

Characteristics of people with pensions

Secondary analysis of the Wealth and Assets Survey



Contents

Executive summary	3
Chapter 1: background	4
Aims of the analysis	4
Structure of the UK pensions sector	5
Methodology and terminology	5
How pensions information is collected in the Wealth and Assets Survey	6
Report structure	7
Chapter 2: how many individuals have private pensions and how many pensions do they have (round 7)?	8
Total number of pensions held by individuals	8
Number of pensions held by demographic characteristics	9
Chapter 3: what types of pensions do individuals have	13
Types and combinations of pensions held	13
Types and combinations of DC and DB pensions held	13
Combinations of active and deferred pensions held	16
Chapter 4: how pension ownership and numbers of pensions held has changed over time	19
Chapter 5: how many pensions are there and how are these distributed by demographic characteristics?	22
Appendices:	24

Executive summary

The Pensions Dashboards Programme (PDP) commissioned Ipsos to carry out secondary analysis of the Wealth and Assets Survey to describe the numbers and types of private pensions held by the population of Great Britain (GB).

Three separate Wealth and Assets Survey datasets (rounds of data collection from 2014-2016 to 2018-2020) were analysed to provide some trend information around the changing pensions landscape of Great Britain.

An estimated 57% of adults aged 16+ in Great Britain have at least one pension that is not in payment (pensions where no income or lump sum has been taken), equivalent to 28 million individuals. The proportion of adults with a pension that is not in payment has increased by 11 percentage points from 2014-16, when it was 46%, with a corresponding increase in the number of individuals saving from 22.1 million individuals to around 28 million in 2018-20.

The increase in the proportion of people saving into a pension has been greatest among the younger age groups (16-34) and those with lower personal incomes (between £10,000 and £30,000 per annum), most likely due to automatic enrolment. Automatic enrolment began in 2012 and requires employers to enrol eligible employees into a workplace pension scheme to build up a private pension through their contributions and those of their employer, unless they opt out.

Of those adults with a pension that is not currently in payment, 63% report having 1 pension, 23% report having 2 pensions and 14% report having 3 or more pensions. The mean number of pensions (that are not currently in payment) held by people with at least one pension is 1.6. This mean is highest among 45-54 year-olds at 1.9, where 50% of those with a pension, report having 2 or more.

Among people with at least one pension nearly half (49%) have Defined Contribution (DC) pensions only, just over one-third (36%) have Defined Benefit (DB) pensions only and 16% hold both types. DB pensions are equally common among men and women (29% and 30% respectively) while DC pensions are more prevalent among men than women (41% compared with 32%).

The proportion of adults with only DC pensions has increased by 8 percentage points from 20% to 28% between the 3 rounds. By contrast the proportions of adults holding DB pensions and holding both types show small increases over the same period.

Of those individuals with pensions, 54% only have active pensions, 21% only have deferred pensions and 25% hold both active and deferred pensions.

This analysis estimates that the number of pensions not in payment, held by adults aged 16+ in Great Britain, has increased by around one-third from 33.5 million in 2014-16 to 44.7 million in 2018-20. Some population sub-groups are more likely to hold pensions, for example, an estimated 68% of all pensions not in payment are held by those aged 25-54 and 51% (of all pensions not in payment) are held by those with personal incomes between £20,000 to £74,999. By contrast, the youngest and oldest age groups and those with personal incomes less than £10,000 are least likely to hold pensions that are not in payment.

Chapter 1: background

Aims of the analysis

The Pensions Dashboards Programme commissioned Ipsos to carry out secondary analysis of the Wealth and Assets Survey to describe the numbers and types of private pensions held by the population of Great Britain.

This analysis will help the programme understand the characteristics of those individuals who hold different numbers and types of pensions. Three Wealth and Assets Survey datasets (rounds of data collected between 2014-2016, 2016-2018, and 2018-2020) were analysed to provide some trend information around the changing pensions landscape of Great Britain.

The analysis in this report is based on:

- the UK Data Service Wealth and Assets Survey¹ datasets for Rounds 5 to 7 (2014-16 to 2018-2020)
- adults aged 16+ years old in Great Britain, not including those aged 16-18 who are in full-time education. The analysis is not restricted to working age adults so that all adults who report having a pension that is not in payment are included.
- individuals with pensions: these are private pensions not currently in payment (referred to as pensions in this report) ie no income or lump sum has been taken. Pensions in payment will not be found or displayed on pensions dashboards. For analysis by age group, it should be noted that the youngest and oldest groups are least likely to have pensions that are not in payment because of their pension participation or as they have accessed their pensions already. Many GB adults will have State Pension entitlements that will be found and displayed on pensions dashboards alongside their private pension entitlements. These State Pension entitlements are not covered by the Wealth and Assets Survey or in this analysis.

References in this report:

- disability status: an individual who reports having a disability is someone who reports a physical or mental impairment that has a substantial and long-term negative effect on their ability to do normal daily activities
- percentages that are less than 0.5% will be represented by an asterisk (*), zero percentages will be shown as zeros (0)
- percentages that result from cell sizes of less than 50 are shown in square brackets eg [6]

¹ <https://beta.ukdataservice.ac.uk/datacatalogue/studies/study?id=7215>

Structure of the UK pensions sector

UK pensions include the **State Pension** and **private pensions**.

- **State Pension:** includes the State Pension (the basic State Pension or new State Pension) and additional State Pension such as State Earnings-Related Pension (SERPS) and State Second Pension (S2P).
- **private pensions** comprise **workplace pension schemes** and **personal pension schemes** – any pension that is not a State Pension is a private pension
- **workplace pension schemes** are arranged by an employer and sometimes known as occupational schemes. The employer and/or employee make contributions. Workplace pensions can be defined benefit (DB) schemes or defined contribution (DC) schemes or hybrids.
- **hybrid pensions** have aspects of both DB and DC schemes, so each of these has been counted as one DB scheme and one DC scheme for the purposes of this analysis
- **personal pension schemes** are arranged by an individual directly with a pension provider. Most of these schemes are defined contribution (DC).
- **defined contribution pension (DC)** is a pension pot based on contributions from the individual and/or their employer. The pot is invested in assets such as shares or bonds. The amount in the pension pot at retirement is based on how much has been paid in and how well the investments have performed net of charges. DC schemes are also known as ‘money purchase’ schemes.
- **defined benefit pension (DB)** is usually arranged by an employer. Retirement income is based on the employee’s salary and how long they have worked for their employer. Defined benefit pensions include ‘final salary’ and ‘career average’ pension schemes. They are now usually only available to employees working in the public sector or members of older workplace pension schemes.

