

# Northern Ireland Annual Survey of Hours & Earnings 2016 Pension Results



Geographical Area: Northern Ireland  
Theme: Labour Market  
Frequency: Annual

## Key points

- The proportion of employees in Northern Ireland (NI) who belonged to a workplace pension scheme was in steady decline between 2006 and 2012. From 2012, the proportion of employees who belonged to a workplace pension scheme has increased, largely driven by increases in Occupational Defined Contribution and Group Personal pensions.
- Sixty-two percent of all employees were members of some form of workplace based pension scheme, up from 44% in 2012
- The most popular form of workplace pension was an Occupational Defined Contribution Pension which was held by 30% of all employees. However, this figure has shown signs of decline over the longer term (40% in 2004).
- Occupational Defined Benefit and Group Personal Pensions have shown the largest increases since 2013 and have driven overall increases in pension membership.
- In 2016, approximately 86% of public sector employees and 49% of private sector employees were members of a workplace pension scheme.
- Age is a key factor affecting workplace pension scheme membership. In 2016, pension membership was highest for those aged 50-59 years old (73%) and lowest for those aged 18-21 years old (6%).
- Full-time employees had a higher percentage of workplace pension participation than part-time employees in 2016, with 73% of full-time employees members of workplace pension schemes compared with 38% of part-time employees.
- Those in professional occupations were most likely to have a pension, with around 82% membership of workplace pension schemes in 2016, as opposed to 38% in sales and customer service occupations.
- Pension membership varied widely by industry. Those employed in public administration and defence were most likely to have a pension. Around 95% of employees in this sector had a workplace pension in 2016, as opposed to 23% in 'other services'.

## **Context**

The Annual Survey of Hours and Earnings (ASHE) is a UK wide survey that provides a wide range of information on hourly, weekly and annual earnings by gender, work pattern, industry and occupation including public and private sector pay comparisons. This report presents provisional results from the pensions element of the 2016 Northern Ireland ASHE, which surveyed employee earnings for the pay-week (or other pay period if the employee was paid less frequently) that included 13<sup>th</sup> April 2016, the reference date for the latest survey.

Full details of the Northern Ireland survey can be found on the ASHE section of the NISRA – Economic and Labour Market Statistics website:

[Annual Survey of Hours and Earnings](#)

## **Methodology and quality information**

ASHE is based on a 1 per cent sample of employee jobs taken from HM Revenue & Customs (HMRC) PAYE records. Information is obtained from employers and treated confidentially. ASHE does not cover the self-employed, nor does it cover employees not paid during the reference period.

Further information on ASHE can be found on the Office for National Statistics (ONS) website: [Annual Survey of Hours and Earnings quality and methodology information](#)

## **Pensions analysis**

ASHE is a key source of information on workplace pension provision in the UK as it collects information on group personal and group stakeholder pensions as well as occupational pension schemes. The survey results are used widely in order to analyse pension participation and monitor the impact of pension reforms.

As ASHE is a survey of employers, it only covers workplace pensions, which are those that are either provided or facilitated by employers; it does not cover individual personal or stakeholder pensions, where individuals enter into a contract with an insurance company that is not facilitated by an employer.

ASHE only collects information on the current employer's pension scheme. An employee may hold preserved rights in a former employer's pension scheme or be in receipt of a pension from a former employer. This information would not be captured by the survey.

In ASHE, employees are defined as making contributions to a workplace pension if they have made a contribution, or had a contribution made on their behalf, in the survey reference period.

Detailed tables on pensions from the 2016 and 2015 (revised) surveys are published alongside this bulletin and can be found on the NISRA – Economic and Labour Market Statistics website at:

[Annual Survey of Hours and Earnings - Pensions](#)

## **Automatic Enrolment**

Every employer must automatically enrol workers into a workplace pension scheme if the employee:

- is aged between 22 and State Pension age
- earns more than £10,000 a year
- works or usually works in the UK

This is called 'automatic enrolment' and began in the UK in October 2012 for the biggest businesses (in excess of 120,000 employees). This process is to be completed by 2018 when all employees meeting the above criteria must be automatically enrolled in a workplace pension regardless of the size of their employer.

