

PENSIONS POLICY INSTITUTE

PPI

Pension Facts

June 2020

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## Pension Facts

The data shown here has been selected by the PPI to answer those questions we are most frequently asked – or those questions which we suggest should be more frequently asked - but where the data is not easily available from other sources.

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## Demographics

**Table 1: Projected number of people in the UK of State Pension age (SPa) or older<sup>1</sup>**

	Projected number of people of SPa or older (thousands)					
	2018	2019	2020	2030	2040	2050
<b>Women</b>	6,713	6,579	6,487	7,211	8,430	8,489
<b>Men</b>	5,548	5,519	5,443	6,152	7,218	7,235
<b>Total</b>	<b>12,261</b>	<b>12,098</b>	<b>11,930</b>	<b>13,363</b>	<b>15,649</b>	<b>15,724</b>
<b>Total as % of working age population</b>	41,550	42,034	42,510	44,305	44,039	45,152

**Important:** The table also takes into account planned increase in the SPa for both men and women to 66 in 2020, and the provision in the Pensions Act 2014 for the increase in SPa to 67 to be brought forward to occur between 2026 and 2028. It is assumed that the increase from 67 to 68 takes place between 2044 and 2046 as currently legislated, however this may be brought forward as a result of the SPa review set out in the Pensions Act 2014.<sup>2</sup>

**Table 2: Projected life expectancy at age 65<sup>3</sup>**

UK population	Cohort life expectancy on reaching age 65 and projections - 2018 based <sup>4</sup>					
	2018	2019	2020	2030	2040	2050
<b>Women</b>	22.0	22.1	22.2	23.1	23.9	24.8
<b>Men</b>	19.9	20.0	20.0	21.0	21.9	22.8

These cohort projected life expectancies allow for future projected changes in mortality rates. They show how long a person is expected to live based on age-specific mortality rates at each age for each relevant future year.

<sup>1</sup> ONS 2018-based principal projections for the UK

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/table11principalprojectionuksummary>

<sup>2</sup> see PPI (2020) *The Pensions Primer: a guide to the UK pensions system* for further information

<sup>3</sup> ONS Cohort expectations of life

<http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/datasets/expectationoflifepincipalprojectionunitedkingdom>

<sup>4</sup> Based on actual mortality rates and projected calendar year mortality rates from the 2018-based principal population projections

## State Pensions

### General

**Table 3: Total spending on State Pensions and other benefits for pensioners (£ billions and % GDP)<sup>5</sup>**

Type of benefit	Real terms, 2017/18 prices (£ bn)			
	2017/18	2022/23	2027/28	2037/38
basic State Pension	71	61	48	24
SERPS/ S2P	19	17	13	6
new State Pension	5	26	54	144
Other elements of State Pension	3	2	2	1
Pension Credit	6	5	4	4
Other pension benefits <sup>6</sup>	2	2	2	2
<b>Total Pensions</b>	<b>106</b>	<b>112</b>	<b>123</b>	<b>180</b>
<b>% of GDP</b>	<b>5.1</b>	<b>5.0</b>	<b>5.0</b>	<b>5.9</b>
Housing related benefits <sup>7</sup>	6	5	6	10
Attendance Allowance and Disability Living Allowance	11	12	13	17
<b>Total pensions + benefits paid to pensioners</b>	<b>123</b>	<b>130</b>	<b>142</b>	<b>207</b>
<b>% of GDP</b>	<b>5.9</b>	<b>5.8</b>	<b>5.8</b>	<b>6.8</b>

**Important:** The table above contains official Government projections under the current State Pension system, set out in the Pensions Act 2007 and the reforms outlined in the Pensions Act 2014.

<sup>5</sup>DWP(2018) <https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2018>

These are the official Government projections.

