made up 59% of total gross income for single females. For single males, this value was 51%.

Occupational pension made up 28% of total gross income for single male pensioners. For female pensioners, this was 25%.

Income from earnings made up seven per cent of total gross income for single males. For single females, this was six per cent.

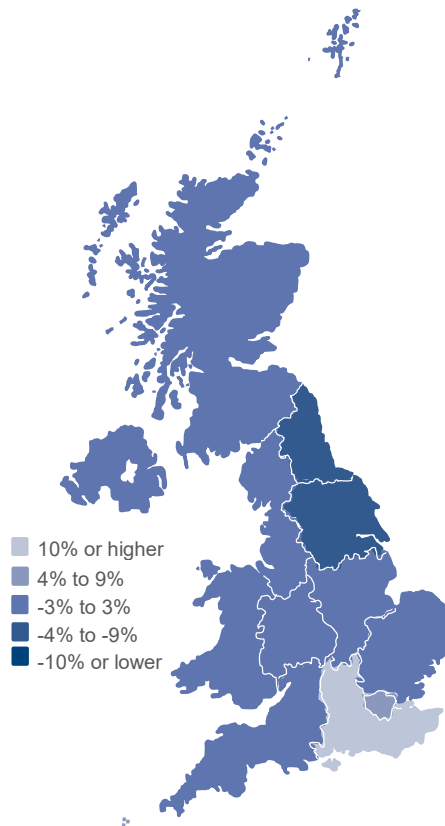
See Table 2.8 for full data.

# 4. Regional differences

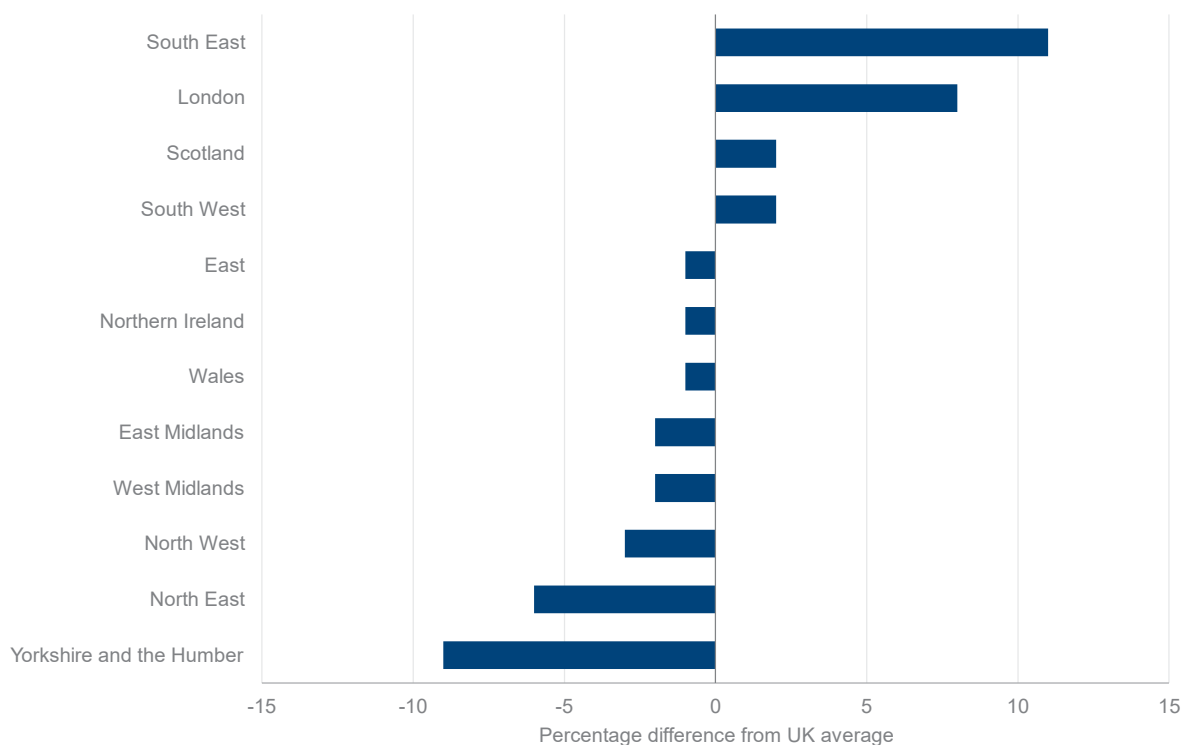
## Pensioner incomes differed between regions and countries

When looking at regional incomes, we use the average weekly income (AHC) for each region over the three-year period FYE 2022 to FYE 2024, adjusted to FYE 2024 prices.

### Average weekly income (AHC) of pensioner couples by region or country, relative to the UK average, FYE 2022 to FYE 2024







The UK average weekly income over the period FYE 2022 to FYE 2024 was £597 for pensioner couples.

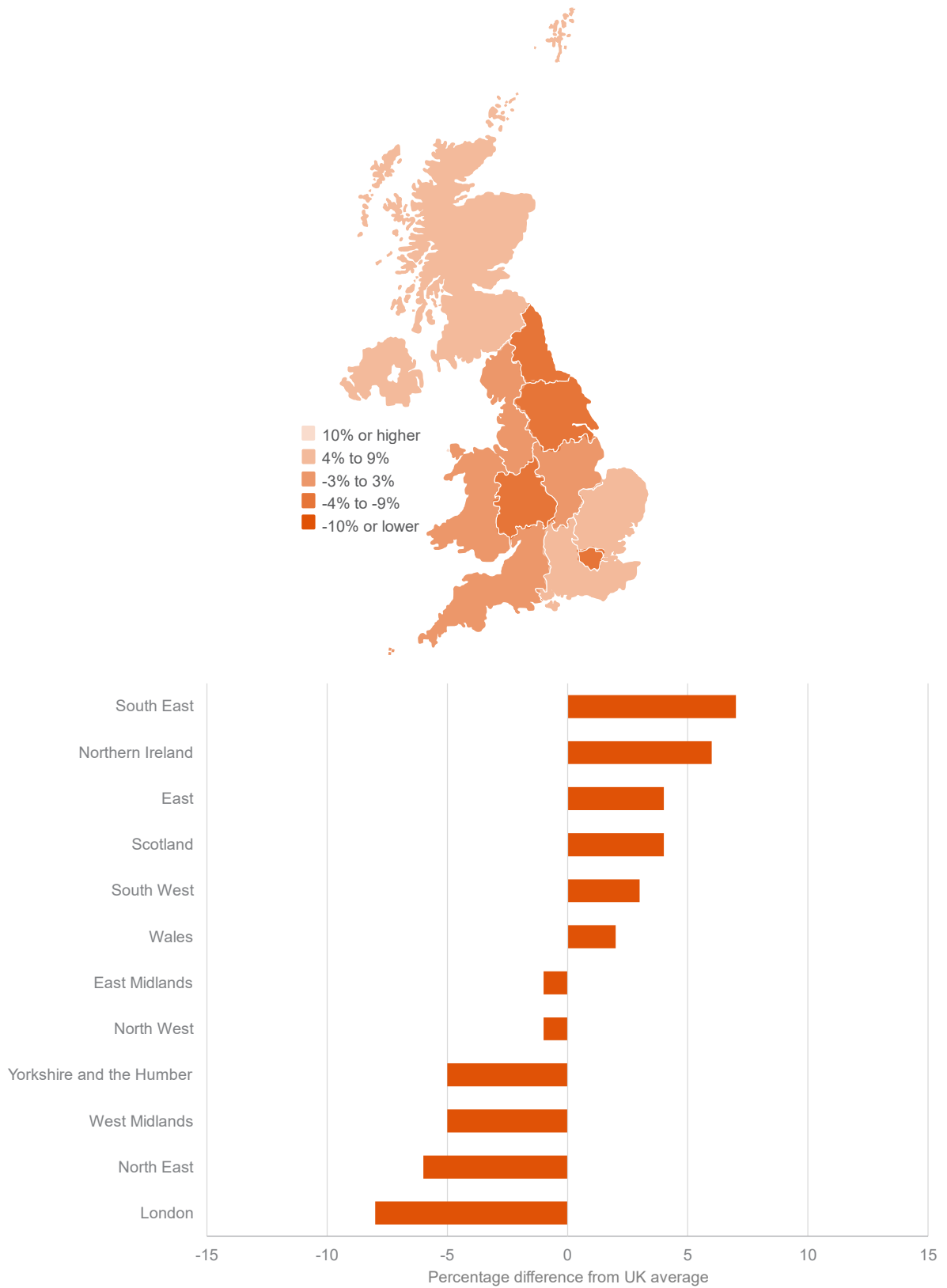
In six regions or countries of the UK, pensioner couples had average weekly incomes below the pensioner couple UK average. Average weekly incomes were lowest in Yorkshire and the Humber, where incomes were nine per cent below the UK average, and the North East, where incomes were six per cent below the UK average. The difference between Yorkshire and the Humber and the UK average is statistically significant.