Although this does not create a discontinuity in the data from previous years it is likely to have a significant impact on the ASHE pension data from 2013 onwards.

Further information on automatic enrolment can be found through the link below:

<http://www.nidirect.gov.uk/articles/enrolling-pension-work>

**This Annual Survey of Hours and Earnings Pensions Bulletin contains the following chapters:**

<b>1</b>	<b>Workplace pension membership</b>	<b>Page 4</b>
<b>2</b>	<b>Pension membership by public and private sector</b>	<b>Page 5</b>
<b>3</b>	<b>Pension membership by age</b>	<b>Page 6</b>
<b>4</b>	<b>Pension membership by gender</b>	<b>Page 7</b>
<b>5</b>	<b>Pension membership by working pattern</b>	<b>Page 8</b>
<b>6</b>	<b>Pension membership by occupation</b>	<b>Page 9</b>
<b>7</b>	<b>Pension membership by industry</b>	<b>Page 10</b>
<b>8</b>	<b>Definitions</b>	<b>Page 11</b>
<b>9</b>	<b>Further information</b>	<b>Page 13</b>
<b>10</b>	<b>Index of tables</b>	<b>Page 15</b>

### **National Statistics**

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is a producer's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

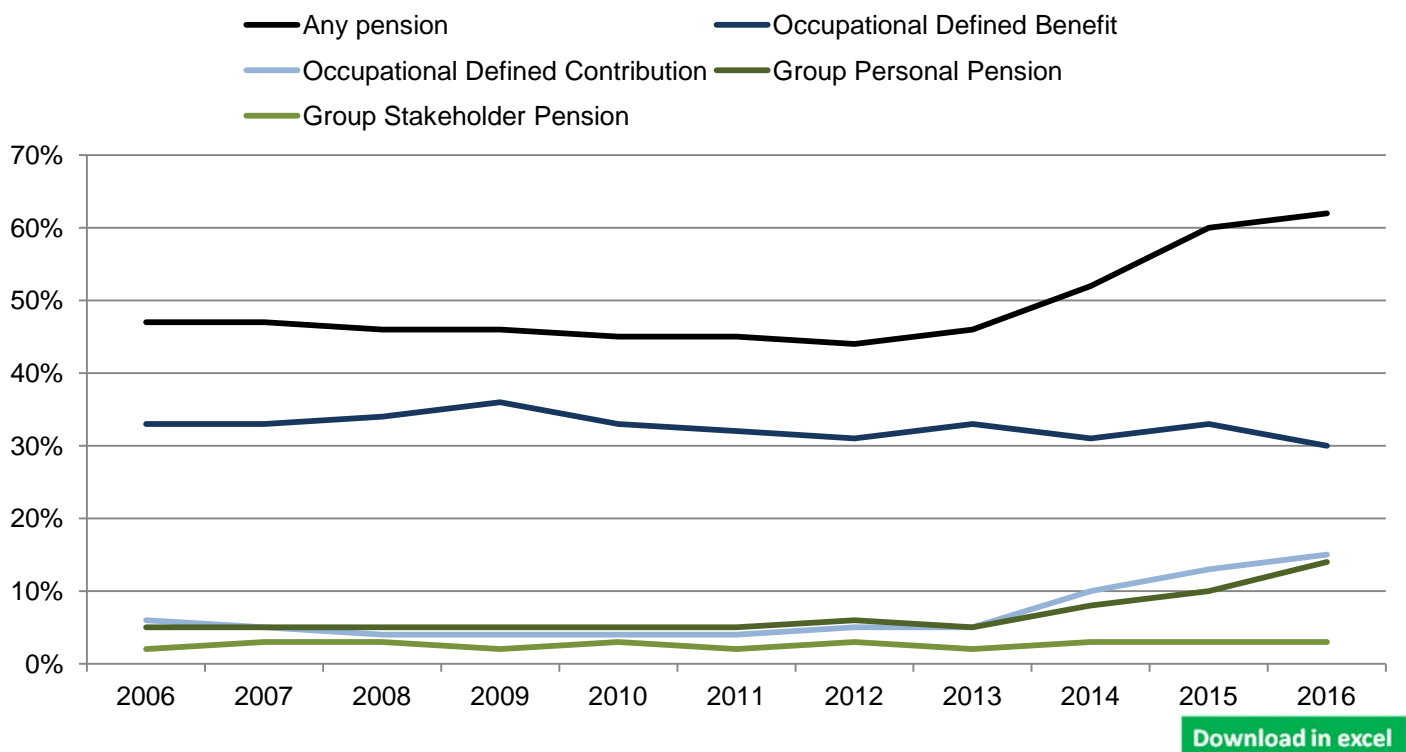
# 1

## Workplace pension membership

### Key points

- In 2016, 62% of all employees were members of a workplace pension scheme.
- Sharp increase in the last four years, likely due to the introduction of automatic enrolment.
- In 2012, the recent low point of overall pension membership, 44% of all employees were members of a workplace pension scheme.

Figure 1: Proportion of employees with workplace pensions by type of pension, 2004-2016



[Download in excel](#)

1. ASHE estimates for 2011 onwards are based on a Standard Occupational Classification (SOC) 2010 basis. Earlier estimates are on a SOC 2000 basis.
2. The Occupational Defined Contribution category includes employees who have pensions with the National Employment Savings Trust (NEST).
3. Data for Group Self-Invested Personal Pensions (GSIPP) are included within the Group Personal Pension (GPP) category.

Figure 1 shows that:

- the proportion of employees in Northern Ireland who belonged to any type of workplace pension scheme was in steady decline between 2004 and 2012.