Methodology and terminology

This analysis was undertaken using datasets from the Office for National Statistics (ONS) Wealth & Assets Survey (WAS) accessed via the UK Data Service (<https://ukdataservice.ac.uk>). The following 3 datasets were used:

- round 7 – April 2018-March 2020 (c. 34,700 individuals in 17,500 households)
- round 6 – April 2016-March 2018 (c. 32,900 individuals in 18,000 households)
- round 5 – April 2014-March 2016 (c. 31,700 individuals in 18,000 households)

The Wealth and Assets Survey is a large-scale, longitudinal survey undertaken by the Office for National Statistics (ONS) across Great Britain (GB) (covering the UK except for Northern Ireland, Scotland North of the Caledonian Canal and the Isles of Scilly).²

The survey seeks to understand the economic well-being of GB households by employing a comprehensive questionnaire covering ownership of assets (financial, physical and property), pensions, savings and debt.

As with many surveys the information on pensions in the WAS is based on individuals’ self-reports of the pensions they hold. Respondents may not know or recall every detail of their pensions and so the figures presented in this report may differ from other data sources such as from pension providers.

² For more information on the WAS methodology:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/debt/methodologies/wealthandassetssurveyqmi>

This analysis seeks to identify pensions held by individuals across several sections of the questionnaire and count them. This enables an estimate of the total number of pensions held by individuals to be made.

The Ipsos analysis produced weighted estimates of the numbers and percentages of GB adults aged 16+ with pensions not in payment. It further produced estimates of the numbers and percentages of GB adults 16+ holding different numbers and types of pensions and the mean number held by them. PDP has used these estimates to calculate the proportion of individuals with pensions, the different numbers of pensions held and the number of pensions not in payment across Great Britain.

The figures in this report are based on both the original Ipsos analysis and the subsequent PDP calculations. All estimates reported here are based on survey data, so are subject to sampling and non-sampling errors.

Moreover, as the relevant survey design variables (primary sampling units and strata) are not available on the UK Data Service (UKDS) WAS dataset, no confidence intervals were calculated for the report analysis. Where differences are highlighted in the report, these have not been tested for statistical significance.

How pensions information is collected in the Wealth and Assets Survey

WAS limits the number of pensions that it collects information about:

- a maximum of 2 current **occupational (workplace)** pensions
- a maximum of 2 **Additional Voluntary Contribution (AVC)** pensions associated with current occupational DB pensions. AVC pensions are only counted as additional pensions if they feature regular or irregular contributions. Purchasing additional years in a DB scheme is not counted as a separate pension as they are unlikely to be displayed as such on pensions dashboards.
- a maximum of 3 current **personal** pensions where contributions are currently being made. These are individual personal pensions or **self-invested personal pensions (SIPPs)** but can include stakeholder pensions and involve employer contributions.
- a maximum of 6 past pensions (also known as deferred or retained pensions), which may have been either occupational or personal pensions but which are no longer being contributed to

This means that the analysis conducted has a maximum of 11 possible pensions per respondent, although a count of 21 pensions would technically be possible as hybrid pensions will count as 2 pensions, one DB and one DC, in this analysis.

There will be people in the population with more than these maximums in each category and potentially more than 11 pensions overall. However, given the distribution of respondents across the counts for each category, such respondents will be rare and these limits on the data collected are unlikely to greatly suppress estimates of the mean number of pensions held.

These categories of pensions not in payment can be further broken down and some of these sub-categories are covered in this report. These are defined and counted as follows:

- current **occupational (workplace)** pensions can either be DB or DC pensions (see definitions above):
 - **hybrid** pensions have aspects of both DB and DC schemes, so each of these has been counted as one DB scheme and one DC scheme for the purposes of this analysis. This is because they are likely to be displayed as 2 pensions on pensions dashboards.

- current **personal** pensions are all assumed to be DC pensions for the purposes of this analysis. It is technically possible to hold a DB personal pension but this is rare.
- **active** pensions include all current occupational pensions, all current personal pensions and all AVCs with regular or irregular payments. Active pensions can be either DB or DC pensions.
- **deferred** pensions include all past (retained) pension schemes. They can also be DB or DC pensions and may be a mix of workplace or personal pensions.

Report structure

Chapter 2 covers the main findings from the round 7 (2018-2020) analysis looking at the numbers and types of pensions held and how these are spread across the population. Analyses also include estimates of the mean number of pensions held.

Chapter 3 describes the combinations of pensions typically held by individuals with more than one pension.

Throughout the report the findings for the numbers and types of pensions are broken down by demographic characteristics including age, sex, disability status, personal income and current employment status. It was not possible to carry out analysis by ethnicity as the WAS UK Data Service datasets do not include this variable.

The analysis highlights differences between sub-groups where appropriate, these differences have not been tested for statistical significance. Totals may not sum due to rounding.

Chapter 4 of this report identifies trends within the number and types of pensions held across the last 3 rounds of Wealth & Assets data: round 5 (2014-2016), round 6 (2016-2018) and round 7 (2018-2020). The final chapter looks at the total number of pensions reported.

The appendices contain more detailed breakdowns of the number and types of pensions held by individuals.

Chapter 2: how many individuals have private pensions and how many pensions do they have (round 7)?

The findings in this chapter are based on PDP calculations and Ipsos analysis of the round 7 WAS dataset.