Pensioner couples in the South East had the highest average income, 11% higher than the UK average. This difference is statistically significant.

Differences between regions are likely to be associated with demographic and economic variations, including housing costs. Please note that these estimates are based on a three-year average, which includes data from FYE 2022 during which data collection was affected by the COVID-19 pandemic.

See Table 2.4 for full data.

## Average weekly income (AHC) of single pensioners by region or country, relative to the UK average, FYE 2022 to FYE 2024



In the period FYE 2022 to FYE 2024, single pensioners in the UK had an average income of £282 per week.

In six regions or countries of the UK, single pensioners had average weekly incomes above the single pensioner UK average. The region with the highest average income for single pensioners was the South East, where incomes were seven per cent above the UK average, followed by Northern Ireland with six per cent above the UK average. The difference between Northern Ireland and the UK average is statistically significant.

Single pensioners in London had the lowest average incomes. Their average income was eight per cent below the UK average.

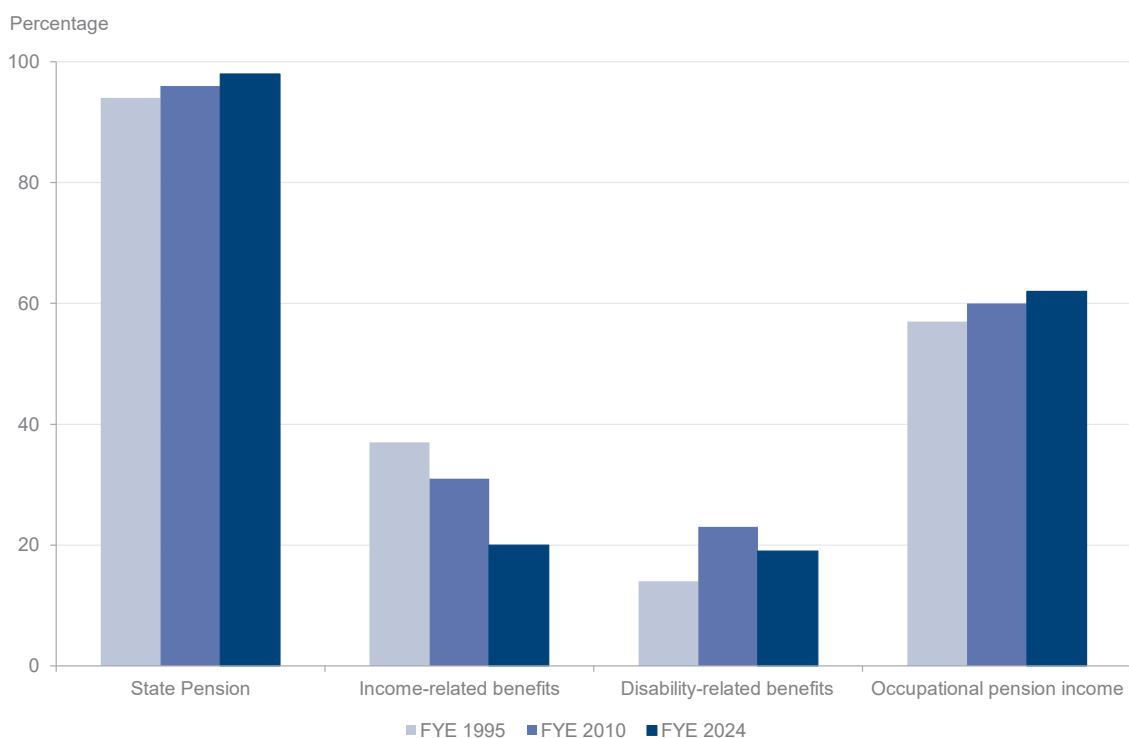
Differences between regions are again likely to be associated with demographic and economic variations, including housing costs. Please note that these estimates are based on a three-year average, which includes data from FYE 2022 during which data collection was affected by the COVID-19 pandemic.

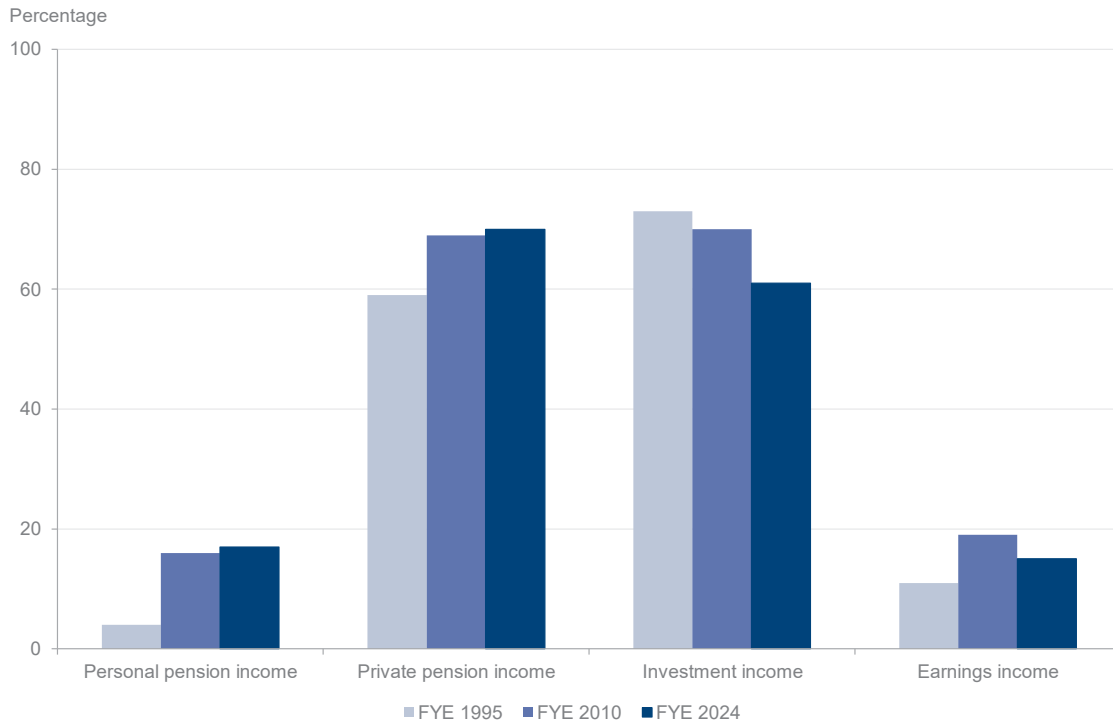
See Table 2.4 for full data.

## 5. Sources of pensioners' incomes

### Percentage of pensioners receiving income from income-related benefits decreased

Percentage of pensioners receiving each source of income, FYE 1995, FYE 2010 and FYE 2024





Nearly all pensioners (98%) were in receipt of the State Pension in FYE 2024. This has increased from both FYE 1995 and FYE 2010, when 94% and 96% of all pensioners were in receipt of the State Pension respectively. The increases from FYE 1995 to FYE 2010 and from FYE 1995 and FYE 2010 to FYE 2024 are all statistically significant.

In FYE 2024, 13% of pensioner units received income from State Pension and state benefits only. This has remained stable since FYE 1995 with the exception of FYE 2023 where we saw a decrease. This was due to the categorisation of certain CoLPs in FYE 2023. See Table 3.3 for full data and explanation.

Income-related benefits were received by 20% of all pensioners in FYE 2024. The percentage of pensioners in receipt of income-related benefits decreased from 37% in FYE 1995, and 31% in FYE 2010. The decreases from FYE 1995 to FYE 2010 and from FYE 2010 to FYE 2024 are both statistically significant. The decrease from FYE 1995 to FYE 2024 is also statistically significant.

