

Definitions

Automatic enrolment: Under reforms brought in by the Pensions Act 2008, with updates in the Pensions Acts 2011 and 2014, employers must enrol all eligible employees into a qualifying private pension. Workers can opt out but will be re-enrolled every 3 years and would need to opt out each time. Automatic enrolment has a staged implementation to 2019 and started with the larger employers in 2012. (See also [Pension Trends, Chapter 6: Private Pensions, 2013 edition](#), and [Department for Work and Pensions: Automatic Enrolment Evaluation Review 2017](#)).

Contributions: Payments into a pension by employees (and other individuals) or by employers.

Full-time employees: Those working more than 30 hours each week excluding overtime and main meal breaks (25 hours for teachers and academics).

Group personal pension (GPP): An arrangement made for the employees of a particular employer or group of employers to participate in a personal pension on a group basis. This is a collecting arrangement only; the contract is between the individual and the pension provider, normally an insurance company. In ASHE, this category also includes group self-invested personal pensions. GPPs are a form of workplace pension.

Group self-invested personal pension (GSIPP): An arrangement made for the employees of a particular employer, or group of employers, to participate in a personal pension on a group basis. The GSIPP is similar to the group personal pension except that it is the policy holder rather than the pension provider who chooses the investments. GSIPPs are a form of workplace pension. In ASHE, GSIPPs are not collected separately from group personal pensions.

Group stakeholder pension: An arrangement made for the employees of a particular employer or group of employers to participate in a stakeholder pension on a group basis. This is a collecting arrangement only; the contract is between the individual and the pension provider, normally an insurance company. Group stakeholder pensions are a form of workplace pension.

Inter-Departmental Business Register: Introduced in 1994, the Inter-Departmental Business Register (IDBR) is the sampling frame for surveys of businesses carried out by the ONS and by other government departments. It is also a key data source for analysis of business activity.

Occupational defined benefit scheme: An occupational pension scheme in which the rules specify the rate of benefits to be paid. The most common defined benefit scheme is a salary-related scheme in which the benefits are based on the number of years of pensionable service, the accrual rate and either the final salary, the average of selected years' salaries or the best year's salary within a specified period before retirement.

Occupational defined contribution scheme: A pension scheme in which the benefits are determined by the contributions paid into the scheme, the investment return on those contributions, and the type of annuity (if any) purchased upon retirement. It is also known as a money purchase scheme. Defined contribution pensions may be occupational, personal or stakeholder pensions.

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Occupational pension scheme: An arrangement (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 dependants on their death. In the private sector, occupational schemes are trust-based. Occupational pension schemes are a form of workplace pension.

Pension scheme: A legal arrangement offering benefits to members upon retirement. Schemes are provided by employers and are differentiated by a wide range of rules governing membership eligibility, contributions, benefits and taxation. Pension schemes in the private sector have trustees. Personal pensions and stakeholder pensions offered by insurance companies may also be referred to as schemes, but technically they are individual accounts rather than schemes.

Personal pension: An arrangement where the contract to provide contributions in return for retirement benefits is between an individual and an insurance company. Such plans may be taken out by individuals on their own initiative – for example, to provide a primary source of retirement income for the self-employed, or to provide a secondary income to employees who are members of occupational schemes. These would not be covered in the ASHE results. Alternatively they may be facilitated by an employer. These pensions are covered by ASHE and include group personal pensions and group stakeholder pensions. Personal pensions are a form of defined contribution pension.

Private sector schemes: Schemes covering the part of the economy consisting of individuals, firms and other institutions. In ASHE, the public and private sectors are classified using the legal status from the Inter-Departmental Business Register. ‘All employees’ categories include employees from the public and private sectors plus employees working for organisations classified as non-profit bodies.

Public sector schemes: Schemes covering the part of the economy that is state-provided, including central and local government, schooling, health and social services, policing and the armed forces. In ASHE, the public and private sectors are classified using the legal status from the Inter-Departmental Business Register. ‘All employees’ categories include employees from the public and private sectors plus employees working for organisations classified as non-profit bodies.

Stakeholder pension: Available since 2001, a flexible, portable, personal pension arrangement (provided by insurance companies) with capped management charges, that must meet the conditions set out in the Welfare Reform and Pensions Act 1999 and be registered with The Pensions Regulator. They can be taken out by an individual or facilitated by an employer. Stakeholder pensions are a form of defined contribution pension.

Standard Occupational Classification (SOC): The classificatory system used in the UK to place individuals into occupational groups.

Workplace pension: A workplace pension is a pension which is provided or facilitated via a workplace, principally for employees. It includes both occupational pension schemes and all forms of group personal and group stakeholder pensions.