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**Coverage**

United Kingdom

**Theme**

Social and Welfare

## Membership of defined benefit pension schemes continues to fall

Membership of employer-sponsored defined benefit pension schemes fell from 39 per cent to 35 per cent of employees between 2004 and 2005, according to data released today by the Office for National Statistics. In 1997, when records began, the figure was 46 per cent.

New data incorporated in an update of the ONS publication *Pension Trends* shows that, in 2004/05, 39 per cent of the 35.4 million working age population were members of a private pension scheme (occupational or personal), down from 40 per cent in 2003/04. More men (44 per cent) than women (37 per cent) were members, down from 46 and 38 per cent respectively in 2003/04.

Membership of defined contribution schemes increased from 10 to 15 per cent of the working-age population between 1997 and 2005, driven by increases in membership of group personal and stakeholder pensions which more than offset a fall in membership of occupational money purchase schemes from 9 to 7 per cent.

*Pension Trends*, first published on 27 October 2005, provides a statistical backdrop to the debate on pensions, bringing together statistics from a range of sources to illustrate trends in pension provision and the economic and social issues that shape them..

Four chapters have now been updated with the latest data and some new analysis included. Key points from the updated chapters include:

### **The labour market and retirement:**

The average age at which male and female workers withdraw from the labour force is rising. In 2006, it was 64.2 years for men, the highest level since 1984, when data first became available. The average age for women was 61.8 years, the second-highest

Issued by  
National Statistics  
1 Drummond Gate  
London SW1V 2QQ

Telephone  
Press Office 020 7533 5702  
Email [press.office@ons.gov.uk](mailto:press.office@ons.gov.uk)  
Public Enquiries 0845 601 3034

Statistician  
Chris Daffin 01633 816198  
Email [chris.daffin@ons.gov.uk](mailto:chris.daffin@ons.gov.uk)

Internet

[www.statistics.gov.uk](http://www.statistics.gov.uk)

on record.

Employment rates of older men and women rose in spring 2006 to the highest levels since comparable records began in 1984. For men aged from 50 to under 65 (men's State Pension Age), the employment rate was 72.6 per cent and for women aged from 50 to under 60 (women's State Pension Age), it was 67.9 per cent. For men over State Pension Age, the employment rate was 9.6 per cent and for women, 11.1 per cent.

**Private pension scheme membership:**

Of the 24.8 million employees in 2005, 49 per cent of men and 47 per cent of women were members of their employer's pension scheme, compared with 51 and 46 per cent respectively in 2004. Among full-time employees, 53 per cent of men and 56 per cent of women were members, compared with 55 and 56 per cent respectively in 2004.

Of the 3.6 million self-employed in 2005, 44 per cent of men and 27 per cent of women belonged to a personal pension scheme, down from 45 and 28 per cent respectively in 2004.

**Pension fund investment:**

The total income of self-administered pension funds was £58.5bn in 2005, up from £50.8bn in 2004. Total expenditure in 2005 was £42.4bn, an increase of £3.4bn over the previous year.

The bulk of income in 2005 consisted of normal and special employer contributions, which stood at £31.2bn, compared to £25.4bn in 2004. The bulk of expenditure consisted of payments to members, amounting to £36.9bn in 2005, up from £33.1bn the previous year.

**Pensions legislation: an overview:**

This chapter has been updated to include changes in legislation, including the simplification of the tax regime for pensions that came into effect on 6 April 2006, known as A-Day.

## BACKGROUND NOTES

1. The updated chapters are available electronically as interactive PDFs, from the National Statistics website:  
[www.statistics.gov.uk/pensiontrends](http://www.statistics.gov.uk/pensiontrends)  
These PDFs contain links to Excel spreadsheets giving the latest data contained in the charts and tables as well as historical data.
2. Details of the policy governing the release of new data are available from the press office.
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