The percentage of pensioners in receipt of disability benefits in FYE 2024 was 19%, an increase compared to 14% in FYE 1995, though this figure was 23% in FYE 2010. The decrease from FYE 2010 to FYE 2024 is statistically significant, though the overall increase from FYE 1995 to FYE 2024 is also statistically significant.

Occupational pension income was received by 62% of pensioners in FYE 2024. FYE 1995 and FYE 2010 saw 57% and 60% respectively. The overall increase between FYE 1995 and FYE 2024 is statistically significant.

Personal pensions provided income to a smaller group of pensioners than occupational pensions. In FYE 2024, 17% of pensioners were in receipt of income from personal pensions, compared to 16% in FYE 2010 and four per cent in FYE 1995. The increase between FYE 1995 and FYE 2024 is statistically significant. Personal pensions in their current form were introduced in 1988.

Private pension income was received by 70% of pensioners in FYE 2024. FYE 1995 and FYE 2010 saw 59% and 69% respectively. The overall increase between FYE 1995 and FYE 2024 is statistically significant.

Investment income was received by 61% of all pensioners in FYE 2024. The percentage of pensioners in receipt of investment income has decreased from 70% in FYE 2010. This figure was 73% in FYE 1995. The decreases between FYE 1995 and FYE 2024 and between FYE 2010 and FYE 2024 are both statistically significant.

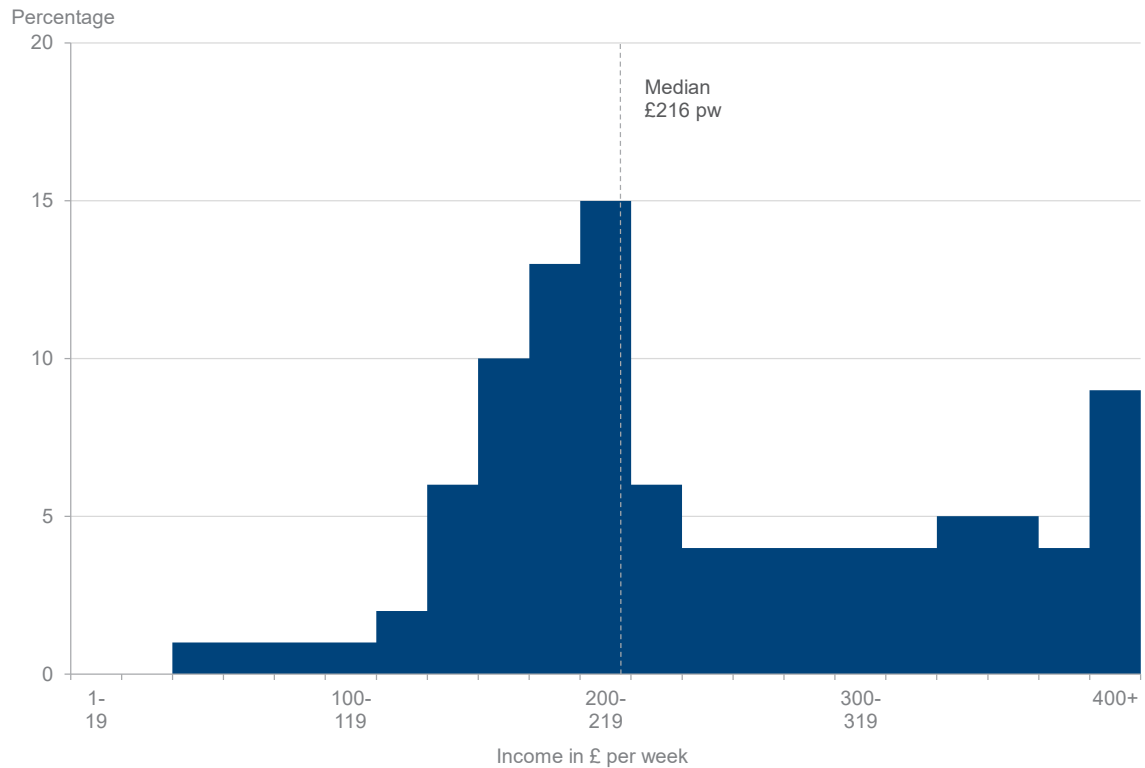
Pensioners in receipt of earnings in FYE 2024 was 15%, compared to 11% in FYE 1995, though this figure was 19% in FYE 2010. The decrease between FYE 2010 and FYE 2024 is statistically significant, as is the overall increase between FYE 1995 and FYE 2024. For some pensioner couples, one adult below SPa contributed to the earnings income.

More information about the distribution of income components for those in receipt in FYE 2024 can be found below.

See Tables 3.5 – 3.12 for full data.

## Distribution of income from selected income sources for all pensioners in receipt, FYE 2024 (£ per week)

### State Pension

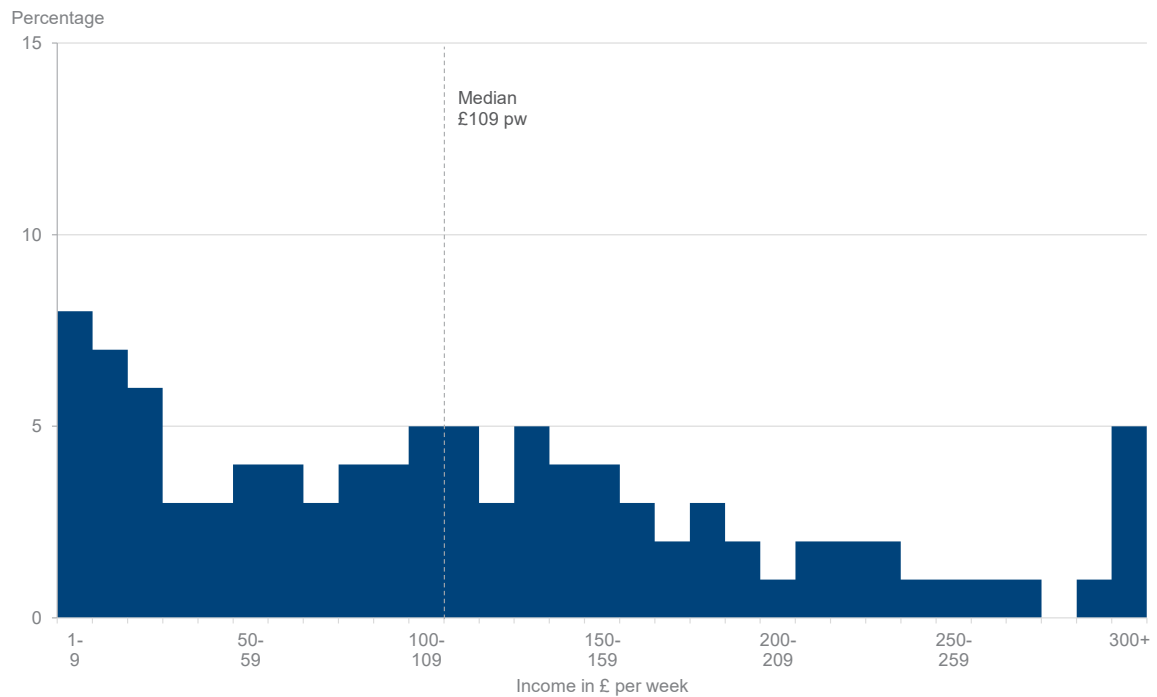


Almost all pensioners (98%) received income from State Pension, with an average amount of £216 per week. Some peaks in the distribution may be explained by the basic State Pension rate, which was £156.20 per week in FYE 2024, as well as the new State Pension full rate, which was £203.85.

For more information on State Pension rates, see [the benefit and pension rates for 2023 to 2024](#).

See Tables 3.5 and 6.2 for full data.

