

## 7.10 Personal and Stakeholder pensions

Number of individuals contributing<sup>1</sup> and average contribution by status<sup>2</sup> and earned income<sup>3</sup>

Numbers: Thousands. Amounts: £s

| Year Ending 5 April 2004             |    | Personal Pensions |   | Stakeholder Pensions |   | Personal & Stakeholder Pensions <sup>4</sup> |   |
|--------------------------------------|----|-------------------|---|----------------------|---|--|---|
|                                      |    | Individuals       | Average Annual Contribution per Individual <sup>5,6</sup> | Individuals          | Average Annual Contribution per Individual <sup>5,6</sup> | Individuals                                  | Average Annual Contribution per Individual <sup>5,6</sup> |
| Range of earned income (lower limit) | £s |                   |   |                      |   |  |   |
| <b>Employees</b>                     |    |                   |   |                      |   |  |   |
| 0                                    |    | 860               | 1,010   | 240                  | 950   | 1,070  | 1,030   |
| 10,000                               |    | 1,560             | 1,220   | 400                  | 820   | 1,860  | 1,200   |
| 20,000                               |    | 1,040             | 1,830   | 270                  | 1,160   | 1,220  | 1,820   |
| 30,000                               |    | 870               | 3,870   | 160                  | 3,150   | 970  | 3,970   |
| <b>Total</b>                         |    | <b>4,330</b>      | <b>1,860</b>  | <b>1,070</b>         | <b>1,280</b>  | <b>5,120</b>                                 | <b>1,840</b>  |
| <b>Self-Employed</b>                 |    |                   |   |                      |   |  |   |
| 0                                    |    | 320               | 1,030   | 50                   | 1,140   | 350  | 1,090   |
| 10,000                               |    | 280               | 1,210   | 50                   | 1,080   | 310  | 1,260   |
| 20,000                               |    | 160               | 1,560   | 30                   | 1,490   | 180  | 1,640   |
| 30,000                               |    | 220               | 4,080   | 30                   | 4,960   | 240  | 4,460   |
| <b>Total</b>                         |    | <b>980</b>        | <b>1,850</b>  | <b>160</b>           | <b>1,980</b>  | <b>1,080</b>                                 | <b>1,970</b>  |
| <b>In receipt of a Pension</b>       |    | 40                | 2,020   | 20                   | 2,840   | 60   | 2,360   |
| <b>Child</b>                         |    | 0                 | 0   | 20                   | 1,400   | 20   | 1,440   |
| <b>Full-time Education</b>           |    | 0                 | 0   | 10                   | 1,650   | 10   | 1,710   |
| <b>Carer</b>                         |    | 0                 | 0   | 10                   | 1,950   | 10   | 1,980   |
| <b>Unemployed</b>                    |    | 0                 | 0   | 10                   | 2,220   | 20   | 2,160   |
| <b>Other</b>                         |    | 30                | 1,380   | 30                   | 1,820   | 50   | 1,620   |
| <b>Total<sup>7</sup></b>             |    | <b>5,380</b>      | <b>1,850</b>  | <b>1,320</b>         | <b>1,410</b>  | <b>6,370</b>                                 | <b>1,860</b>  |

July 2006

### Footnotes

- The tables refer to the number of individuals whose Personal or Stakeholder pension has received a contribution during the year.
- Status is largely based on what is reported by an individual when making their opening application, or for existing business, by the provider.
- Earned income is derived from the Survey of Personal Incomes (SPI) and consists of all income chargeable under Schedule E (mainly pay, private and occupational pensions, retirement annuities and state retirement pensions), Schedule D Cases I and II (self-employment income), and miscellaneous earnings.
- The Personal and Stakeholder column includes people contributing to either, or both, Personal and Stakeholder pensions. For this reason, it will not total the individual columns for Personal Pensions and Stakeholder Pensions.
- Average contributions include gross individual, employer and minimum contributions.
- Contributions are based on what has actually been contributed in the year, so the overall average will not be the typical annual average for those who have started making regular contributions part of the way through the year. This is particularly true for Stakeholder pensions in their first year, 2001-02.
- Components may not sum to their total due to rounding.

### Notes on the Table

1. The table shows individuals contributing to a Personal pension, Stakeholder pension, or a Personal and/or a Stakeholder pension by occupational status and earnings. It also shows the average annual contribution per individual for each status. The data is derived from a sample of annual returns of information submitted to the Inland Revenue by Personal and Stakeholder pension providers.

2. The data is collected primarily for compliance purposes and contains details of contributions made by, or on behalf of, individuals. Providers have only been required to report in the detail published since 2001/02. Prior to 6 April 2001, the self-employed claimed any relief due on their contributions through Self Assessment and providers did not have to report details of these individuals. Therefore analyses on a comparable basis are not available for years prior to 2001-02.

3. As well as containing individual details, such as name and date of birth, the data also contains their National Insurance number. Using this it is possible to aggregate across those who have arrangements with one or more providers. Therefore, unlike tables 7.4 and 7.5 which are based on aggregate returns from providers and therefore are at arrangement level, we are able to present these results at an individual level. In addition the providers have to report the occupational status of the individual in the following categories,

- Employee
- Pensioner
- Self-employed
- Child
- Carer of a child aged less than 16
- Carer of a person aged 16 or over
- in full-time education
- Unemployed
- Other

4. Any individual making a gross contribution of £3,600 or less to a Personal or Stakeholder pension from 6 April 2001 does not have to present evidence of earnings to the provider to whom they are making the contribution. Therefore in order to assess the earned income of contributors we have matched the individual details provided where possible with the Survey of Personal Incomes (SPI) 2003-04.

5. The SPI is a representative sample of nearly 300,000 individuals, drawn from the Revenue's Self Assessment, Pay As You Earn and Claims systems. Where we have been able to match these individuals to the SPI, primarily those with earned income, the totals in the tables are based on this sample. For other groups that are unlikely to be in the SPI, such as children, we have used the whole database directly to derive counts and amounts. For this latter group further analysis is limited to the data that providers have to submit.

[For more details on the SPI see the Incomes Distribution section.](#)

6. The table relates to the number of individuals who have a recorded contribution in the year - either individual, employer or minimum. Whilst in theory the data should give us details of all individuals, in practice due to incorrect or missing data less than 100% of records are available for analysis. To account for this imputation techniques have been used to take account of this shortfall.

7. Tables published in 2005 and earlier used a matching at individual level of the pension data we receive from pension providers with Survey of Personal Incomes (SPI) distributional information relating to one year earlier. We have decided to change our methodology to match with contemporaneous SPI. This improves the match rate of provider data to individuals in the SPI. It will also help ensure fund values and contributions to pensions are matched to individuals' characteristics at the appropriate time. Therefore this table updates the Table 7.10 published 31 July 2005 which gave provider data for 2003-04 matched to 2002-03 SPI.