Total number of pensions held by individuals

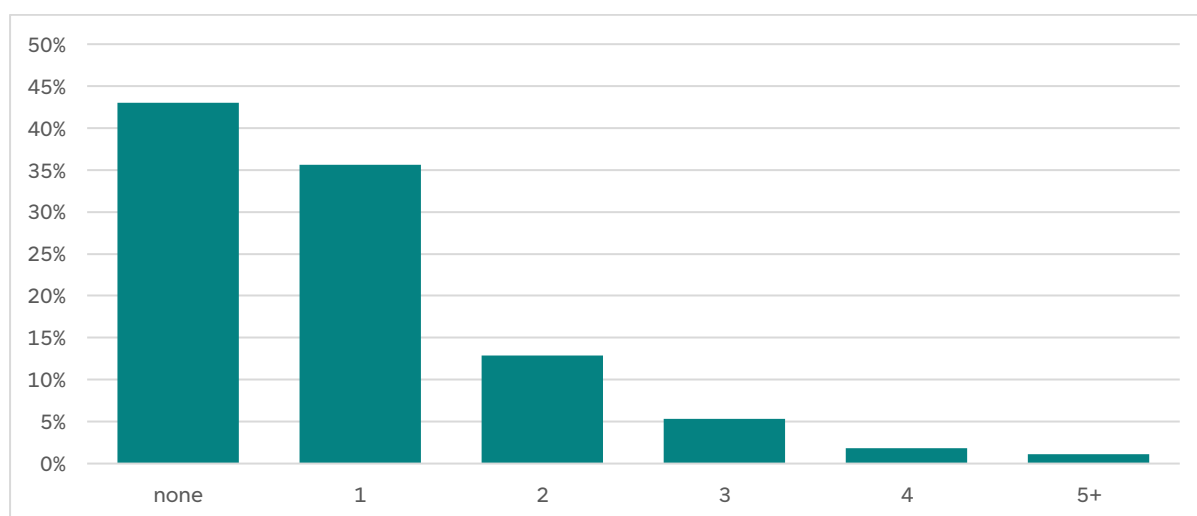
An estimated 43% of adults report having no private pensions, equivalent to around 21.4 million individuals (table 1 and chart 1).

Table 1: percentage and number of adults by number of pensions held

Number of private pensions held	Adults (%)	Adults (millions)
None	43	21.4
One	36	17.6
Two	13	6.4
Three	5	2.6
Four	2	0.9
Five or more	1	0.5
Total	100	49.4

Source: analysis of ONS Wealth and Assets Survey

Chart 1: proportion of all adults by number of pensions held



Source: analysis of ONS Wealth and Assets Survey

Those who report having no pensions (that are not in payment):

- are slightly more likely to be female (46%) than male (40%)
- are younger (65% among under 25s) or older (80% of those aged 65+)
- are not in work (76%)
- have low personal annual incomes (70% of those earning less than £10,000) and
- are more likely to report having a long-term illness or disability (65%)

By contrast, 57% of adults report having at least one pension, equivalent to 28 million individuals.

Table 2: percentage and number of adults with at least one pension by number of pensions held

Number of private pensions held	% Adults with pensions (%)	Adults (millions)
One	63	17.6
Two	23	6.4
Three	9	2.6
Four	3	0.9
Five or more	2	0.5
Total	100	28.0

Source: analysis of ONS Wealth and Assets Survey

Table 2 shows the percentage and number of adults with pensions by the number of pensions held. The table shows:

- almost two-thirds (63%) of individuals with pensions have only one pension, equivalent to 17.6 million people
- 23% of individuals with pensions have two pensions, equivalent to 6.4 million people
- 14% have three or more pensions, equivalent to 4 million people

Estimates of the mean number of pensions per individual were also calculated. For those adults with at least one pension, there was a mean of 1.6 pensions. The mean number of pensions held for all adults was lower at 0.9.

Number of pensions held by demographic characteristics

The number of pensions held by individuals differs by demographic characteristics. This section of the report explores those differences, see appendices for summary tables showing full demographic breakdowns.

Table 3: percentage of individuals with a pension by age group and number of pensions held

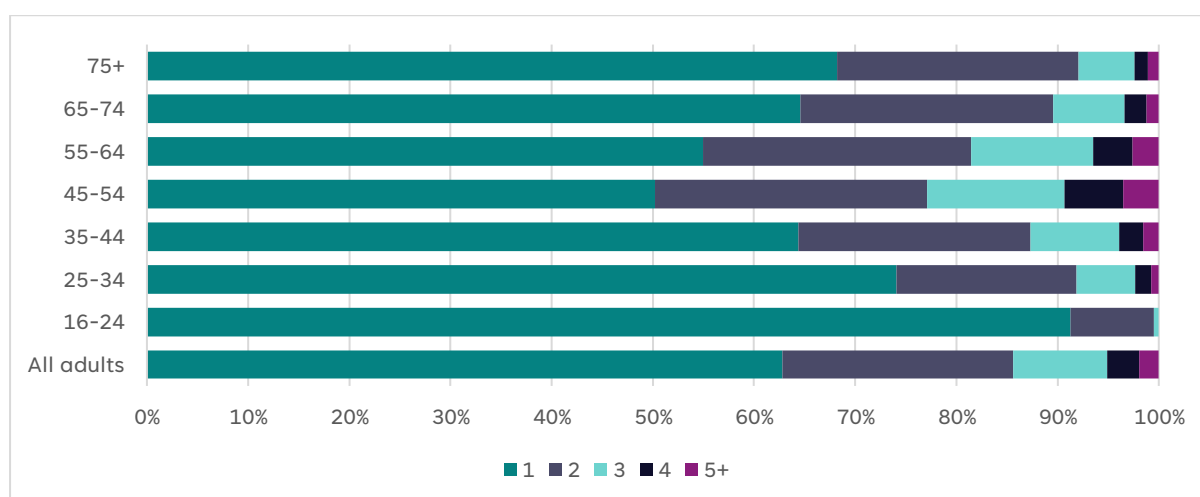
		% of individuals with a pension by number of pensions					Mean number of pensions	
		% with a pension	One	Two	Three	Four		Five or more
All Adults		57	63	23	9	3	2	1.6
Age group	16-24	35	91	8	[*]	[0]	[0]	1.1
	25-34	70	74	18	6	[2]	[1]	1.4
	35-44	76	64	23	9	2	2	1.5
	45-54	78	50	27	14	6	3	1.9
	55-64	66	55	26	12	4	3	1.7
	65-74	29	65	25	7	[2]	[1]	1.5
	75+	8	68	24	[6]	[1]	[1]	1.4

Source: analysis of ONS Wealth and Assets Survey

The proportion of individuals with pensions varies with age (table 3), being generally lower among younger and older age groups and highest among 35-54 year-olds. The 45-54 year-old age group represents the peak in the proportion holding a pension at 78% (compared with 57% for all adults).