## Income-related benefits

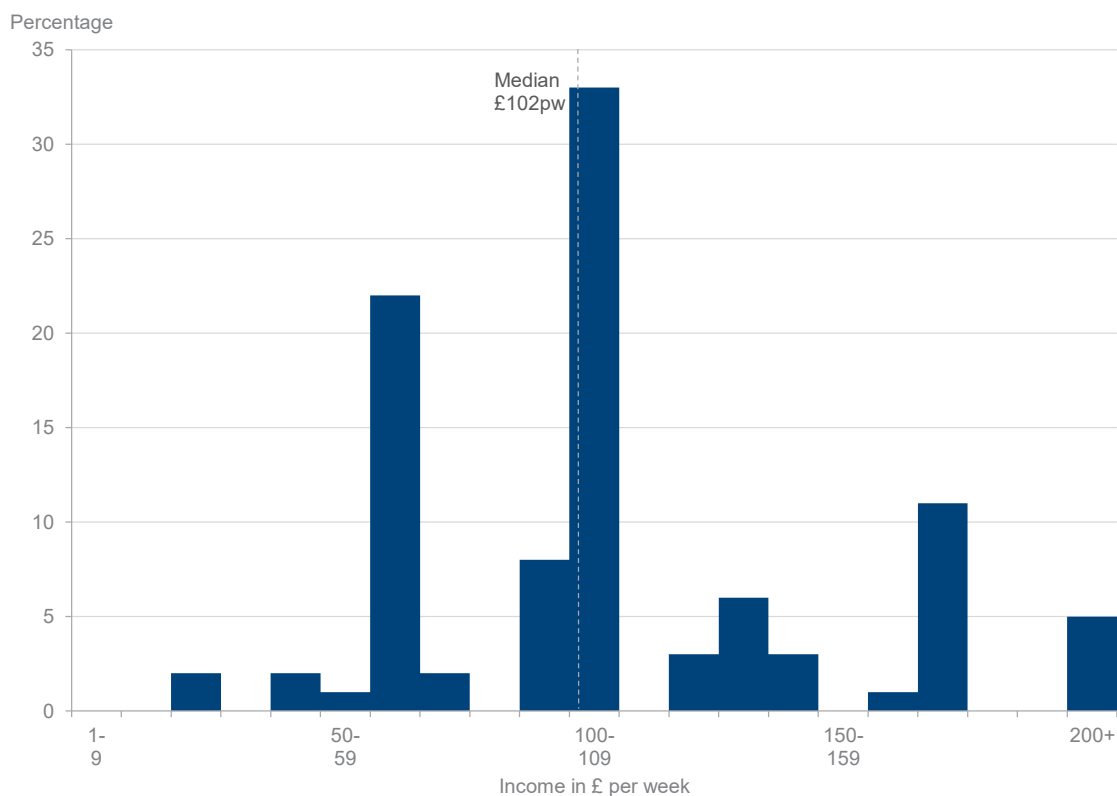


The percentage of pensioners in receipt of income-related benefits in FYE 2024 was 20%. The average income for those in receipt of income-related benefits in FYE 2024 was £109 per week. Of pensioners in receipt, eight per cent had income-related benefit income of less than £10 per week.

For more information on income-related benefits, see [the benefit and pension rates for 2023 to 2024](#).

See Tables 3.6 and 6.3 for full data.

## Disability benefits



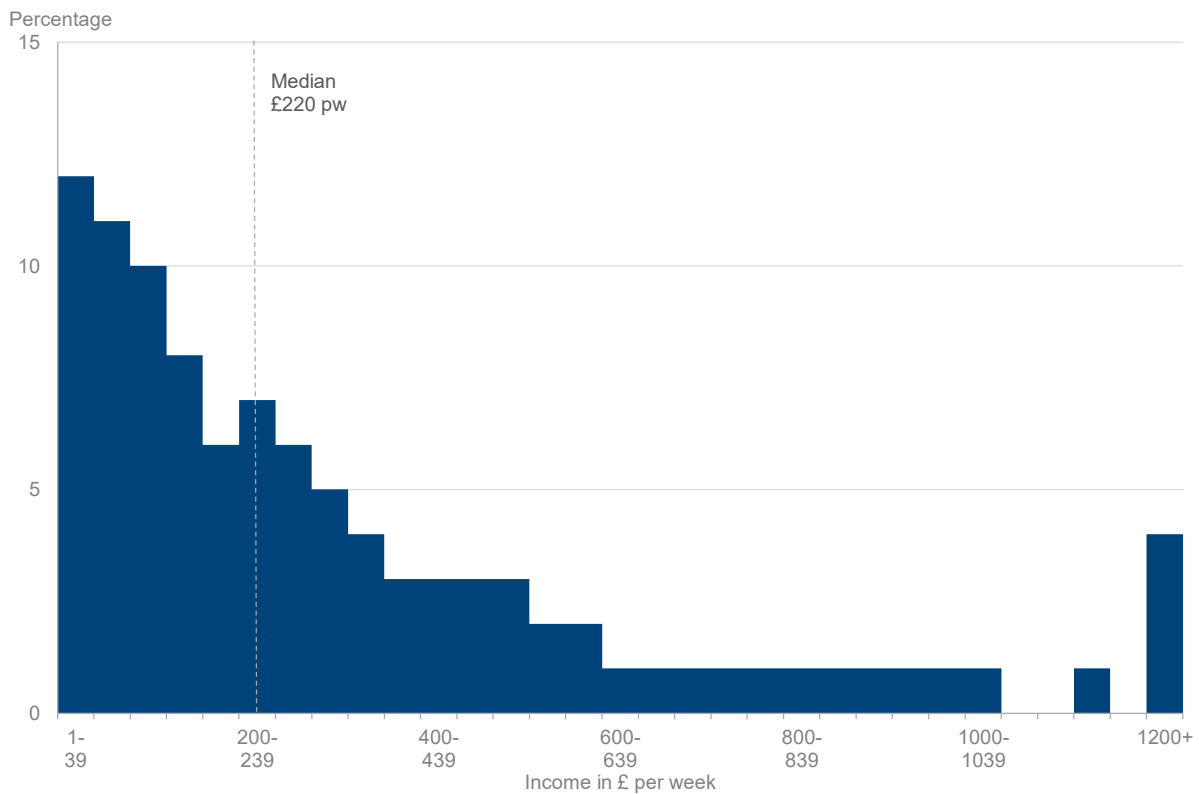
Those receiving disability benefits made up 19% of all pensioners. The average income for those in receipt was £102 per week. Some benefits have set rates, which may explain peaks in the distribution. For example, Attendance Allowance had a lower rate of £68.10 per week and a higher rate of £101.75 per week in FYE 2024.

For more information on Attendance Allowance, see [the benefit and pension rates for 2023 to 2024](#).

See Tables 3.7 and 6.4 for full data.



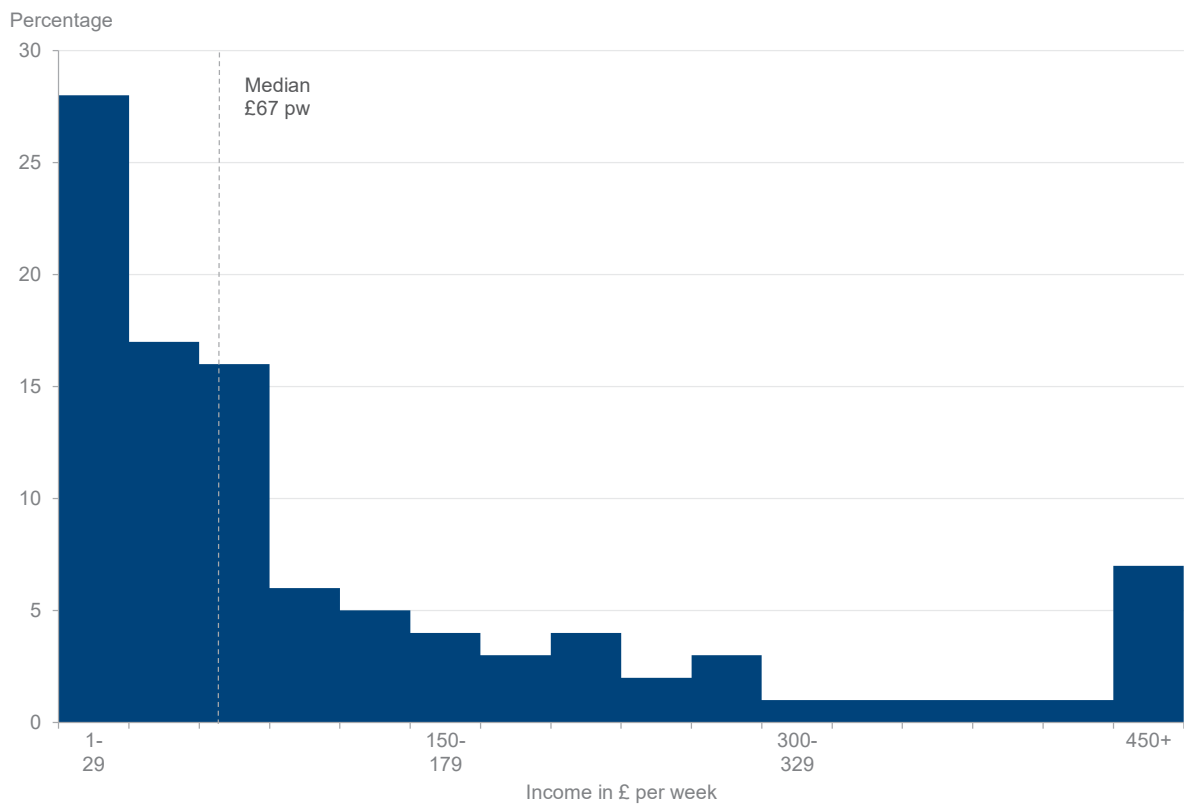
## Occupational pension income



The percentage of pensioners in receipt of occupational pension income was 62%. The average amount received by these pensioners was £220 per week. Of those pensioners in receipt of occupational pension income four per cent received £1,200 or more per week.