- from 2012 onwards the proportion of employees who belonged to a workplace pension scheme showed significant increases, driven by Occupational Defined Contribution and Group Personal Pensions increases. The introduction of Automatic Enrolment in 2012 is likely to have been a key factor in this increase. (Further information on automatic enrolment can be found on page 3).
- Occupational Defined Contribution and Group Personal pensions have shown the largest increases since 2013.
- Occupational Defined Benefit pension schemes were the largest category of workplace pension in 2016 with approximately 30% of all NI employees participating in this type of pension.

## 2

## Pension membership by public and private sector

### Key points

- Workplace pension participation continues to differ significantly between the public and private sector, although the gap is closing.
- In 2016, 86% of all public sector employees were members of a workplace pension scheme (increasing from 85% in 2015).
- In 2016, 49% of all private sector employees were members of workplace pension schemes (increasing from 46% in 2015).

**Table 1: Proportion of employees with workplace pensions by sector and type of pension**

	Any Pension	Occupational Defined Benefit	Occupational Defined Contribution	Group Personal Pension	Group Stakeholder Pension
<b>April 2016</b>					
<b>Public sector</b>	86%	72%	2%	12%	x
<b>Private sector</b>	49%	7%	23%	14%	4%
<b>All employees</b>	62%	30%	15%	14%	3%
<b>April 2015</b>					
<b>Public sector</b>	85%	80%	4%	x	x
<b>Private sector</b>	46%	7%	19%	15%	4%
<b>All employees</b>	60%	33%	13%	10%	3%

1. The Occupational Defined Contribution category includes employees who have pensions with the National Employment Savings Trust (NEST).

2. Data for Group Self-Invested Personal Pensions (GSIPP) are included within the Group Personal Pension (GPP) category.

x = Coefficient of variation too large to provide a reliable estimate.

[Download in excel](#)

Table 1 shows that in 2016:

- 86% of public sector employees had a workplace pension, with 72% having an Occupational Defined Benefit Pension.
- 49% of employees within the private sector had a workplace pension, with 23% having an Occupational Defined Contribution pension, which was higher than in 2015 (19%).
- Occupational Defined Contribution and Group Personal or Stakeholder pensions were more common in the private sector than in the public sector.