<sup>6</sup> 'Other pension benefits' comprise Winter Fuel Payments, Over 75s TV Licences and Christmas Bonus

<sup>7</sup> Housing-related benefits' comprise Housing Benefit, Council Tax Support in Great Britain, Rate Rebate in Northern Ireland, and Discretionary Housing Payments



**Table 4: Average proportion of pensioner income paid from state and private pension provision<sup>8</sup>**

	State	Private
1997/8	55%	45%
1998/9	54%	46%
1999/2000	55%	45%
2000/1	53%	47%
2001/2	55%	45%
2002/3	57%	43%
2003/4	55%	45%
2004/5	55%	45%
2005/6	56%	44%
2006/7	53%	47%
2007/8	53%	47%
2008/9	54%	46%
2009/10	54%	46%
2010/11	54%	46%
2011/12	53%	47%
2012/13	53%	47%
2013/14	51%	49%
2014/15	51%	49%
2015/16	51%	49%
2016/17	51%	49%
2017/18	52%	48%
2018/19	51%	49%

**Pension income from the state** includes all pension and benefits delivered by the state to people over State Pension age: retirement pensions, disability benefits and income related benefits such as Pension Credit.

**Pension income from private pensions** includes all occupational and personal pension (including contracted-out pensions and public sector pensions). Also includes investment income, including income from annuities, property, stocks and shares and savings.

<sup>8</sup> PPI analysis based on DWP (2020) *Pensioners' Incomes Series 2018 to 2019*

## Basic State Pension

**Table 5: Current full amount of basic State Pension (bSP) and projected future amounts of bSP and new State Pension<sup>9</sup>**

Tax Year	bSP - Weekly Amount	bSP as a percentage of NAE	new State Pension Weekly Amount	new State Pension as percentage of NAE	Weekly National Average Earnings (projected) <sup>10</sup>
Apr-20	£134.25	18.4%	£175.20	24.1%	£728
Apr-21	£139.20	18.5%	£181.70	24.2%	£752
Apr-22	£143.95	18.5%	£187.90	24.1%	£778
Apr-25	£159.25	18.6%	£207.85	24.2%	£858
Apr-30	£194.40	18.9%	£253.70	24.6%	£1,029
Apr-35	£237.30	19.2%	£309.70	25.1%	£1,235
Apr-40	£291.40	19.5%	£380.35	25.5%	£1,491

**Important:** The table above contains projections that use the “triple lock” guarantee for uprating both the bSP and new State Pension.

**Table 6: Average amount of basic State Pension (bSP) received<sup>11</sup>**

	Average amount of bSP received per week March 2015	Average amount of bSP as a % of the full bSP March 2015 <sup>12</sup>
<b>Men</b>	£104.74	93%
<b>Women</b>	£91.13	81%
<b>All persons</b>	£96.86	86%

<sup>9</sup> PPI calculation. Assumes the basic State Pension is uprated in line with the triple lock from April 2011, which in the long-term is assumed to exceed average earnings growth.

<sup>10</sup> This includes only full-time employees. Outturn earnings figure comes from the Annual Survey of Hours and Earnings. Projected figures are in line with earnings growth assumed by the Office for Budget Responsibility.

<sup>11</sup> Information provided by the DWP from a 5% sample of administrative records. Excludes increments awarded for deferring the State Pension.

<sup>12</sup> Full basic State Pension 2014/15 = £115.95

**Table 7: Number of working age people<sup>13</sup> (millions) who have accrued a qualifying year for the basic State Pension (bSP) by method of accrual, UK (2011)<sup>14</sup>**

	<b>Contributing</b>	<b>Credited-in</b>	<b>Not qualifying</b>
<b>Men</b>	13.4	2.8	4.1
<b>Women</b>	10.9	3.9	3.9
<b>Total</b>	24.3	6.8	8.0
<b>Total as a % of working age people</b>	62%	17%	20%

<sup>13</sup> Between the ages 18 to 59 (women) / 64 (men)

<sup>14</sup> PPI estimates derived from DWP (2013) *Tabulation Tool*.