See Tables 3.8 and 6.5 for full data.

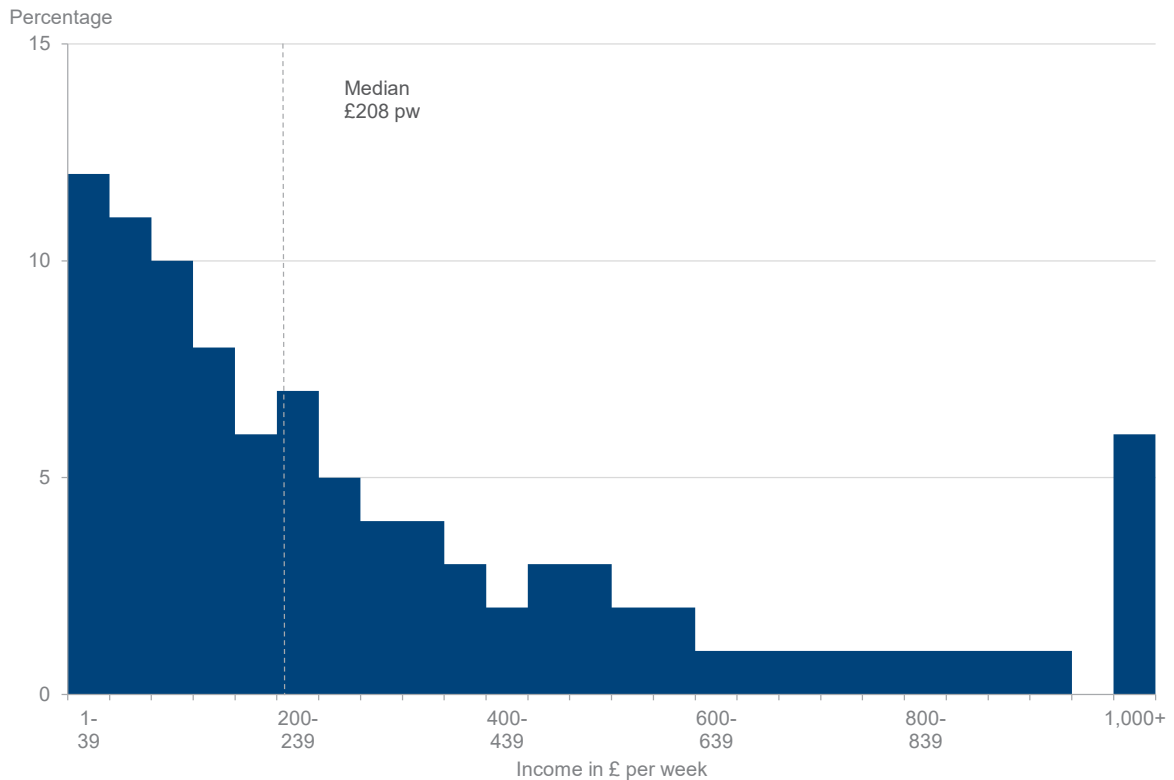
## Personal pension income



The percentage of pensioners in receipt of income from a personal pension was 17%, with an average of £67 per week. Of those pensioners, 28% had personal pension income of less than £30 per week.

See Tables 3.9 and 6.6 for full data.

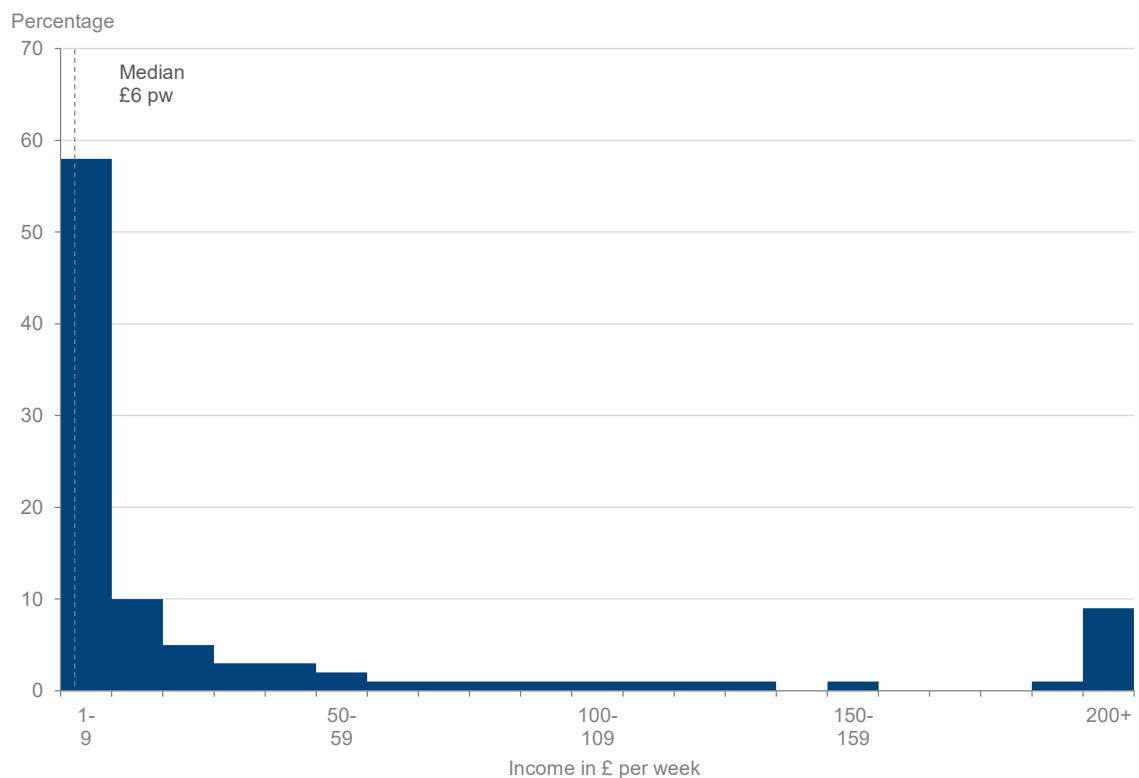
## Private pension income



The percentage of pensioners in receipt of income from a private pension was 70%. The average amount for those in receipt was £208 per week. Of those in receipt, six per cent had private pension income of £1,000 or more per week.

See Tables 3.10 and 6.7 for full data.