# 3

## Pension membership by age

### Key points

- Workplace pension scheme membership increased with age, until 60+ years.
- Those aged 50-59 years had the largest proportion of workplace pension scheme membership (73%) in 2016.
- In comparison, 7% of employees aged 18-21 years were members of workplace pension schemes.

**Table 2: Proportion of employees with workplace pensions by age band and type of pension, 2016**

Age (years)	Any Pension	Occupational Defined Benefit	Occupational Defined Contribution	Group Personal Pension	Group Stakeholder Pension
18-21	7%	x	x	x	x
22-29	58%	18%	24%	13%	3%
30-39	69%	29%	18%	17%	4%
40-49	69%	36%	15%	15%	3%
50-59	73%	44%	13%	14%	3%
60+	47%	25%	10%	10%	x

1. The Occupational Defined Contribution category includes employees who have pensions with the National Employment Savings Trust (NEST).

2. Data for Group Self-Invested Personal Pensions (GSIPP) are included within the Group Personal Pension (GPP) category.

x = Coefficient of variation too large to provide a reliable estimate.

[Download in excel](#)

Table 2 shows that in 2016:

- the highest proportion of people with an Occupational Defined Benefit Pension was in the 50-59 years age group (44%).
- the highest proportion of people with an Occupational Defined Contribution Pension and a Group Personal Pension was in the 22-29 years age group (24%).
- only 7% of the 18-21 years age group had a pension (up from 4% in 2015).

## 4

## Pension membership by gender

## Key points

- Males and females displayed the same proportions of membership of workplace pension schemes in 2016 at 62%.

Table 3: Proportion of employees with workplace pensions by gender and type of pension

	Any Pension	Occupational Defined Benefit	Occupational Defined Contribution	Group Personal Pension	Group Stakeholder Pension
<b>April 2016</b>					
<b>Men</b>	62%	23%	19%	16%	4%
<b>Women</b>	62%	36%	12%	12%	2%
<b>All</b>	62%	30%	15%	14%	3%
<b>April 2015</b>					
<b>Men</b>	61%	29%	15%	12%	4%
<b>Women</b>	59%	37%	12%	8%	2%
<b>All</b>	60%	33%	13%	10%	3%

1. The Occupational Defined Contribution category includes employees who have pensions with the National Employment Savings Trust (NEST).
2. Data for Group Self-Invested Personal Pensions (GSIPP) are included within the Group Personal Pension (GPP) category.

[Download in excel](#)

Table 3 shows that over the year to 2016:

- there was a slight increase in the percentage of both men and women who had a pension.
- pension uptake among men increased by 1 percentage point to 62% and increased by 3 percentage points to 62% among women.
- Occupational Defined Benefit was still the most popular pension type for both men and women in 2016.