The number of pensions that individuals hold also varies by age group (table 3 and chart 2).

Chart 2: proportion of adults with pensions by age group and number of pensions held



Source: analysis of ONS Wealth and Assets Survey

The largest number of pensions held by anyone in this sample was 9, but a majority of those with pensions within all age groups report having only one. Younger and older groups tend to have lower average numbers of pensions than those aged between 35 and 64, with a peak of 1.9 amongst 45-54 year-olds.

Men are more likely to have a pension and also more likely to have more pensions than women. 60% of men have a private pension compared with 54% of women. Men hold a mean of 1.7 pensions each (with 40% reporting having 2 or more), whereas women have a mean of 1.5 pensions each and 34% report having 2 or more.

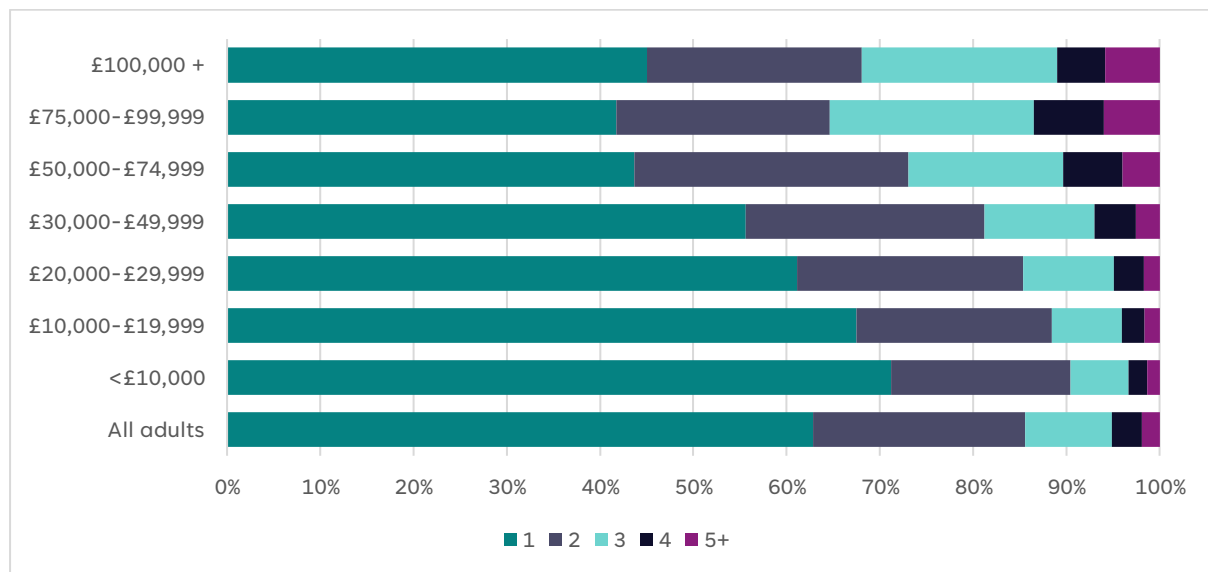
There are also differences in pension ownership and the number of pensions held across annual personal income bands (table 4 and chart 3).

Table 4: percentage of adults with a pension by personal income band and number of pensions held

		% of individuals with a pension by number of pensions					Mean number of pensions	
		% with a pension	One	Two	Three	Four		Five or more
All Adults		57	63	23	9	3	2	1.6
Income band	<£10,000	30	71	19	6	2	[1]	1.4
	£10,000-£19,999	56	67	21	7	2	2	1.5
	£20,000-£29,999	72	61	24	10	3	2	1.6
	£30,000-£49,999	77	56	26	12	4	3	1.7
	£50,000-£74,999	80	44	29	17	[6]	[4]	2.0
	£75,000-£99,999	81	42	23	[22]	[8]	[6]	2.2
	£100,000 +	80	45	[23]	[21]	[5]	[6]	2.1

Source: analysis of ONS Wealth and Assets Survey

Chart 3: proportion of adults with a pension by personal income band and number of pensions held



Source: analysis of ONS Wealth and Assets Survey

Over three-quarters (78%) of those with personal incomes above £30,000 have a pension compared with less than one-third (30%) of those with incomes under £10,000 and 56% of those earning £10,000-£19,999.

Around one-quarter (23%) of those earning £50,000 or more and 15% of those earning £30,000-£49,999 have 3 or more pensions compared to just 3% of those with incomes under £10,000 and 6% of those earning £10,000-£19,999.

The mean number of pensions held increases across the personal income bands from 1.4 among those with annual incomes under £10,000, up to over 2 for those with an income over £50,000.

As expected, current working status is strongly associated with having a pension. 84% of employees have a pension but only 45% of the self-employed do. This proportion falls to 24% among the economically inactive, who account for 40% of all adults but only 17% of those with pensions.

Those individuals who report having a disability are less likely to have pensions compared with those individuals who do not report having a disability or long-term illness. One-fifth (20%) of adults report having a disability. Around one-third (35%) of adults who report having a disability have a pension compared with over three-fifths (62%) of adults without a disability.

While the overall level of private pensions held is much lower among those who report having a disability, those that do have pensions, have a similar mean number of pensions to those who do not report having a disability (both 1.6 pensions per individual).

Chapter 3: what types of pensions do individuals have

The findings in this chapter are based on PDP calculations and Ipsos analysis of the round 7 WAS dataset.

Types and combinations of pensions held

This section of the report explores the different types of pensions that individuals report having by looking at the split between DB and DC pensions initially, and then the split between active and deferred pensions. All the analysis covers all pensions that are not in payment.

