

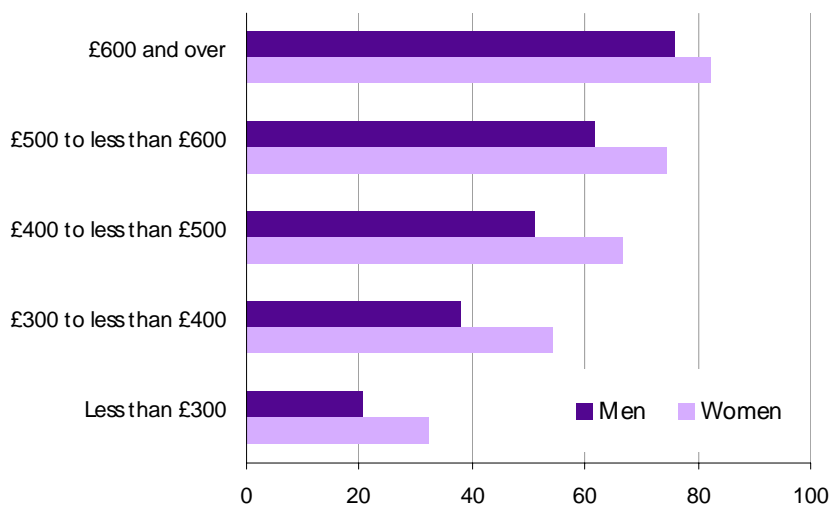
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Coverage
United Kingdom

Theme
Social and Welfare

Low-pay employees are behind on pensions

Analysis published today by the Office for National Statistics in *Pension Trends* shows that employees on low earnings are less likely to belong to pension schemes than higher-paid employees.



Full-time employee membership of an employer-sponsored pension scheme, by weekly earnings (UK, 2008)

In 2008, the analysis found that for full-time employees in the UK:

- 21 per cent of men and 32 per cent of women with gross weekly earnings of less than £300 were members of an employer-sponsored pension scheme, while
- 76 per cent of men and 82 per cent of women on gross weekly earnings of £600 and over belonged to an employer-sponsored pension scheme.

The proportion of women full-time employees with an employer-sponsored pension scheme was greater than for men in all earnings bands. This is in part because there is a higher proportion of women than men employed in the public sector, where participation in employer pension schemes is higher than in the private sector.

The analysis, published in *Pension Trends*, uses data from the Annual Survey of Hours and Earnings (ASHE). Employer-sponsored pension schemes in ASHE include occupational pension schemes, group personal pensions and stakeholder pension schemes.

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The ASHE data shows that in 2008:

- 1.7 million male full-time employee jobs were paid at less than £300 per week, and 1.3 million of these (79 per cent) had no employer-sponsored pension scheme.
- 1.9 million female full-time employee jobs were paid at less than £300 per week, and 1.3 million of these (68 per cent) had no employer-sponsored pension scheme.

The Pensions Act 2008 contained measures designed to increase pension participation by employees, especially low earners. These measures will be implemented from 2012, and future editions of *Pension Trends* will record their impact.

BACKGROUND NOTES

1. This release is based on *Pension Trends* 'Chapter 7: Private pension scheme membership', available at www.statistics.gov.uk/pensiontrends/. The data (including some time series) can be accessed by following the links from the *Pension Trends* home page to download the chapter pdf, and then clicking on the links within the pdf to download the spreadsheets.
2. The charts in this release are based on data from the Annual Survey of Hours and Earnings (ASHE) produced by the Office for National Statistics. ASHE is based on a sample of employee jobs taken from HM Revenue and Customs PAYE records. Therefore employee pension scheme membership in ASHE is measured in terms of jobs rather than individuals. Further ASHE data is available at:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=15236&Pos=&ColRank=1&Rank=208
3. Employer-sponsored pensions in ASHE are pensions arranged through the employer (main pension only). They include occupational pension schemes, group personal pensions and stakeholder pension schemes.
4. Occupational pension schemes are arrangements (other than accident or permanent health insurance) organised by an employer (or on behalf of a group of employers) to provide benefits for employees on their retirement and for their dependents on their death.
5. **National Statistics** are produced to high professional standards as set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from political interference. © Crown Copyright 2009.