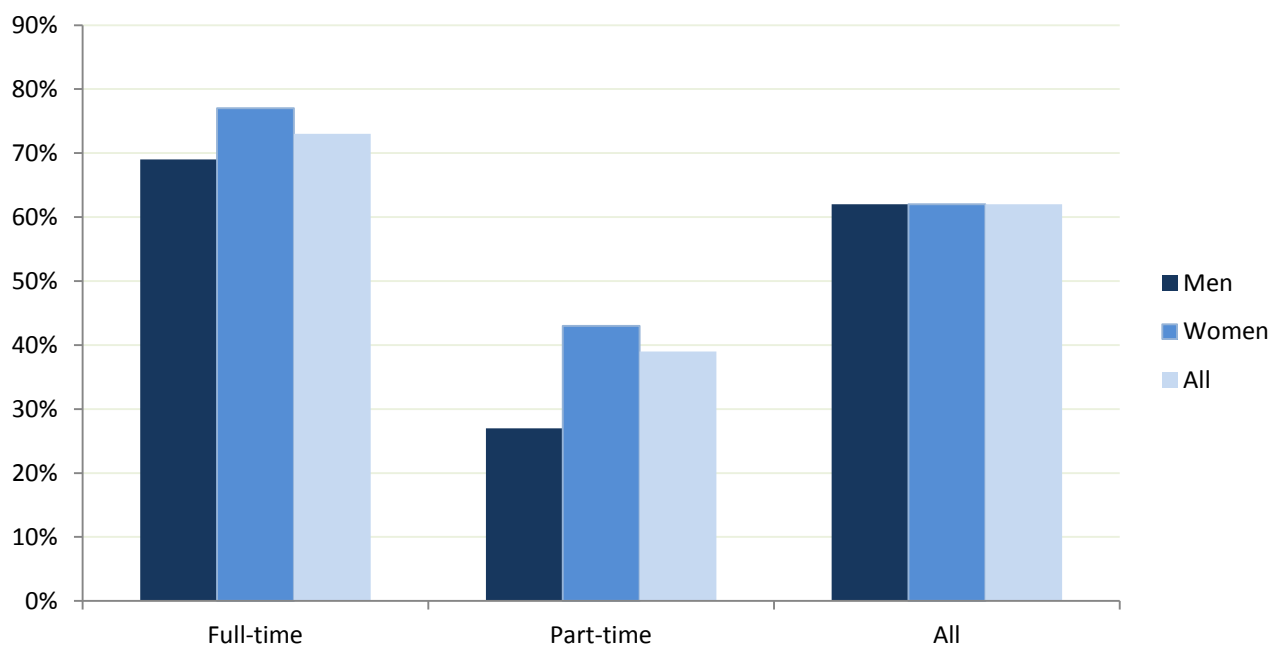
# 5

## Pension membership by working pattern

### Key points

- Workplace pension participation was higher among full-time than part-time employees in 2016.
- In 2016, 73% of all full-time employees were members of a workplace pension scheme (increasing from 71% in 2015).
- In comparison, 38% of all part-time employees were members of workplace pension schemes (increasing from 35% in 2015).

Figure 2: Proportion of employees with workplace pensions by working pattern and gender, 2016



[Download in excel](#)

Figure 2 shows that in 2016:

- workplace pension participation was higher for female than male employees, working both full-time and part time.
- approximately 77% of full-time (43% part-time) female employees were members of a pension scheme, compared to 69% full-time (27% part-time) males.
- overall, men (62%) had the same percentage of pension membership as women.