Types and combinations of DC and DB pensions held

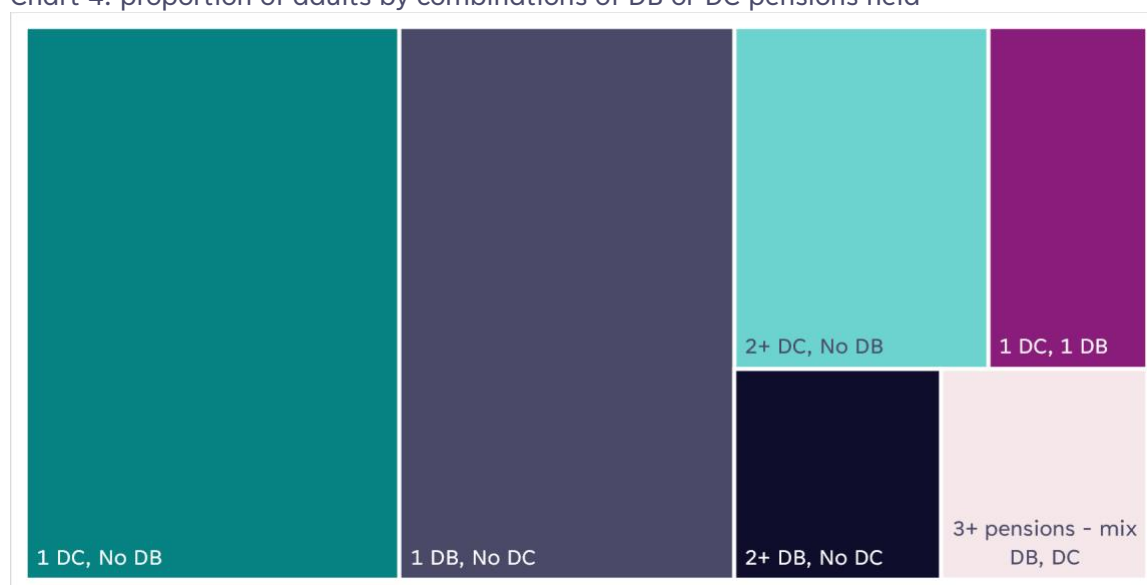
Estimates from the round 7 (2018-2020) data show that there are more individuals with DC pensions (18.0 million) than DB pensions (14.4 million).

Table 5: proportion of all adults by combinations of DB or DC pensions held

		% of adults with DC pensions			
		None	One	Two	Three or more
% of adults with DB pensions	None	43	19	5	3
	One	17	5	1	1
	Two	3	1	*	*
	Three or more	1	*	[*]	[*]

Source: analysis of ONS Wealth and Assets Survey

Chart 4: proportion of adults by combinations of DB or DC pensions held



Source: analysis of ONS Wealth and Assets Survey

The analysis also examined the combinations of DC and DB pensions held. Of those individuals with a pension, over four-fifths (84%) reported having only one type of private pension (either DB or DC). Table 5 shows the combinations of DB and DC pensions that individuals reported having:

- 43% of adults have no pensions
- 20% of adults (36% of individuals with pensions) only have DB pensions
- 27% of adults (48% of individuals with pensions) only have DC pensions
- 9% of adults (16% of individuals with pensions) have both DB and DC pensions

Hybrid pensions

Hybrid pensions are rare. This analysis estimates there are just over 200,000 people with hybrid pensions. This represents around 1% of all those with a pension.

Types and combinations of DC and DB pensions held by demographic characteristics

DB pensions are almost equally common among men and women (29% and 30% respectively), whereas DC pensions are more prevalent among men (41%) than women (32%).

Table 6: percentage of adults with DB and DC pensions by age group

		% with a pension	% of adults by types of pensions			Any DB	Any DC
			DB only	DC only	DB and DC		
All Adults		57	20	28	9	29	37
Age group	16-24	35	14	20	[1]	15	21
	25-34	70	26	38	5	32	43
	35-44	76	28	38	10	38	48
	45-54	78	24	35	19	43	54
	55-64	66	23	29	14	37	43
	65-74	29	11	14	4	15	18
	75+	8	4	3	[1]	5	4

Source: analysis of ONS Wealth and Assets Survey

Table 6 shows that of all adults, those aged between 45 and 54 are most likely to hold both DB and DC pensions (19%). Holding both types is more common among the older age groups (35-64) than those in the younger age ranges and those over 65. Very few 16-24 year-olds or those aged 65 or over have both types (1% and 2% respectively).

DB pensions are less common than DC pensions across virtually all demographic characteristics (see appendix 1 for full breakdown). They are most common among 45-54 year-olds (43%), those with personal incomes above £20,000 (41%) and among employees (44%).

DB pensions are least commonly held by 16-24 year-olds (15%) and those over 65 (10%), those with personal incomes of less than £20,000 (22%) and those not currently working (13%), as well as the self-employed (14%) and those who report having a long-term illness or disability.

Table 7: percentage of adults with a pension by DB and DC pensions held and age group

		% of adults with pensions by types of pensions				
		DB only	DC only	DB & DC	Any DB	Any DC
All adults with a pension		36	49	16	51	64
Age group	16-24	40	56	[3]	44	60
	25-34	37	54	9	46	63
	35-44	37	50	14	38	48
	45-54	31	45	24	55	69
	55-64	35	44	21	56	65
	65-74	38	49	13	51	62
	75+	48	41	[11]	59	52

Source: analysis of ONS Wealth and Assets Survey

Just over half (51%) of adults with a pension have at least one DB pension and nearly two-thirds (64%) have a DC pension (table 7).

Holding both DB & DC pensions is relatively rare. 16% of those with a pension have both DB and DC pensions.

Looking at the different age groups, 45-54 year olds are most likely to have DB and DC pensions (24%). DC pensions are more common than DB pensions across all age groups except among the over 75s.

Combinations of active and deferred pensions held

The analysis also explores the proportion of people with active and deferred pensions. Most individuals reported only having active private pensions (pensions they are currently contributing to).