## State Second Pension

**Table 8: Average amount of SERPS and State Second Pension received per week, March 2015<sup>15</sup>**

	Not including income from contracted-out pensions	Including income from contracted-out pensions
<b>Men</b>	£39.21	£72.50
<b>Women</b>	£22.36	£32.07
<b>Total</b>	£29.47	£49.13

**Table 9: Number of working age people<sup>16</sup> (millions) accruing entitlement to State Second Pension (S2P) or contracted-out equivalent, UK (2010/11)<sup>17</sup>**

	Number of working age people (millions) <sup>18</sup>		
	Contributing	Credited-in	Not qualifying
<b>Men</b>	12.0	1.5	6.7
<b>Women</b>	10.4	3.5	4.3
<b>Total</b>	<b>22.4</b>	<b>5.0</b>	<b>11.0</b>
<b>Total as a % of working age people</b>	58%	13%	29%

<sup>15</sup> Information provided by the DWP from a 5% sample of administrative records.

<sup>16</sup> Between the ages 18 to 59 (women) / 64 (men)

<sup>17</sup> PPI analysis of DWP (2011) *Lifetime Labour Market Database*

<http://research.dwp.gov.uk/asd/index.php?page=tabtool>

<sup>18</sup> Figures rounded to the nearest 0.1 million

## Pension Credit

**Table 10: Number of Pension Credit claimants (overall and by component being received), Nov 2018<sup>19</sup>**

	Number of claimants (total beneficiaries) by component being received ('000s)			
	Guarantee Credit only	Savings Credit only	Guarantee Credit and Savings Credit	Total Pension Credit
<b>Men</b>	276 (398)	118 (161)	198 (262)	<b>592 (821)</b>
<b>Women</b>	523 (551)	160 (176)	367 (390)	<b>1,050 (1,117)</b>
<b>Total<sup>20</sup></b>	799 (949)	279 (336)	565 (653)	<b>1,642 (1,938)</b>

**Table 11: Take-up of households receiving different types of Pension Credit, 2017/18<sup>21</sup>**

Type of benefit	Eligible households (thousands <sup>22</sup> )	Actual households (thousands <sup>23</sup> )	Implied take-up
Guarantee Credit	1,990 - 2,130 <sup>24</sup>	1400	66% - 70%
Savings Credit only	640 - 750	290	39% - 45%
<b>All Pension Credit</b>	<b>2,660 - 2,840</b>	<b>1690</b>	<b>60% - 64%</b>

<sup>19</sup> DWP (2018) Work and Pensions Longitudinal Study  
<https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=114>.  
 These figures are for households.

<sup>20</sup> Results may not add up to totals shown due to rounding

<sup>21</sup> DWP (2018) *Income-Related benefits: estimates of take-up in 2017/18*. Estimates of the number of entitled non-recipients have been annualised. Estimates of the number of households receiving Pension Credit will differ from those in Table 10 as they use a different data source and refer to a different time period.

<sup>22</sup> Figures rounded to the nearest 10,000

<sup>23</sup> The numbers of actual households differs from the numbers actually claiming in Table 10 because they use a different source for consistency with the numbers of households eligible

<sup>24</sup> A range exists to take into account the uncertainties of the estimates

**Table 12: Average weekly amounts of Pension Credit received by claimants (by component)<sup>25</sup>**

	Guarantee Credit only	Savings Credit only	Guarantee Credit and Saving Credit	All claimants
Aug-07	83.59	13.30	46.49	50.26
Aug-08	84.83	13.57	48.56	52.80
Aug-09	88.65	13.66	51.02	55.66
Aug-10	90.47	14.03	51.88	57.31
Aug-11	92.03	13.59	52.10	57.47
Aug-12	89.51	11.39	50.20	57.19
Aug-13	89.78	10.87	49.29	56.88
Aug-14	89.08	9.82	47.66	56.68
Aug-15	87.26	8.50	45.47	56.47
Aug-16	85.72	7.26	43.80	57.47
Aug-17	86.06	7.43	44.24	58.18
Aug-18	85.80	7.51	45.58	58.54
Aug-19	88.05	7.83	47.07	60.86

<sup>25</sup> DWP (2019) Work and Pensions Longitudinal Study  
<https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=114>

## Private Pensions

**Table 13: Proportion of working-age people accruing<sup>26</sup> a non-state pension (2017/18)<sup>27</sup>**

Age	Women	Men
16 - 19	4%	6%
20 - 29	38%	38%
30 - 39	51%	57%
40 - 49	55%	62%
50 - 65	54%	56%
All	48 <sup>0</sup> %	52 <sup>0</sup> %