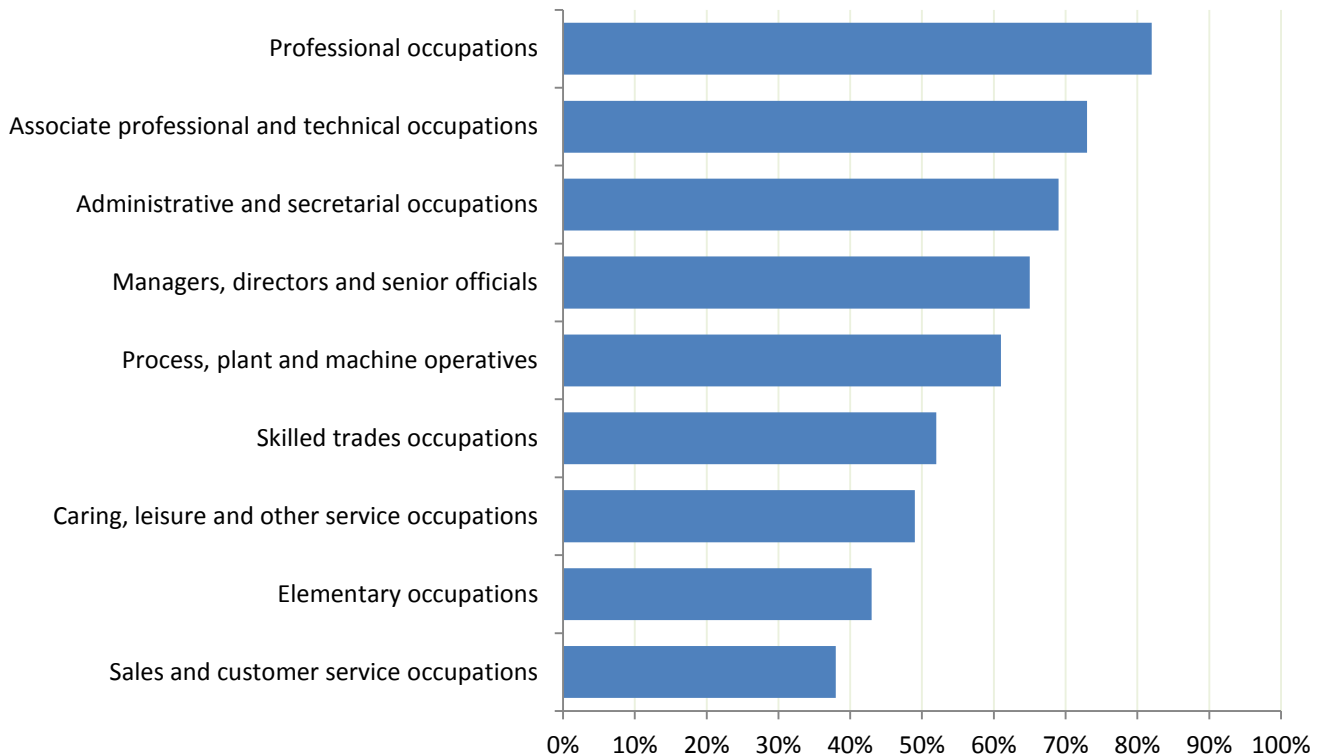
# 6

## Pension membership by occupation

### Key points

- Employees in professional occupations were the most likely to have a workplace based pension, while those in sales and customer service occupations were least likely to have a workplace pension.

Figure 3: Proportion of employees with workplace pensions by occupation, 2016



[Download in excel](#)

Figure 3 shows the proportion of all employees with a workplace pension by occupation in 2016. The figures show that:

- 82% of employees in professional occupations were in workplace based pension schemes in 2016, a similar proportion to 2015 (81%).
- participation in workplace based pension schemes was lower in sales and customer service occupations, at 38% in 2016 (a slight increase on 37% in 2015).

