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Personal Pensions Statistics



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Introduction

About these statistics

This publication contains information on personal pensions based on data that pension schemes are required to report to HM Revenue and Customs. It is divided into four sections:

- Section 1 provides an introduction to the different types of pensions and their tax treatment;
- Section 2 provides commentary and analysis of the key trends in personal pension contributions and tax relief;
- Section 3 contains detailed statistical tables; and
- Section 4 contains details of the data used in this publication and the estimation methodologies.

New or updated statistics in this release

This latest release includes new 2015-16 estimates for pension contributions shown in PEN3, PEN4, and PEN5. In addition, figures for previous years in these tables have been revised.

Developments

The UK Statistics Authority's review of HMRC savings statistics, including information published here on personal pensions can be found by following the link below:-

<http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-235---hm-revenue-and-customs-statistics.pdf>

User engagement

HMRC are committed to providing impartial quality statistics that meet our customers' needs. Feedback from users is welcome at any time, and you can contact the responsible statistician (see page 1) or use the feedback form on the HMRC website.

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics>

Section 1 – An introduction to pensions and their tax treatment

Introduction

In general, a pension is an arrangement to provide an individual with a regular income when they retire. There are three main types of pension;

- State Pensions;
- Occupational Pensions; and
- Personal Pensions.

Occupational Pensions and Personal Pensions are both private pensions.

State Pensions

The State Pension is a regular payment paid by the state that people can receive when they reach State Pension age.

Occupational pensions

Occupational pension schemes are arrangements established by employers to provide pensions to their employees. In the public sector, occupational pensions are those which are provided by the employer (central or local government). In the private sector, occupational pensions are employer-sponsored schemes with scheme trustees that are set up under trust law by one or more employers for the benefit of their employees. Occupational pensions can either be defined contribution (DC, where either the employee, employer or both contribute, and then use the accumulated funds to provide an income at retirement), or defined benefit (DB, where an employer agrees to pay the individual a certain pension income at retirement, usually based on the number of years they have worked for the employer and their salary).

Personal pensions

Personal pensions are defined contribution arrangements between an individual and a pension provider, usually a financial organisation such as building society, bank, or insurance company into which an employer might also contribute. The term personal pension is used to refer to arrangements established since the rules were liberalised in the 1980s, and can be subdivided into two main types. Personal pensions can either be arranged directly between the individual and provider, or in many cases established by an employer as a way of providing all of its employees access to a pension plan run by a pension provider. These are often referred to as Group personal pensions (GPP) or employer sponsored pensions, but may not be arrangements exclusive to that employer, and might be available for sale to the general public. Although they are sometimes referred to as company pensions, they are not run by employers and should not be confused with occupational pensions which are. The employer will also normally contribute to the GPP.

Stakeholder pensions are personal pension schemes set up on terms which meet standards set by the government. For example, there are restrictions on the charges the provider may make.

The majority of the statistical information contained in this note and published by HMRC relates to personal pensions (the exception being the information contained in

PEN6). This is by virtue of HMRC’s involvement in the administration of basic rate tax relief that personal pension providers are able to claim on contributions received from individuals. Occupational pension contributions on the other hand receive all their relief at source.

The tax relief received by providers of personal pensions is treated in these statistics as representing contributions by individuals and their contributions have been adjusted to reflect this.

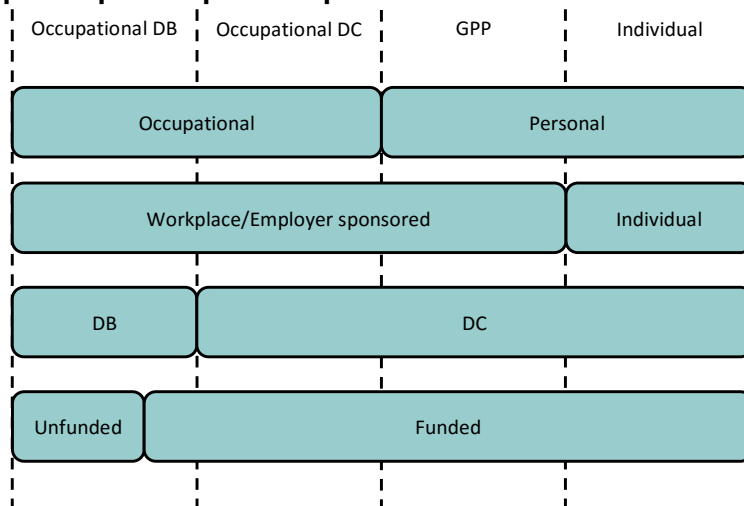
The statistics published here on contributions to personal pensions make a distinction between employer and non-employer sponsored schemes. In practice employers can contribute to either type of scheme and in completing the statistical returns pension providers report schemes as follows:-

Table 1 - Employer and Non-Employer Sponsored Personal Pension Schemes

	<u>Non-Stakeholder contracts</u>	<u>Stakeholder Pension contracts</u>
Employer sponsored:	<ul style="list-style-type: none"> • all Group Personal Pensions • all contracts within a scheme set up by an employer. 	<ul style="list-style-type: none"> • contracts for members of SHP schemes nominated by employers or set up by an employer.
Non-employer sponsored:	<ul style="list-style-type: none"> • contracts under a scheme set up by a financial institution and offered for general sale to the public. 	<ul style="list-style-type: none"> • all SHP schemes arranged via Trade Unions or other bodies • contracts under a stakeholder scheme set up by a financial institution which are offered for general sale to the public.