**Table 14: Proportion of pensioners receiving an occupational or personal pension (2018/19)<sup>28</sup>**

	Occupational pension <sup>29</sup>	Personal pension
Single pensioners	52%	11%
Pensioner couples	69%	24%
All pensioners	60%	17%

**Table 15: Average amount received by a pensioner from occupational and personal pensions; average of those receiving something more than zero<sup>30</sup>**

	Average amount received 2018/19 prices (£ per week)			
	Occupational pension <sup>31</sup>		Personal pension	
	Mean	Median	Mean	Median
Single pensioners	£182	£122	£82	£37
Pensioner couples	£353	£250	£118	£58
All pensioners	£277	£181	£106	£54

<sup>26</sup> 'Accruing' refers to the building up of rights in a pension scheme

<sup>27</sup> PPI analysis of Family Resources Survey 2017/18

<sup>28</sup> DWP (2020) *The Pensioners' Incomes Series 2018 to 2019*

<sup>29</sup> Income from occupational pensions includes income from occupational pensions in both the public and private sector. Pensioners may be receiving income from more than one pension.

<sup>30</sup> DWP (2020) *The Pensioners' Incomes Series 2018 to 2019*. Averages do not include pensioners who have no income from occupational or personal pensions.

<sup>31</sup> Income from occupational pensions includes income from occupational pensions in both the public and private sector. Pensioners may be receiving income from more than one pension.

**Table 16: Average size of pension fund used to buy an annuity<sup>32</sup>**

Year	Average size of pension fund
2002	£22,047
2003	£21,703
2004	£21,492
2005	£26,830
2006	£26,399
2007	£24,841
2008	£25,150
2009	£23,375
2010	£25,874

**Table 17: Number of private sector occupational pension schemes by size and status (2012 estimates)<sup>33</sup>**

Type of Scheme	Number of private sector schemes by size and status				
	Open	Closed <sup>34</sup>	Frozen	Winding up	Total
5,000+	220	160	70	10	470
1,000 to 4,999	310	330	190	50	890
100 to 999	630	1,020	1,420	280	3,350
12 to 99	940	670	1,680	840	4,120
2 to 11	20,600	9,440	5,010	570	35,610
<b>Total</b>	22,700	11,620	8,370	1,750	44,440

<sup>32</sup> Information supplied by the Association of British Insurers (2011). Estimates are based on the fund used to purchase an annuity, i.e. after any lump-sum available from the fund has been taken.

<sup>33</sup> ONS (2013) *Occupational Pension Schemes Survey 2012* This data is no longer updated in the OPSS

<sup>34</sup> Closed pension schemes do not admit new members but may continue to receive contributions from or on behalf of existing members who continue to accrue pension rights



**Table 18: Number of private sector occupational pension schemes by benefit structure and status (2012 estimates)<sup>35</sup>**

Type of Scheme <sup>36</sup>	Open	Closed <sup>37</sup>	Frozen	Winding up	Total
Defined benefit	2,690	3,320	3,600	1,150	10,760
Defined contribution	19,640	8,070	4,660	600	32,970
<b>Total</b>	<b>22,330</b>	<b>11,390</b>	<b>8,260</b>	<b>1,750</b>	<b>43,730</b>

**Table 19: Number of members of occupational pension schemes (2018 estimates)<sup>38</sup>**

Type of membership		Number of members (millions)								
		1963	1975	1983	2000	2010	2015	2016	2017	2018
Active members	Private sector	7.2	6.0	5.8	5.7	3.0	5.5	7.7	8.8	11.0
	Public sector	3.9	5.4	5.3	4.4	5.3	5.6	5.7	6.3	6.3
	Total	11.1	11.4	11.1	10.1	8.3	11.1	13.5	15.1	17.3
Pensions in payment		1.8	3.4	5.0	8.2	9.0	10.6	10.4	10.2	10.2
Preserved pension entitlements <sup>39</sup>		:	:	:	6.7	9.8	11.8	15.4	15.8	18.0

<sup>35</sup> ONS (2013) *Occupational Pension Schemes Survey 2012*<sup>36</sup> Excludes schemes with more than one section<sup>37</sup> Closed pension schemes do not admit new members but may continue to receive contributions from or on behalf of existing members who continue to accrue pension rights<sup>38</sup> ONS (2018) *Occupational Pension Schemes Survey 2018*<sup>39</sup> Private and public sector breakdowns are not available for preserved pension entitlements before 1991 (\* indicates not available).