Table 8: proportion of all adults by combinations of active and deferred pensions held

		% of adults with deferred pensions			
		None	One	Two	Three or more
% of adults with active pensions	None	43	8	2	1
	One	27	7	3	2
	Two	3	1	1	*
	Three or more	*	[*]	[*]	[*]

Source: analysis of ONS Wealth and Assets Survey

Table 8 shows the proportion of people who reported having different combinations of active and deferred pensions:

- as shown earlier in the report, 43% of GB adults reported not contributing to an active pension or having a deferred pension
- just under one-third (30%) of adults (54% of those with a private pension) only have active pensions
- 12% of adults (21% of those with a private pension) only have deferred pensions
- 14% of adults (25% of those with a private pension) have both active and deferred pensions

79% of individuals with a pension are actively contributing to at least one pension and 46% hold a deferred pension.

Combinations of active and deferred pensions held by demographic characteristics

The combinations of active and deferred pensions held by individuals differ by demographic characteristics.

Table 9: percentage of adults with a pension by type of pension and age group

		% of adults with a pension by types of pensions					
		% with a pension	Active only	Deferred only	Active and deferred	Any active	Any deferred
All adults with a pension		57	31	12	14	45	26
Age group	16-24	35	31	[2]	[2]	33	4
	25-34	70	50	6	14	64	20
	35-44	76	47	9	21	67	29
	45-54	78	37	14	31	65	42
	55-64	66	27	21	20	46	39
	65-74	29	4	23	2	6	25
	75+	8	[*]	7	[*]	[*]	8

Source: analysis of ONS Wealth and Assets Survey

Around two-thirds of 25-54 year-olds have an active pension (table 9). This proportion is lower among 16-24 year-olds (33%) and 55-64 year-olds (46%) and, as expected, drops among those aged 65 or over.

The proportion of people with a deferred pension is highest amongst 45-54 year-olds (42%) and 55-64 year-olds (39%) and, as expected, lowest among 16-24 year-olds (4%) and those aged 75 or over (8%).

The proportion of individuals holding both active and deferred pensions is relatively small (14%) but peaks among 45-54 year-olds (31%), and is lowest among the younger and older age-groups. This reflects both time in work and the increased likelihood of retirement and accessing pensions among older age groups.

Active pensions are a little more common among men (47%) than women (42%) and more strongly associated with personal incomes above £50,000 (70%) than those below £10,000 (13%), most likely due to automatic enrolment where employees are automatically enrolled into a workplace pension by their employer if they earn more than £10,000.

Automatic enrolment began in 2012 and requires employers to enrol eligible employees into a workplace pension scheme to build up a private pension through their contributions and those of their employer, unless they opt out. Active pensions are associated more with employees (79%) than the self-employed (18%) and those not working (5%) or those who report having a disability or long-term illness (19%).

Deferred pensions are similarly common among men (28%) and women (24%). They are more common among those with personal incomes over £50,000 (45%) and least common among those with incomes below £10,000 (20%). They are slightly more common among the self-employed (33%) than employees (30%) and least common among those not working (20%). Those who report having a disability or long-term illness are almost as likely to have deferred pensions (23%) as those who do not (27%).

Chapter 4: how pension ownership and numbers of pensions held has changed over time

This chapter of the report explores the changes in the pensions landscape over time by analysing changes in pension ownership from the last three published rounds of WAS data: 2014-16, 2016-18 and 2018-20. All the findings in this chapter are based on Ipsos analysis and PDP calculations of WAS rounds 5 to 7.

Table 10: percentage and number of people with a pension over time

	Number of adults (millions)	Number of adults with a pension (millions)	% of adults 16+ with a pension	Mean number pensions
2014-16	48.2	22.1	46	1.5
2016-18	48.9	25.2	52	1.6
2018-20	49.5	28.0	57	1.6

Source: analysis of ONS Wealth and Assets Survey

Since the introduction of automatic enrolment in 2012 the number of people saving into a private pension has increased. This can be seen in the proportion and number of people saving into a private pension increasing between 2014-16 and 2018-20 (table 10):

- the proportion of people saving into a pension has increased from an estimated 46% to 57%
- the number of individuals with a pension has increased from an estimated 22.1 million to 28.0 million

There has also been a small change in the mean number of pensions held, for adults with a pension, the estimated mean number of pensions has increased from 1.5 to 1.6.

Table 11: demographic profile of people with pensions over time

	% of all adults with a pension			% point change (R5 to R7)*	% of those with a pension		
	Round 5 2014-16	Round 6 2016-18	Round 7 2018-20		Round 5	Round 6	Round 7
Sex							
Male	49	55	60	+11	52	52	52
Female	43	48	54	+11	48	48	48
Total					100	100	100
Age							
16-24	20	24	35	+15	4	4	6
25-34	54	64	70	+16	21	22	21
35-44	69	73	76	+7	25	23	22
45-54	72	76	78	+6	29	27	24
55-64	55	61	66	+11	18	18	19
65-74	10	19	29	+9	3	5	7
75+	1	3	8	+7	0	1	2
Total					100	100	100
Personal income							
< £10,000	22	25	30	+ 8	14	13	13
£10,000- 19,999	46	52	56	+ 10	38	38	37
£20,000- 29,999	64	66	72	+ 9	27	26	27
£30,000- 49,999	71	74	77	+ 6	16	17	17
£50,000- 74,999	74	79	80	+ 6	4	4	4
£75,000+	80	75	80	0	1	1	2
Total					100	100	100
Disability Status							
Disabled	25	29	35	+10	10	11	13
Not disabled	51	57	62	+11	90	89	87
Total					100	100	100

Source: analysis of ONS Wealth and Assets Survey

* Percentage point changes calculated on unrounded data

While there has been an increase in pension saving overall, the demographic groups in the population have been affected differently (table 11). The rise in pension saving is mirrored across both sexes (an increase in 11 percentage points) and among those who report having a disability or long-term illness and those who don't.

These increases in pension saving have been greater among those with personal incomes under £30,000 than those with incomes of £30,000 or more. The increase has been greater among younger age groups (16-34s), for example, rising from an estimated 20% of 16-24 year olds saving in 2014-16 to 35% in 2018-20, and among those aged 55 or more.

By contrast, there are only minor changes in the population composition of those with a pension over time by demographic characteristics, for example, those with a pension are a little more likely to be aged 16-24 in Round 7 (6%) compared with Round 5 (4%).