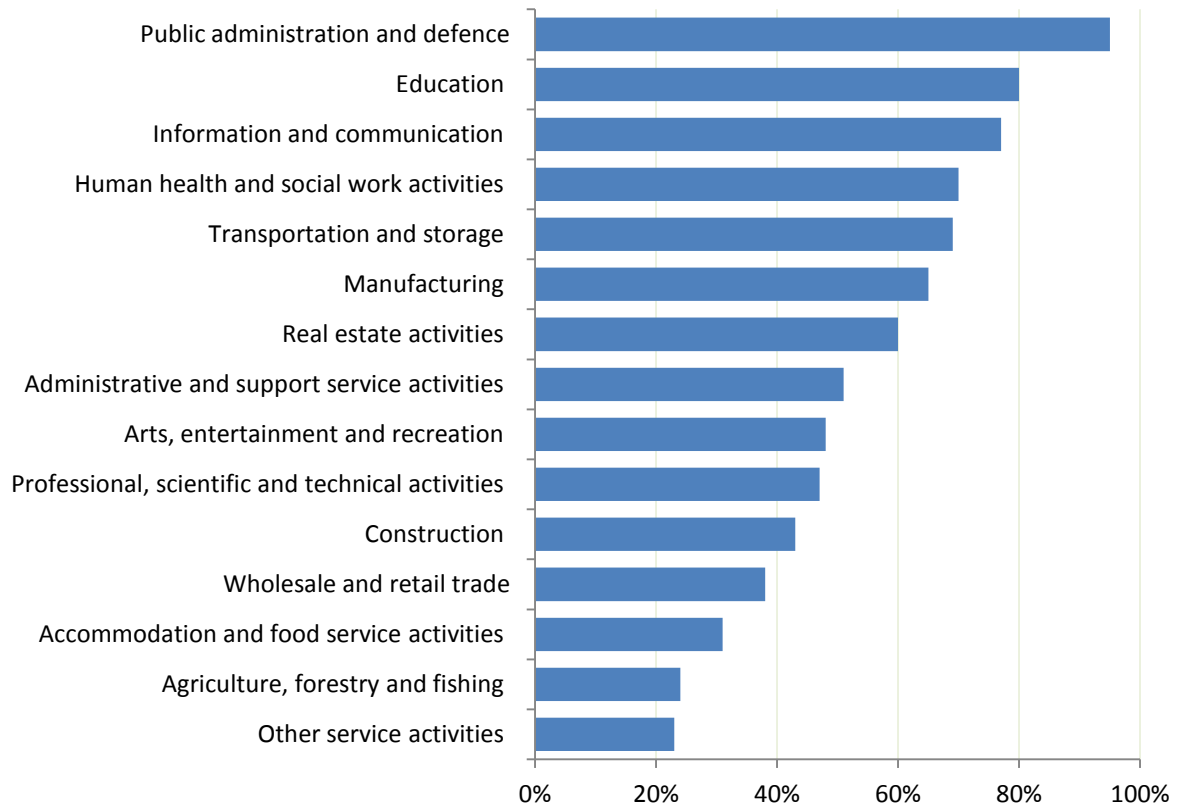
# 7

## Pension membership by industry

### Key points

- There was wide variation by industry, with workplace pension participation most likely among employees in public administration and defence and least likely among those in other service activities.

Figure 4: Proportion of employees with workplace pensions by industry, 2016



[Download in excel](#)

Figure 4 shows the proportion of all employees with a workplace pension by industry in 2016. The figures show that in 2016:

- 95% of employees in public administration and defence had a workplace based pension
- 23% of employees in other service activities had a workplace based pension.

**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 need to opt out each time. Automatic enrolment has a staged implementation to 2019 and started with the larger employers in 2012. (See also the workplace pension reforms section, [Pension Trends, Chapter 6: Private Pensions, 2013 edition](#), [Department for Work and Pensions: Automatic Enrolment Evaluation Report 2015](#)).

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

**Coefficient of variation (cv):** The ratio of the standard error of an estimate to the estimate, expressed as a percentage. The smaller the cv, the higher the quality of the estimate.

**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.

**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.

### Methodology

The Annual Survey of Hours and Earnings (ASHE) is a UK wide survey that provides a wide range of information on earnings and hours worked. The Office for National Statistics (ONS) carries out ASHE in Great Britain and it is carried out by the NI Statistics and Research Agency (NISRA) in NI. ASHE replaced the New Earnings Survey (NES) from 2004, and ASHE comparisons are therefore only available on a consistent basis from that year onwards. This release contains summary statistics from the pension element of the 2016 Northern Ireland survey.

The survey information related to the pay-week (or other pay period if the employee was paid less frequently) which included 13<sup>th</sup> April 2016, the reference date for the latest survey. The results are therefore not necessarily representative of pay over a longer period. They do not take account of subsequent changes in rates of pay which have become effective since April or changes which have been introduced with retrospective effect since the survey returns were completed.

Since the 2004 survey, supplementary information has been collected in order to improve coverage and hence make the survey more representative. This includes employees who have either moved jobs or entered the labour market between February, when the main ASHE sample is identified from Her Majesty's Revenue and Customs (HMRC) records, and April, when the survey is conducted. In 2007, ONS also introduced a small number of methodological changes (to the sample design) to improve the quality of the results.

The ASHE results since 2004 are therefore discontinuous with earlier results, as are those since 2007. However, for 2004 two sets of results are available (the first exclude supplementary information and the second include this information), and similarly for 2006 (the first set not reflecting the methodological changes to the sample design and the second set consistent with the new methodological changes).

In 2009, in line with the major revision to the European Union's industrial classification system, NACE, ASHE moved from using the SIC 2003 categorisation of business activities to the new SIC 2007 activity codes. The UK is required by European legislation to revise the SIC in parallel with NACE so that both systems remain identical down to and including the 4 digit class level.