**Table 20: Contribution rates to private sector schemes by scheme size (as a percentage of salary) in 2018<sup>40</sup>**

Scheme size (total membership)	Weighted average contribution rates (% of salary)					
	Defined Benefit			Defined Contribution		
	Member	Employer	Total	Member	Employer	Total
10,000+	6.7	19.2	25.9	2.6	2.2	4.8
5,000 to 9,999	6.9	20.8	27.6	3.5	6.8	10.2
1,000 to 4,999	5.3	17.0	22.4	3.4	7.3	10.6
100 to 999	3.5	21.3	24.8	3.9	6.6	10.5
12 to 99 <sup>41</sup>	3.6	33.5	37.1	0.2	2.5	2.7
<b>Total</b>	6.4	19.2	25.6	2.7	2.4	5.0

**Table 21: Number of active members of occupational pension schemes (million)<sup>42</sup>**

	1991	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Private</b>	6.5	5.7	3.0	2.9	2.7	2.8	4.9	5.5	7.7	8.8	11.0
<b>Public</b>	4.2	4.4	5.3	5.3	5.1	5.3	5.4	5.6	5.7	6.3	6.3
<b>Total</b>	10.7	10.1	8.3	8.2	7.8	8.1	10.2	11.1	13.4	15.1	17.3

**Table 22: Number of active members of private sector occupational pensions by benefit structure (million)<sup>43, 44</sup>**

		2000	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Open</b>	<b>Defined Benefit</b>	4.1	1.0	0.9	0.6	0.6	0.6	0.6	0.5	0.5	0.7
	<b>Defined Contribution</b>	0.8	0.9	0.8	0.9	1.1	3.1	3.9	6.3	7.6	9.8
<b>Closed</b>	<b>Defined Benefit</b>	0.5	1.1	1.1	1.1	1.0	1.0	1.0	0.8	0.6	0.4
	<b>Defined Contribution</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

<sup>40</sup> ONS (2018) *Occupational Pension Schemes Survey 2018*. Includes schemes where contributions are zero. As these contributions are a proportion of salary, they will include any contracted-out rebate received by the employer/employee.

<sup>41</sup> \* indicates cells that have been suppressed to protect confidentiality.

<sup>42</sup> ONS (2018) *Occupational Pension Schemes Survey 2018*. Changes to methodology for 2006 onwards mean that comparisons with 2005 and earlier should be treated with caution.

<sup>43</sup> ONS (2018) *Occupational Pension Schemes Survey 2018*

<sup>44</sup> The figures may not match those in Table 21 due to rounding.

**Table 23: Number of members of occupational pension schemes (million)**<sup>45</sup>

	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Active Members</b>	10.1	8.3	8.2	7.8	8.1	10.2	11.1	13.5	15.1	17.3
<b>Pensions in payment</b>	8.2	9.0	9.2	9.5	9.6	9.6	10.6	10.4	10.2	10.2
<b>Preserved pension entitlement</b>	6.7	9.8	9.8	10.2	10.2	10.6	11.8	15.4	15.8	18.0