Table 12: types of pensions held over time

	% all adults with a pension			% point change (R5 to R7) *	% of those with a pension		
	Round 5 2014-16	Round 6 2016-18	Round 7 2018-20		Round 5 2014-16	Round 6 2016-18	Round 7 2018-20
Pension type							
DB only	19	20	20	+1	41	39	36
DC only	20	23	28	+8	43	45	48
DB and DC	7	8	9	+2	16	16	16
Total					100	100	100
Active/deferred							
Active only	28	29	31	+3	60	56	54
Deferred only	8	10	12	+4	17	20	21
Active and deferred	10	12	14	+4	22	24	25
Total					100	100	100

Source: analysis of ONS Wealth and Assets Survey

* Percentage point changes calculated on unrounded data

The mix of pension types held has also changed over time (table 12). The proportion of adults with only DC pensions has increased by 8 percentage points from 20% to 28% between the 3 rounds. By contrast the proportions of adults holding DB pensions and holding both types show small increases over the same period.

The composition of the population with different pension types has changed between 2014-16 and 2018-20, with a 5 percentage point decrease in those with only DB pensions and a 5 percentage point increase in those with only DC pensions.

The effects of automatic enrolment can be seen with increases in the proportions holding only active (28% to 31%) and only deferred pensions (8% to 12%) and those holding both active and deferred pensions (10% to 14%).

The analysis estimates that there are 44.7 million pensions held by 28 million adults. The number of pensions held has increased by one-third (33%) from an estimated 33.5 million in 2014-2016 to 44.7 million in 2018-2020.

Chapter 5: how many pensions are there and how are these distributed by demographic characteristics?

The findings in this chapter are based on PDP calculations and Ipsos analysis of the round 7 WAS dataset. In each case, the estimates of the number of pensions result from calculations based on the number of pensions reported, multiplied by the numbers of people with pensions, from the Ipsos data.

The total number of pensions can be split between the different types of pension:

- 18 million DB pensions (around two-fifths of all pensions)
- 26.7 million DC pensions (around three-fifths of all pensions)
- both estimates include 200,000 hybrid pensions

The total number of pensions can also be split between active and deferred pensions:

- 24.9 million active pensions (55% of all pensions) and
- 19.9 million deferred pensions (45% of all pensions)

These pensions are not evenly distributed across the population.

Table 13: proportion and number of pensions by age group

Age group	Proportion of adults (%)	Number of adults with a pension (millions)	Number of pensions (millions)	Proportion of pensions (%)
16-24	9	1.6	1.7	4
25-34	18	6.0	8.3	19
35-44	16	6.1	9.5	21
45-54	18	6.9	12.9	29
55-64	16	5.2	9.0	20
65-74	13	1.8	2.8	6
75+	10	0.4	0.6	1
Total	100	28.0	44.7	100

Source: analysis of ONS Wealth and Assets Survey

The proportion of adults holding pensions differs across the age groups with 51% of the population aged 25-54 accounting for 68% of pensions (table 13).

These patterns are also evident when looking at personal income bands (table 14).

Table 14: proportion and number of pensions by personal income bands

Personal income band	Proportion of adults (%)	Number of adults with pensions (millions)	Number of pensions (millions)	Proportion of pensions (%)
<£10,000	24	3.5	5.1	11
£10,000-19,000	38	10.5	16.8	35
£20,000-29,000	21	7.6	12.2	27
£30,000-49,000	12	4.8	8.3	19
£50,000-74,000	3	1.1	2.2	5
£75,000-99,000	1	0.2	0.5	1
£100,000 +	1	0.3	0.5	1
Total	100	28.0	44.7	100

Source: analysis of ONS Wealth and Assets Survey

The 35% of the population with incomes between £20,000 and £74,999 account for 51% of pensions (table 14).

Appendices:

The 5 appendices contain fuller analyses of the data than included in the report itself. All the tables are based on PDP calculations and Ipsos analysis of the round 7 WAS dataset.

Each of the tables in the appendix provide full demographic breakdowns (by sex, age, personal income, disability status, employment status and educational qualifications) of the analysis provided in the report.

Appendices 1, 3 and 5 present demographic breakdowns of individuals with pensions not in payment by:

- number of pensions held
- type of pension (DB, DC or both)
- whether have active or deferred pensions

Appendices 2 and 4 present demographic breakdowns of adults by:

- type of pension (DB, DC or both)
- whether have active or deferred pensions

Appendix 1:

Percentage of individuals with pensions not in payment, by number of pensions and demographic characteristics.

	Sex			Age						
	All adults	Men	Women	16-24	25-34	35-44	45-54	55-64	65-74	75+
Any pension	57	60	54	35	70	76	78	66	29	8
• One	63	60	66	91	74	64	50	55	65	68
• Two	23	24	22	8	18	23	27	26	25	24
• Three or more	14	16	13	-	8	13	23	19	10	8

	Personal income								Disability status	
	All adults	< £10,000	£10,000-19,999	£20,000-29,999	£30,000-49,999	£50,000-74,999	£75,000-99,999	£100,000+	Disabled	Not disabled
Any pension	57	30	56	72	77	80	81	80	35	62
• One	63	71	67	61	56	44	42	45	63	63
• Two	23	19	21	24	26	29	23	23	22	23
• Three or more	14	10	12	15	19	27	35	32	15	14

	All adults	Any working	Employed	Self-employed	Full-time	Part-time	Any not working	Retired	Unemployed	Other inactive
Any pension	57	79	84	45	84	66	24	20	28	25
• One	63	61	61	62	60	64	71	67	60	73
• Two	23	23	23	26	24	23	20	23	22	16
• Three or more	14	15	16	13	16	13	9	10	18	6

Educational/work-related qualifications				
	All adults	None	Other *	Degree or higher
Any pension	57	20	55	72
• One	63	63	59	63
• Two	23	23	24	23
• Three or more	14	13	17	14

* Any other educational, professional, vocational or work-related qualifications for which you've received a certificate

Appendix 2:

Percentage of adults by types of pension and demographic characteristics

	Sex			Age						
	All adults	Men	Women	16-24	25-34	35-44	45-54	55-64	65-74	75+
Any pension	57	60	54	35	70	76	78	66	29	8
DB only	20	19	21	14	26	28	24	23	11	4
DC only	28	31	24	20	38	38	35	29	14	3
DB and DC	9	10	8	1	5	10	19	14	4	1

