

Milestone 20: Increasing the proportion of working age people contributing to a non-state pension

This milestone is measured by one indicator based on the percentage of people aged between 20 and state pension age who contribute to a non-state pension – either an employer’s occupational scheme and/or a personal pension scheme.

Working age people contributing to a non-state pension

In 2001/02, some 46 per cent of all working age people were contributing to a non-state pension compared to some 62 per cent of all employees. There is no evidence to suggest significant changes since 1999/00.

The results show that men are more likely to contribute to non-state pensions than women.

Table 20a: Proportion of working age people contributing to a non-state pension by gender, 1999/00 - 2001/02

Gender	1999/00		2000/01		2001/02	
	All People	Employees	All People	Employees	All People	Employees
Men	48	67	48	65	50	65
Women	39	58	37	55	42	58
All	44	63	43	61	46	62

Source: Family Resources Survey: Department for Work and Pensions

Age analysis

In 2001/02, some 37 per cent of working age people aged between 20 and 34 were contributing to a non-state pension. The proportion of people in the age group 50 to retirement age was broadly similar. However, over half of the persons aged between 35 and 49 were contributing. There is no evidence to suggest significant changes since 1999/00.

Table 20b: Proportion of working age people contributing to a non-state pension by age group, 1999/00 - 2001/02

Age group	1999/00		2000/01		2001/02	
	All People	Employees	All People	Employees	All People	Employees
20-34	36	51	34	47	37	51
35-49	55	71	55	71	57	70
50-60/65	38	64	37	63	41	62
All	44	63	43	61	46	62

Source: Family Resources Survey: Department for Work and Pensions

Disability analysis

Table 20c shows how the proportions for both working age persons and employees vary by whether or not someone has a longstanding illness, disability or infirmity which limits their activities.

For employees, the proportion contributing to a non state pension is no different for persons whose activities are limited than it is for persons whose activities are not limited. However,

for all persons, the proportion is noticeably lower for those whose activities **are** limited. This is as expected due to the fact that a higher proportion of persons with a longstanding illness, disability or infirmity which limits their activities, are not employees.

Table 20c: Proportion of working age people contributing to a non-state pension by status, 1999/00 - 2001/02

Status	1999/00		2000/01		2001/02	
	All People	Employees	All People	Employees	All People	Employees
Does <u>not</u> have a longstanding illness, disability or infirmity which limits their activities	50	63	48	61	51	62
Has a longstanding illness, disability or infirmity which limits their activities	14	58	16	57	19	62
All	44	63	43	61	46	62

Source: Family Resources Survey: Department for Work and Pensions

Background data

There is a discontinuity in the time series for this indicator due to a change in the questions relating to non-state pension contributions in the Family Resources Survey. From 1994/95 to 1998/99, the indicator counts individuals who “belong to a company pension scheme” or “currently have a personal pension” at the time of the survey. In 1999/00, the question was changed and the indicator now counts individuals who “are contributing to a company/occupational pension” or “are contributing to a personal/private pension”. Under the earlier definition, people were included who had a pension scheme but were not currently contributing. These people are excluded from the current definition and therefore it is not valid to compare the two sets of figures.

Table 20d: Proportion of working age people by gender contributing to a non-state pension, 1994/95 to 1998/99

	Year				
	1994/95	1995/96	1996/97	1997/98	1998/99
Male	52	56	54	54	52
Female	34	37	38	38	41
All	44	47	46	46	47

Source: Family Resources Survey: Department for Work and Pensions

Table 20e: Proportion of working age people (employees) by gender contributing to a non-state pension, 1994/95 to 1998/99

	Year				
	1994/95	1995/96	1996/97	1997/98	1998/99
Male	74	71	72	69	69
Female	53	54	55	56	58
All	64	64	64	63	64

Source: Family Resources Survey: Department for Work and Pensions

Table 20f: Proportion of working age people by age group contributing to a non-state pension, 1994/95 to 1998/99

Age group	Year				
	1994/95	1995/96	1996/97	1997/98	1998/99
20-34	40	45	40	40	40
35-49	53	55	56	55	57
50-60/65	35	37	41	42	42
All	44	47	46	46	47

Source: Family Resources Survey: Department for Work and Pensions

Table 20g: Proportion of working age people (employees) by age group contributing to a non-state pension, 1994/95 to 1998/99

Age group	Year				
	1994/95	1995/96	1996/97	1997/98	1998/99
20-34	57	59	54	53	55
35-49	70	70	72	70	69
50-60/65	66	61	65	67	69
All	64	64	64	63	64

Source: Family Resources Survey: Department for Work and Pensions

Availability of data

The data are taken from the Family Resources Survey, run by the Department for Work and Pensions (DWP), which surveys around 2,200 Scottish households each year. The size of the Scottish sample is being doubled as from survey year 2002/03 (funded by the Scottish Executive), a measure which will help to reduce the level of sampling variation in the data.

The information on this milestone is available at Scotland level and can be split by gender, by age and by whether someone has a long-standing illness, disability or infirmity which limits their daily activities. Owing to the current sample size, information is not available by ethnicity or sub-Scotland regions.

This indicator was redefined in 1999/00 to monitor the proportion of all working age people (aged 20 and over) who contribute to non-state pension(s). Previously the indicator monitored the proportion of those in employment only. The new indicator is more comprehensive and is not subject to perverse results as the denominator changes over the economic cycle. The trend is similar to the previous definition although the proportions are lower.

As part of an ongoing programme to improve data quality there will be further revisions to this data series when full results of the 2001 Census become available.