These revisions are motivated by the need to adapt the classifications to changes in the world economy. The revised classifications reflect the growing importance of service activities in the economy over the last fifteen years, mainly due to the developments in information and communication technologies (ICT).

[More information on the extent of the revisions and correspondence between SIC 2007 and the former SIC 2003](#)

With the aim of improving the alignment with the new International Standard Classification of Occupations (ISCO 08), from 2013 the Standard Occupational Classification 2000 (SOC 2000) used for ASHE has been replaced by the Standard Occupational Classification 2010 (SOC 2010). Since the SOC forms part of the methodology by which ASHE data are weighted to produce estimates for NI, this has caused a discontinuity in the ASHE time series. Therefore all of the estimates for 2011 (revised), 2012 and 2013 are not directly comparable to earlier results.

[The major differences between the SOC 2000 and SOC 2010 classifications are summarised in this document, starting at page 62.](#)

## Coverage and sampling

As in previous years, the sample used for the survey included approximately 1% of all employees in NI who were covered by PAYE schemes and therefore is subject to an associated level of sampling error. Someone who is in more than one PAYE scheme may appear more than once. Information on earnings and hours is obtained in confidence from employers under the authority of the Statistics of Trade and Employment (NI) Order 1988. Information collected is treated as strictly confidential and is used only for statistical purposes. The resulting analyses do not show information about identifiable people or private businesses.

The ASHE estimates are based on a sample and are therefore subject to an associated level of variability. The coefficient of variation (CV) indicates the quality of an estimate. The CV is the ratio of the standard error of an estimate to the estimate, expressed as a percentage. The smaller the CV, the higher the quality of the estimate.

## ASHE coverage change in 2014

In 2013 HM Revenue and Customs (HMRC) changed the criteria which determine how businesses are obliged to report employees' earnings via their Pay as You Earn (PAYE) schemes. The PAYE system is the frame for the ASHE sample. Until this change, businesses were only required to operate PAYE for employees whose earnings were above the Lower Earnings Limit (LEL) for National Insurance contributions (currently £111 per week) and they did not report all new jobs until the end of the tax year. The new rules require employers to report the details of all of their employee jobs via their PAYE schemes, whatever their earnings, provided that they have at least one employee earning above the LEL. In addition, employers must report for all jobs in 'real-time', meaning that they cannot wait until the end of the tax year. This new system is known as 'Real-Time Information' (RTI).

In theory, ONS judges that the impact of the move to RTI on the estimates for ASHE in 2014 is negligible. It is possible that at some lower levels of disaggregation, there may be a more pronounced effect, perhaps because RTI has resulted in different behavioural changes for employers in particular regions or in particular sectors.

## Response

A total of 7,296 returns were received by NISRA (92.8% of those sampled). ASHE responses are weighted to the number of jobs measured by the Labour Force Survey (LFS) and this weighting is carried out by ONS. The weighting factors include age, sex, occupation and workplace and take account of differing response rates.

## Further information

If you require further information about the figures contained in this publication or the accompanying tables, please contact the Annual Survey of Hours and Earnings section using the details below:

Northern Ireland Statistics and Research Agency  
Economic and Labour Market Statistics Branch  
ASHE Section  
Room 120 Netherleigh  
Massey Avenue  
Belfast BT4 2JP

Telephone: (028) 9052 9311

Fax: (028) 9052 9658

Textphone: (028) 9052 9304

Email: [brian.grogan@nisra.gov.uk](mailto:brian.grogan@nisra.gov.uk)

Web: [Annual Survey of Hours and Earnings](#)

**2016 – Provisional**

[Headline Results and Coefficients of Variation](#)  
[Pension Type by Industry](#)  
[Pension Type by Occupation](#)  
[Pension Type by Age](#)  
[Pension Type by Public/Private Sector](#)

**2015 – Revised**

[Headline Results and Coefficients of Variation](#)  
[Pension Type by Industry](#)  
[Pension Type by Occupation](#)  
[Pension Type by Age](#)  
[Pension Type by Public/Private Sector](#)