	Personal income								Disability status	
	All adults	< £10,000	£10,000-19,999	£20,000-29,999	£30,000-49,999	£50,000-74,999	£75,000-99,999	£100,000+	Disabled	Not disabled
Any pension	57	30	56	72	77	80	81	80	35	62
DB only	20	11	20	28	26	19	15	17	13	22
DC only	28	16	28	32	35	41	49	43	17	30
DB and DC	9	3	7	12	17	19	18	20	6	10

	Any working						Any not working			
	All adults	Any working	employed	Self-employed	Full-time	Part time	Any not working	Retired	Unemployed	Other inactive
Any pension	57	79	84	45	84	66	24	20	28	25
DB only	20	27	30	7	28	24	10	9	8	9
DC only	28	38	40	31	41	31	11	8	17	13
DB and DC	9	13	14	7	14	11	3	2	4	2

	Educational/work-related qualifications			
	All adults	None	Other *	Degree or higher
Any pension	57	20	55	72
DB only	20	7	18	27
DC only	28	12	29	31
DB and DC	9	1	8	14

* Any other educational, professional, vocational or work-related qualifications for which you've received a certificate

Appendix 3:

Percentage of individuals with pensions not in payment by types of pension and demographic characteristics

	Sex			Age						
	All adults	Men	Women	16-24	25-34	35-44	45-54	55-64	65-74	75+
Any pension	57	60	54	35	70	76	78	66	29	8
DB only	36	31	40	40	37	37	31	35	38	48
DC only	49	52	45	56	54	50	45	44	49	41
DB and DC	16	17	15	3	9	14	24	21	13	11

	Personal income								Disability status	
	All adults	< £10,000	£10,000-19,999	£20,000-29,999	£30,000-49,999	£50,000-74,999	£75,000-99,999	£100,000+	Disabled	Not disabled
Any pension	57	30	56	72	77	80	81	80	35	62
DB only	36	36	36	39	34	24	18	21	36	35
DC only	49	53	51	44	45	51	60	54	47	49
DB and DC	16	11	13	17	21	24	22	25	17	16

	Any working						Any not working			
	All adults	Any working	employed	Self-employed	Full-time	Part time	Any not working	Retired	Unemployed	Other inactive
Any pension	57	79	84	45	84	66	24	20	28	25
DB only	36	34	36	17	33	37	42	46	28	37
DC only	49	49	47	69	49	46	47	42	60	54
DB and DC	16	17	17	15	17	17	11	12	12	9

	Educational/work-related qualifications			
	All adults	None	Other *	Degree or higher
Any pension	57	20	55	72
DB only	36	34	33	43
DC only	49	60	52	19
DB and DC	16	6	15	38

* Any other educational, professional, vocational or work-related qualifications for which you've received a certificate

Appendix 4:

Percentage of adults by whether actively contributing to a pension and demographic characteristics

	Sex			Age						
	All adults	Men	Women	16-24	25-34	35-44	45-54	55-64	65-74	75+
Any pension	57	60	54	35	70	76	78	66	29	8
Active only	31	32	30	31	50	47	37	27	4	<0.5
Deferred only	12	13	12	2	6	9	14	21	23	7
Active and deferred	14	16	12	1	14	20	28	18	2	<0.5

	Personal income								Disability status	
	All adults	< £10,000	£10,000-19,999	£20,000-29,999	£30,000-49,999	£50,000-74,999	£75,000-99,999	£100,000+	Disabled	Not disabled
Any pension	57	30	56	72	77	80	81	80	35	62
Active only	31	10	32	44	43	36	34	36	12	35
Deferred only	12	17	12	9	10	12	11	10	16	11
Active and deferred	14	3	12	19	25	32	36	34	7	16

	Any working						Any not working			
	All adults	Any working	employed	Self-employed	Full-time	Part time	Any not working	Retired	Unemployed	Other inactive
Any pension	57	79	84	45	84	66	24	20	28	25
Active only	31	48	54	12	53	37	4	1	3	2
Deferred only	12	8	5	27	6	13	19	19	24	22
Active and deferred	14	23	25	6	25	16	1	<0.5	1	1

	Educational/work-related qualifications			
	All adults	None	Other *	Degree or higher
Any pension	57	20	55	72
Active only	31	10	29	39
Deferred only	12	9	13	13
Active and deferred	14	2	13	20

* Any other educational, professional, vocational or work-related qualifications for which you've received a certificate

Appendix 5:

Percentage of individuals with pensions not in payment by whether actively contributing to a pension and demographic characteristics

	Sex			Age						
	All adults	Men	Women	16-24	25-34	35-44	45-54	55-64	65-74	75+
Any pension	57	60	54	35	70	76	78	66	29	8
Active only	54	53	55	89	72	62	47	41	14	<0.5
Deferred only	21	21	22	6	9	12	17	31	80	100
Active and deferred	25	26	23	5	19	27	36	28	6	<0.5

	Personal income								Disability status	
	All adults	< £10,000	£10,000-19,999	£20,000-29,999	£30,000-49,999	£50,000-74,999	£75,000-99,999	£100,000+	Disabled	Not disabled
Any pension	57	30	56	72	77	80	81	80	35	62
Active only	54	32	57	61	55	45	42	45	34	57
Deferred only	21	58	21	12	13	14	15	12	45	18
Active and deferred	25	10	22	27	32	41	44	43	21	25

	All adults	Any working					Any not working			
		Any working	employed	Self-employed	Full-time	Part time	Any not working	Retired	Unemployed	Other inactive
Any pension	57	79	84	45	84	66	24	20	28	25
Active only	54	61	64	27	63	56	18	3	10	8
Deferred only	21	10	6	60	7	20	78	95	85	86
Active and deferred	25	29	30	14	30	24	5	2	5	5

	All adults	Educational/work-related qualifications		
		None	Other *	Degree or higher
Any pension	57	20	55	72
Active only	54	47	53	54
Deferred only	21	44	23	18
Active and deferred	25	8	24	28

* Any other educational, professional, vocational or work-related qualifications for which you've received a certificate