



## Office for National Statistics – Employee workplace pensions in the UK

**The 2018 provisional results issued by the Office of National Statistics (ONS) highlight that whilst those contributing into workplace pensions (both private and public sector) continue to increase, there is still a huge differential in the amounts being contributed with the public sector returning the highest contribution levels. The main points of the April 2019 release by ONS are:**

- Over three-quarters (76%) of UK employees were members of a workplace pension scheme in 2018, up from 73% in 2017; this is a 29 percentage points increase compared with 2012, when automatic enrolment was introduced.
- The number of employees with defined contribution (pension wealth dependent upon factors such as investment performance) workplace pensions has increased considerably in recent years; in 2018 the proportion of employees with workplace pensions of this type (34%) almost equalled that of defined benefit (which guarantee a specific retirement income, 36%).
- Both the public and private sectors saw a rise in the share of employees with a workplace pension between 2017 and 2018, with the private sector seeing the largest growth; 90% of public sector and 72% of private sector employees were participating in an occupational pension in 2018 with the gap between these sectors narrowing.
- In 2018, employees aged outside automatic enrolment age eligibility (less than 22 years or over State Pension age) had low proportions of workplace pension participation (35% or less), whereas approximately 80% of employees within the age boundary criteria were members of their workplace pension scheme.
- Private sector employers with 1 to 99 employees had the largest growth in workplace pension membership between 2017 and 2018, from 51% to 62%; however, this group still had the lowest rate across the public and private sectors.
- The proportion of defined contribution scheme members contributing between 2% and 3% of their earnings rose to 38% in 2018, up from 6% in 2017, while the share contributing less than 2% fell; this is likely to be explained by the phasing of automatic enrolment minimum contribution levels.
- The vast majority (85%) of defined benefit pension members received employer contributions equivalent to 12% or more of their earnings in 2018, while just 8% of defined contribution members received employer contributions of this size: this reflects the legal requirement on employers to ensure defined benefit schemes are funded sufficiently to pay future pensions.

*If you have any queries please contact your usual 44 Consultant or email [admin@44benefits.co.uk](mailto:admin@44benefits.co.uk)*

**April 2019**

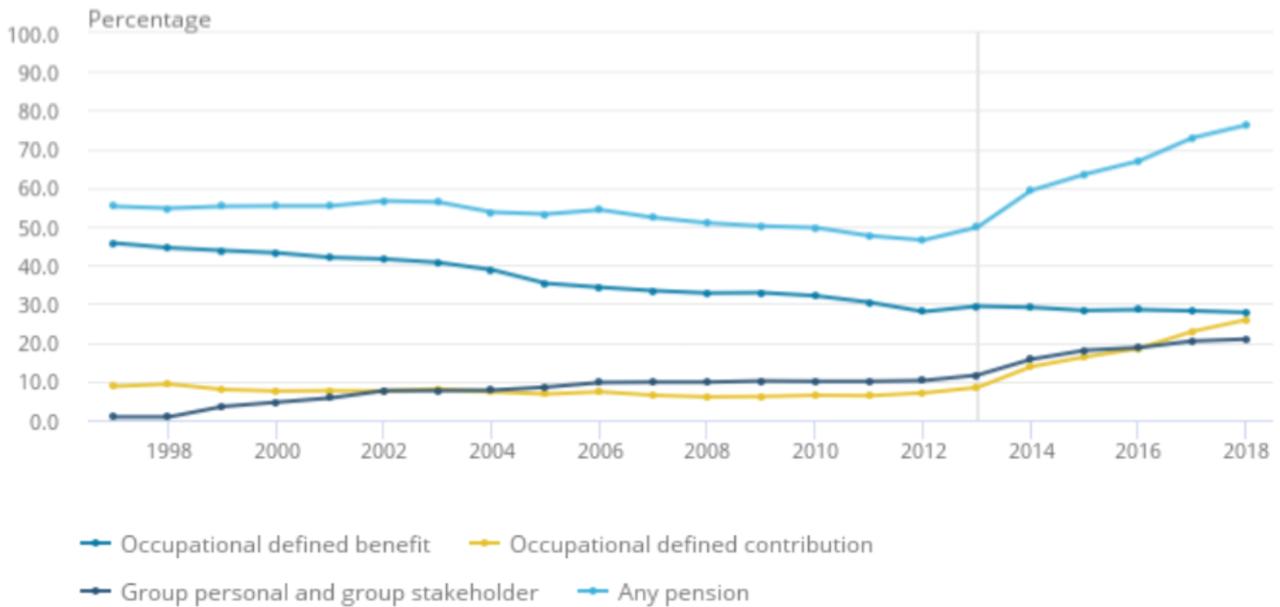
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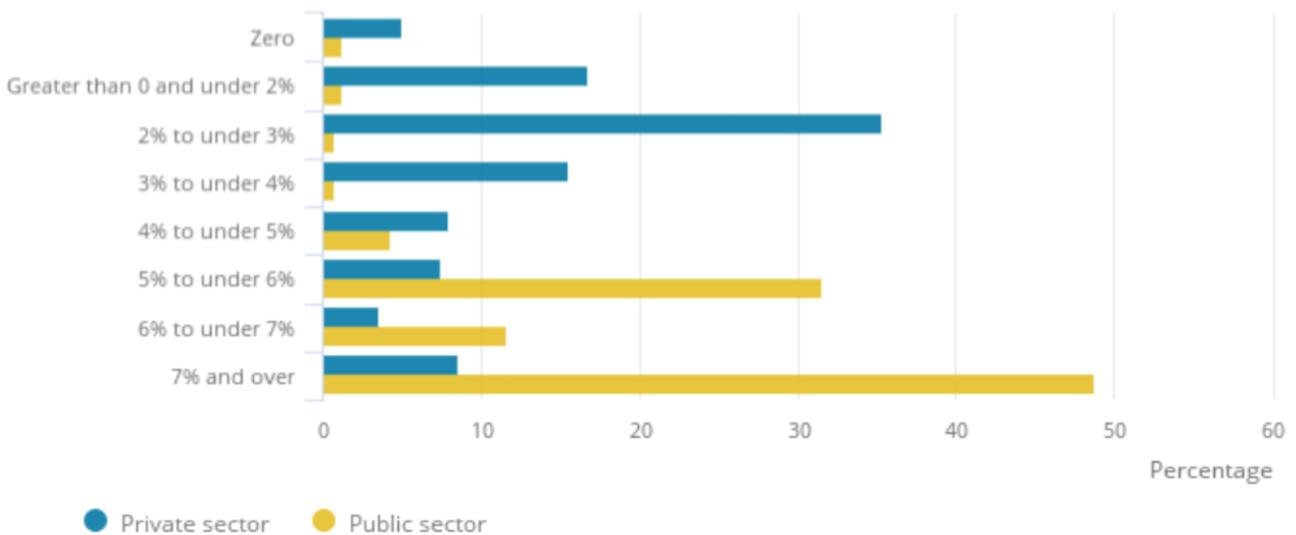
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Proportion of employees with workplace pensions: by type of pension, UK, 1997 to 2018



Employees with workplace pensions: percentages by banded rate of employee contribution and sector, UK, 2018



Source: Office for National Statistics – Annual Survey of Hours and Earnings

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