**Table 24: PPF funding levels of DB pension schemes**<sup>46, 47</sup>

	Deficit of schemes in deficit (£bn)	Number of schemes in deficit	Surplus of schemes in surplus (£bn)	Number of schemes in surplus	Aggregate balance (£bn)
Feb-14	126	3,919	71	2,231	-55
May-14	122	3,845	79	2,212	-43
Aug-14	167	4,250	60	1,807	-107
Nov-14	224	4,608	47	1,449	-177
Feb-15	328	4,987	33	1,070	-294
May-15	261	4,573	45	1,372	-216
Aug-15	253	4,569	45	1,376	-208
Nov-15	274	4,663	41	1,282	-233
Feb-16	296	4,727	40	1,218	-255
May-16	263	4,450	55	1,344	-208
Aug-16	393	4,751	43	1,043	-350
Nov-16	344	4,596	52	1,198	-291
Feb-17	288	4,327	67	1,467	-221
May-17	253	4,008	83	1,580	-170
Aug-17	226	3,847	94	1,741	-132
Nov-17	198	3,671	108	1,917	-90
Feb-18	191	3,604	115	1,984	-76
May-18	178	3,356	124	2,094	-55
Aug-18	167	3,240	133	2,210	-34
Nov-18	170	3,291	129	2,159	-41
Feb-19	162	3,193	140	2,257	-21
May-19	159	3,042	149	2,380	-10
Aug-19	205	3,265	132	2,157	-72
Nov-19	212	3,285	133	2,137	-79
Feb-20	209	3,249	138	2,173	-70
Mar-20	237	3,452	125	1,970	-112

<sup>45</sup> ONS (2018) *Occupational Pension Schemes Survey 2018*<sup>46</sup> PPF 7800 Index. Funding position calculated based on s179 basis. This is what would have to be paid to an insurance company to take on the payment of Pension Protection Fund levels of compensation.<sup>47</sup> For further information see <http://www.pensionprotectionfund.org.uk/Pages/PPF7800.aspx>

**Table 25: Average voluntary contribution to a private pension as a proportion of National Average Earnings<sup>48</sup>**

Year	Excluding contracted-out rebates	Including contracting-out rebates	Of which: Special contributions
1997	6.7%	8.3%	0.2%
1998	6.7%	8.4%	0.2%
1999	6.9%	8.5%	0.3%
2000	7.0%	8.7%	0.4%
2001	6.7%	8.4%	0.4%
2002	7.0%	8.8%	0.6%
2003	8.1%	9.7%	0.9%
2004	8.5%	10.0%	1.2%
2005	9.6%	11.0%	1.6%
2006	10.2%	11.6%	1.8%
2007	10.0%	11.4%	1.6%
2008	9.0%	10.4%	0.9%
2009	9.7%	10.9%	1.3%
2010	10.7%	11.9%	2.1%
2011	11.0%	12.2%	2.0%

**Table 26: Amount of money in funded pensions by type of investment (2010 prices)<sup>49</sup>**

Type of investment	Amount of money invested in funded pensions (£ billions)			
	2007	2008	2009	2010
Insurance-company-administered occupational pensions	475	410	510	535
Insurance-company-administered personal pensions	450	410	485	475
Self-administered occupational pensions	1105	905	1110	1110
<b>Total</b>	<b>2030</b>	<b>1725</b>	<b>2105</b>	<b>2120</b>
<b>% of GDP</b>	129%	107%	134%	137%

<sup>48</sup> PPI calculations based on data from the HMRC and the Office for National Statistics.<sup>49</sup> PPI analysis derived from ABI (Sept 2011) *Data Bulletin: Funds held in Life and Pension Products in 2010*

**Table 27: Estimated costs of tax relief on private pensions (2017/18)**<sup>50</sup>

<b>Tax relief on:</b>	<b>Estimated cost (£ million)</b> <sup>51</sup>
<i>Relief paid on contributions into schemes:</i>	
Employees' contributions to occupational pension schemes	£4,200
Employers' contributions to occupational pension schemes	£18,600
Employees' contributions to personal pension schemes	£1,600
Employers' contributions to personal pension schemes	£5,600
Contributions to personal pensions by the self-employed	£500
<i>Relief paid on investment returns:</i>	
Investment income of funds <sup>52</sup>	£6,700
<b>Total tax relief on private pension contributions</b>	<b>£37,200 (1.8% of GDP)</b>
National Insurance that would have been paid had employer pension contributions been paid as salary	£16,500
Higher tax allowances for pensioners	£0
<b>Total relief (1)</b>	<b>£53,700 (2.6% of GDP)</b>
<b>Less tax liable on</b> <sup>53</sup> :	
Pension payments	£18,300
<b>Total tax received (2)</b>	<b>£18,300 (0.9% of GDP)</b>
<b>NET TAX RELIEF COST (1 - 2)</b>	<b>£35,400 (1.7% of GDP)</b>