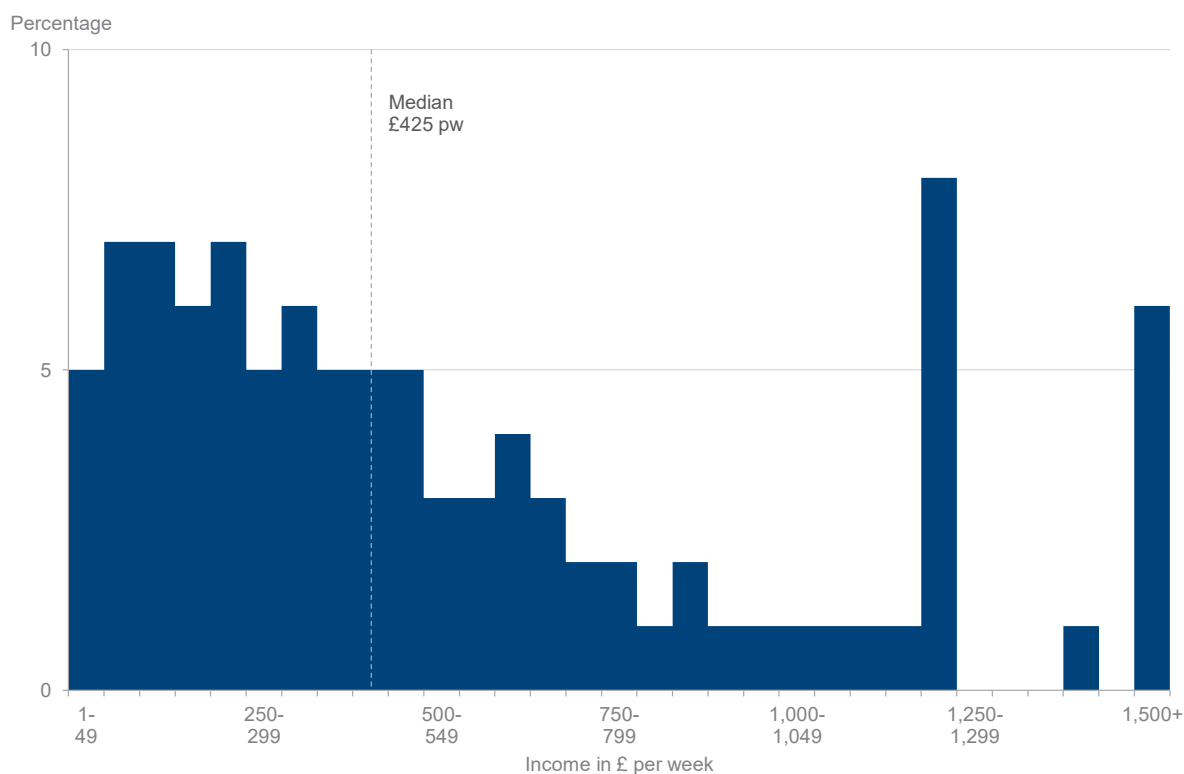
## Investment income



The percentage of pensioners in receipt of investment income was 61%, with an average income of £6 per week. Of pensioners in receipt, nine per cent had an investment income of £200 or more per week.

See Tables 3.11 and 6.8 for full data.

## Earnings income



The percentage of pensioners in receipt of earnings income was 15%, with an average income of £425 per week. Of pensioners in receipt of income from earnings, six per cent had income of £1,500 or more per week.

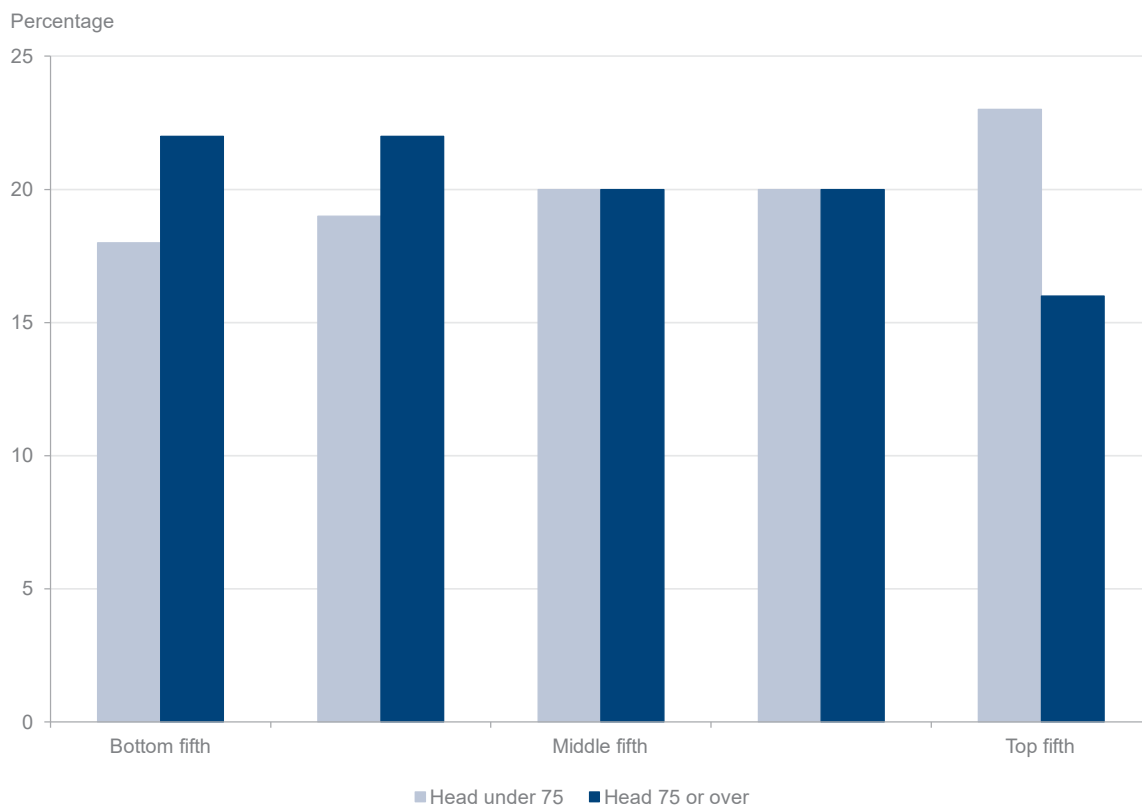
See Tables 3.12 and 6.9 for full data.

## 6. Distribution of pensioners' incomes

This section looks at the distribution of pensioners' incomes and where different groups of pensioners sit within it. To do this, pensioners' incomes are ranked in order, and then the ranked pensioner population is divided into five equal groups of 20%. The top fifth had the highest incomes and the bottom fifth had the lowest. This is calculated separately for couples and single pensioners.

# Pensioners' position within the pensioner income distribution varied by age for couples

Percentage of pensioners, by age of head, in each fifth of the pensioner couples net income (AHC) distribution, FYE 2024



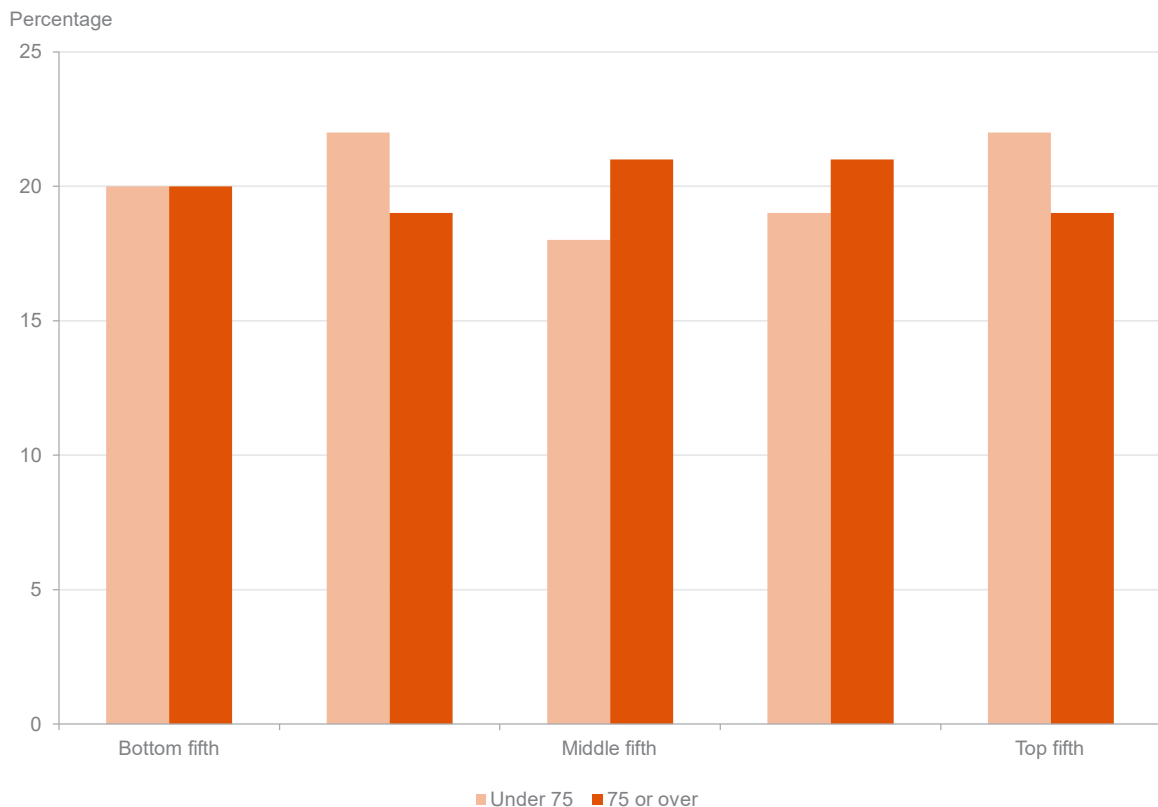
In FYE 2024, 18% of pensioner couples where the head was under 75 were in the bottom fifth of the pensioner couples' income distribution. For pensioner couples where the head was 75 or over this was 22%.

The percentage of pensioner couples where the head was 75 or over decreases from the second quintile, while the percentage of pensioner couples where the head was under 75 increases from the first quintile. The top fifth of the income distribution contained 16% of pensioner couples where the head was 75 or over. Of couples where the head was under 75, 23% of couples were in the top fifth. Therefore, younger couples are overrepresented in the top quintile while older couples are underrepresented. This difference is statistically significant.

See Table 4.2 for full data.

# Pensioners' position within the pensioner income distribution was similar by age for singles

Percentage of pensioners, by age, in each fifth of the pensioner singles net income (AHC) distribution, FYE 2024

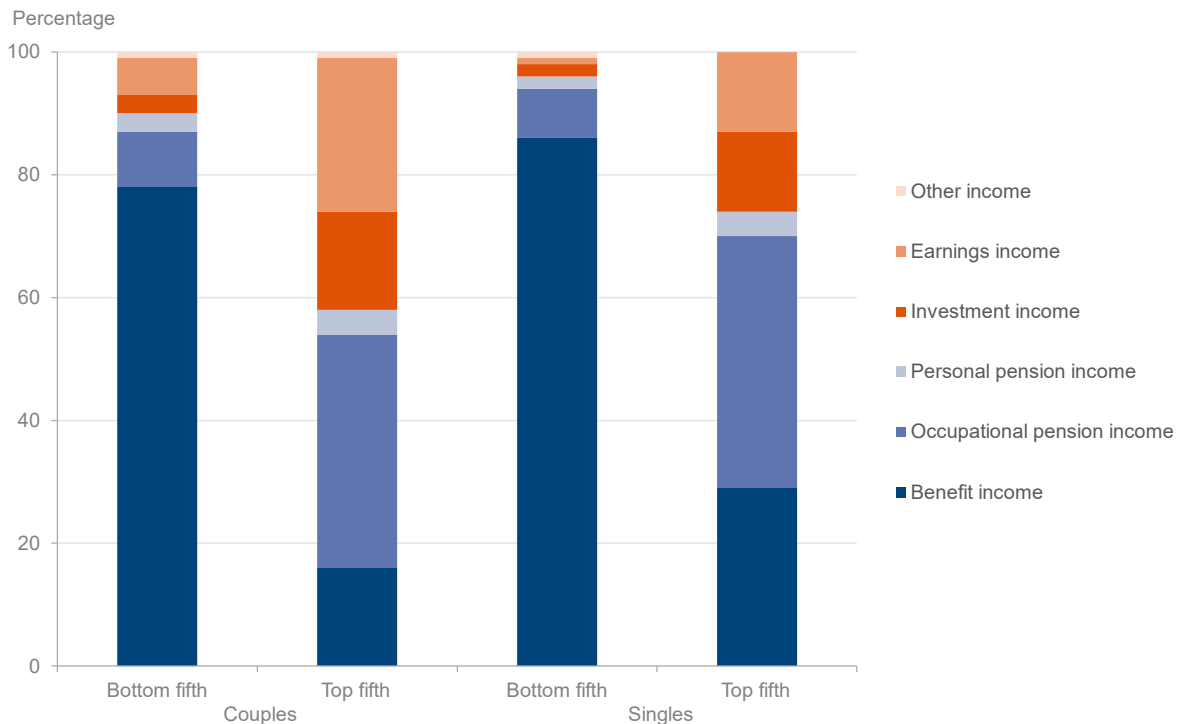


In FYE 2024, 20% of pensioner singles in both groups were in the bottom fifth of the pensioner singles' income distribution. The top fifth of the income distribution contained 19% of singles where the head was 75 or over. Of singles where the head was under 75, 22% of singles were in the top fifth.

See Table 4.2 for full data.

# The sources of pensioners' incomes differed across the income distribution

Percentage of gross mean income from different sources for couples and singles in the top and bottom fifths of the pensioner couples or singles net income (AHC) distribution, FYE 2022 to FYE 2024



Benefit income, including State Pension income, was the largest source of income for both single pensioners and couples in the bottom fifth of the income distribution over the three-year period FYE 2022 to 2024. For pensioner couples in the bottom fifth, benefit income accounted for 78% of income, while for single pensioners this was 86%.

For the top fifth of both couples and singles, the largest source of income was occupational pension income (38% for couples and 41% for singles). For both couples and singles, the top fifth of the income distribution received a larger percentage of their income from earnings (25% for couples and 13% for singles), and investment (16% for couples and 13% for singles) than any other quintile.

Please note that these estimates are based on a three-year average, which includes data from FYE 2022 during which data collection was affected by the COVID-19 pandemic.



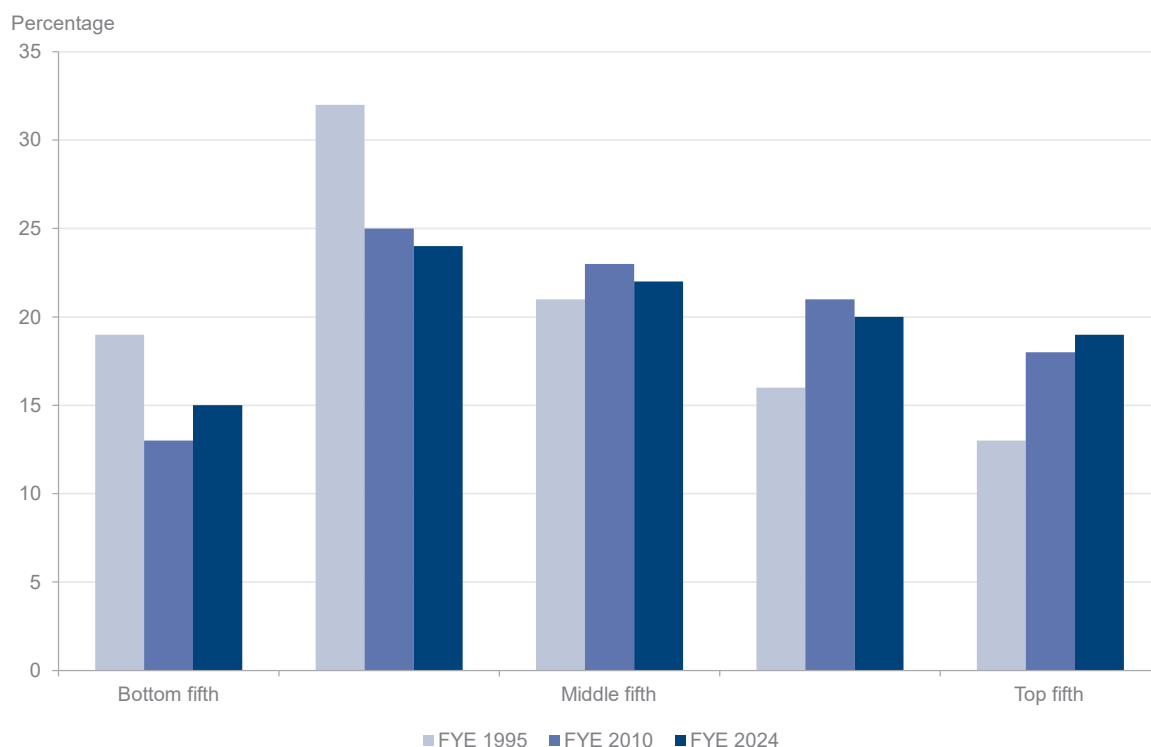
See Table 4.4 for full data.