<sup>50</sup> HMRC (2019) Table 6 Cost of reliefs for approved pension schemes<https://www.gov.uk/government/statistics/registered-pension-schemes-cost-of-tax-relief><sup>51</sup> Rounded to the nearest 100 million<sup>52</sup> Assuming relief at the basic rate of tax, which on interest payments is 20% from 1996-97.<sup>53</sup> Tax liabilities on pensions in payment are the tax on pensions paid in the year, not the tax that might eventually be received on pension paid as a result of contributions made in the year

**Table 28: Percentage of total tax relief on individual and employee pension contributions by tax rate (2016/17)<sup>54</sup>**

Marginal income tax rate	Percentage of total tax relief
Standard rate tax payers	32%
Higher rate tax payers	53%
Additional rate taxpayers	15%

**Table 29: Percentage of total tax relief on individual and employee pension contributions by income decile (2009/10)<sup>55</sup>**

Income decile	Percentage of total tax relief
1 (Bottom Decile)	1%
2	1%
3	1%
4	2%
5	3%
6	4%
7	6%
8	8%
9	17%
10 (Top Decile)	58%

**Table 30: Percentage of total tax relief on individual and employee pension contributions by income band<sup>56</sup>**

Income band	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
£0 to £19,999	8%	6%	5%	6%	5%	5%
£20,000 to £44,999	31%	32%	35%	37%	37%	36%
£45,000 to £74,999	25%	26%	28%	32%	33%	34%
£75,000 to £99,999	7%	8%	8%	10%	10%	10%
£100,000 to £149,999	8%	9%	9%	7%	8%	8%
Over £150,000	20%	18%	14%	8%	7%	7%

<sup>54</sup> RSA(2018) *Venturing to Retire* Deloit, Wallace-Stephens<sup>55</sup> PQ Rachel Reeves, House of Commons Hansard 6 July 2011: Column 1247W<sup>56</sup> Written Question - 215992 Answered by David Gauke 10 December 2014

## Working and retirement

**Table 31: Proportion of people working by age group and sex (2019)<sup>57</sup>**

Year	50 – SPa <sup>58</sup>		Over SPa	
	Men	Women	Men	Women
1985	69.4	54.7	7.8	6.7
1990	70.0	58.4	8.4	7.6
1995	65.2	60.3	8.2	7.9
2000	68.9	64.4	7.5	8.4
2005	72.2	68.0	8.8	10.4
2008	73.2	70.2	10.7	12.3
2009	71.8	70.7	10.2	12.9
2010	71.2	70.5	11.0	13.2
2011	70.9	70.5	12.0	12.4
2012	71.7	70.2	12.4	11.5
2013	72.8	70.2	13.0	11.1
2014	74.1	69.7	12.9	11.0
2015	75.0	69.9	13.5	10.2
2016	75.8	70.1	14.2	10.1
2017	76.0	69.0	13.2	8.3
2018	76.4	67.4	13.5	7.8
2019	75.2	66.4	12.0	6.7

**Table 32: Average retirement ages (2019)<sup>59</sup>**

Year	Male	Female
1950	67.2	63.9
1960	66.2	62.7
1970	65.4	62.4
1980	64.6	62.0
1990	63.6	61.1
1995	63.1	60.6
2000	63.3	61.2
2005	63.8	61.9
2010	64.7	62.5
2015	64.9	63.0
2016	65.2	63.7
2017	65.1	63.6
2018	65.1	63.9
2019	65.3	64.3

<sup>57</sup> Office for National Statistics (ONS) (2015) *Participation rates in the UK - 2014 - 3. Older people.*

For 2015 onward: PPI analysis of the Labour Force Survey

<sup>58</sup> SPa is currently 65 for men and transitioning from 60 to 65 for women. See PPI (2020) *The Pensions Primer: a guide to the UK pensions system* for more information

<sup>59</sup> DWP Economic labour market status of individuals aged 50 and over, trends over time: September 2019

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