## 7. Pensioners' incomes within the overall income distribution

When looking at the position of individuals in pensioner units within the income distribution of the overall population, we use equivalised income. This means that incomes are adjusted to take account of the size and composition of households. This is the approach used in the [HBAI report](#), which analyses the overall household income distribution.

### The percentage of pensioners in the top fifth of the overall population income distribution has increased since 1995

Percentage of pensioners in each fifth of the overall population income distribution (AHC), using equivalised income, FYE 1995, FYE 2010 and FYE 2024



Fewer pensioners were in the bottom fifth of the overall income distribution in FYE 2024 compared to FYE 1995, and more were in the top fifth.

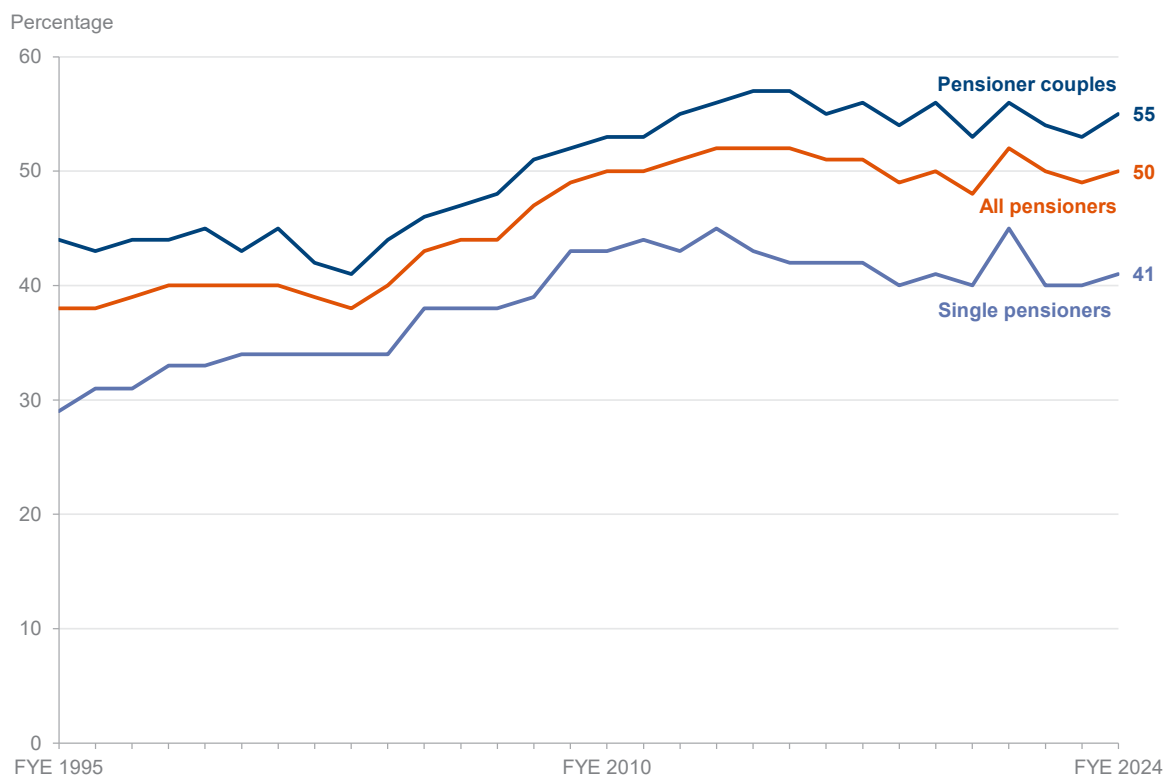
The percentage of pensioners in the bottom fifth was 19% in FYE 1995. In FYE 2024, 15% of pensioners were in the bottom fifth. This difference is statistically significant.

In FYE 1995, 13% of pensioners were in the top fifth of the overall income distribution. This increased to 19% in FYE 2024. This difference is statistically significant.

See Table 4.6 for full data.

## The percentage of pensioners in the top half of the overall population income distribution in FYE 2024 was 50%

Percentage of pensioners in the top half of the overall population income distribution (AHC) by family type, using equivalised income, FYE 1995 to FYE 2024



In FYE 2024, 50% of pensioners were in the top half of the overall income distribution. In FYE 1995, this percentage was 38%. This difference is statistically significant. A period of sustained increases was observed from FYE 2003 to FYE 2013, where pensioners in the top half of the overall income distribution rose from 38% to 52%.

The percentage of pensioner couples in the top half of the income distribution was 44% in FYE 1995. In FYE 2024, this was 55%. This difference is statistically significant.

The percentage of single pensioners in the top half of the income distribution was 41% in FYE 2024. In FYE 1995, this was 29%. This difference is statistically significant.

It should be noted that due to COVID-19 there was a smaller achieved sample size in FYE 2021. In addition, respondents were more likely to be older, owner-occupiers and better educated compared with other years.

See Table 4.7 for full data.

## **8. About these statistics**

### **How do we measure income?**

The main income measure used in PI is weekly net disposable unequivalised income, calculated for both BHC and AHC. Estimates should therefore only be regarded as broadly indicative of pensioners' overall living standards. BHC income comprises total income from all sources for all members of the pensioner unit.

Income is net of:

- income tax payments and National Insurance contributions
- domestic rates or council tax
- contributions to pension schemes
- all maintenance payments
- student loan repayments
- parental contributions to students living away from home.

Income AHC is derived by deducting a measure of housing costs from the overall income measure.

Housing costs include:

- rent (gross of housing benefit)
- water rates, community water charges and council water charges
- mortgage interest payments
- structural insurance premiums

- ground rent and service charges.

When looking at individual income components, figures are calculated from gross income.

## Accredited official statistics

These accredited official statistics were independently [reviewed](#) by the Office for Statistics Regulation (OSR) in November 2012. The continued accreditation of these statistics was confirmed in September 2022 following a [compliance check](#) by the OSR. They comply with the standards of trustworthiness, quality, and value in the [Code of Practice for Statistics](#) and should be labelled 'accredited official statistics'. Accredited official statistics are called National Statistics in the Statistics and Registration Service Act 2007.

You are welcome to [contact us](#) directly with any comments about how we meet these standards. Alternatively, you can contact OSR by emailing [regulation@statistics.gov.uk](mailto:regulation@statistics.gov.uk) or via the [OSR website](#).

Key improvements, in this release and previous releases, include:

- new release strategy
- move to HTML and a more accessible release
- making our data available on [Stat-Xplore](#) and the [UK Data Service](#), which means our statistics are more accessible to users and support new analysis not included in the publication
- recognition of the effect on our estimates, caused by changes to source data during the coronavirus (COVID-19) pandemic
- correction to Cost of Living Support Schemes FYE 2023

## Where to find out more

Further outputs and data tables from PI analysis, alongside our PI Background information and methodology, which gives additional detail on how we estimate the measures reported here, are available on [this year's PI web page](#) for this release.

Analysis of PI data from previous years, as well as further guidance and information about the statistics, is also available on the [PI web page](#).

Details of other Official Statistics produced by DWP can be found on the DWP website:

- [a schedule of statistical releases over the next 12 months and a list of the most recent releases](#)

- [all DWP Official Statistics are also announced in accordance with the Code of Practice for Statistics.](#)

Information on alternative sources of data on income and earnings are available on the [ONS website](#), including an income and earnings [interactive tool](#) where you can filter by government department and country of interest to find relevant statistics.

Further information about the statistics produced on income and earnings by government departments can also be found on the [ONS website](#).

## **Enquiries and feedback**

DWP would like to hear your views on our statistical publications. If you use any of our statistics publications, we would be interested in hearing what you use them for and how well they meet your requirements.

Please send your comments by email to: [pensioners-incomes@dwp.gov.uk](mailto:pensioners-incomes@dwp.gov.uk).

Feedback on the content, relevance, accessibility and timeliness of these statistics and any non-media enquiries should be directed by email to: [pensioners-incomes@dwp.gov.uk](mailto:pensioners-incomes@dwp.gov.uk).

For media enquiries on these statistics, please contact the [DWP press office](#).

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Note, our statistical practice is regulated by the Office for Statistics Regulation (OSR).