Figure 1 below summarises the different types of non state pension.

Figure 1 - Types of private pension provision



Source: Adapted from 'Pensions: Challenges and Choices, the First Report of the Pensions Commission', Pensions Commission, October 2004. Not to scale – figure does not represent the number of memberships of these various types of private pensions.

The taxation of pensions

The tax treatment of pensions can be described in relation to the way in which:

- (i) the contributions are taxed;
- (ii) the investment returns are taxed; and
- (iii) the pension benefits are taxed.

A regime described as exempt, exempt, taxed (EET) would mean that the income from which the contributions are paid is exempt from tax; as are the investment gains; but that the withdrawals are taxed. Alternatively, TTE would mean that the income from which the contributions are paid is taxed; as are the investment returns; but that the withdrawals are exempt from taxation. The tax treatment depends on whether the pension scheme is registered with HMRC or not.

The taxation of registered pension schemes

Tax on contributions

Income tax relief is available on individual and employer contributions to registered pension schemes up to an annual allowance (see below). Furthermore, employer contributions are not subject to either employer or employee NICs. Relief is available on individual contributions worth up to 100 per cent of individuals' earned income or £3,600, whichever is greater.

Contributions in excess of the annual allowance (AA)

Although individuals get upfront relief on all their pension contributions, they are subject to tax charge on any pension savings in excess of an annual allowance plus any unused allowance from the previous three years. The annual allowance for the present tax year (2017-18) is £40,000 for individuals with gross incomes under £150,000, tapered to £10,000 for individuals with gross incomes of over £210,000¹. More information on the Annual Allowance and Lifetime Allowance since April 2006 can be found at the end of this section.

Contracting out

The Government ended contracting out of the additional State Pension on a defined contribution basis from 6 April 2012. Contracting out for defined benefit schemes was abolished from April 2016.

Contracting out referred to leaving the additional State Pension. This option was available to employees with annual earnings above a certain amount, and with a private pension. The self-employed were not eligible for the State Second Pension so could not contract out.

For individuals in an employer's occupational pension scheme, contracting out meant both the individual and their employer paid a lower, reduced rate National Insurance contributions.

Individuals that contracted out and had a stakeholder pension or a personal pension continued to pay the full rate of National Insurance. However HMRC would pay National Insurance rebates (sometimes known as the minimum contribution) directly to the private pension scheme. Individuals could also join a stakeholder pension scheme or a personal pension scheme without contracting out of the additional State Pension.

¹ More information on the pension tapered Annual Allowance can be found here: <https://www.gov.uk/government/publications/pensions-tapered-annual-allowance/pensions-tapered-annual-allowance>

Tax on investment returns

All investment returns in registered pension schemes are exempt from taxation.

Tax on withdrawals

The way in which the withdrawals of pension savings in registered schemes are taxed depends on an individual's circumstances. In particular, the size of their pension fund. In general:

- **Individuals with total pension savings of less than £30,000** are allowed to withdraw the entire amount out as a lump sum. If the right to the pension has not yet arisen (i.e. the pension is not in payment or hasn't been voluntarily deferred by the pensioner), the first 25 per cent of these amounts are tax free. All other payments are taxed as pension income at the individual's marginal rate and free from NICs. These are known as the trivial commutation rules.
- **Individuals with funds above £30,000 but below the lifetime allowance (LTA, £1million in 2017-18)** can also withdraw tax-free up to 25 per cent of their pension savings after the age of 55. This part lump sum option is referred to as "commutation" and the majority of pensioners take advantage of it.
- If the individuals have secured a regular pension income of at least £12,000, they may apply to be able to take out any remaining drawdown pension fund as a lump sum taxed at the individual's marginal rate but exempt from NICs. This is known as flexible drawdown.
- For individuals with a regular pension income of less than £12,000, the remainder must be taken as a scheme pension, an annuity or through income withdrawals from a drawdown pension fund. The fund does not have to be converted into an annuity but no more than 150 per cent of a comparable annuity can be withdrawn each year, based on tables produced by the Government Actuary's Department (GAD).
- Individuals with pension funds that include one or more funds in occupational scheme of value less than £10,000 are allowed to take the entire amounts in these schemes out as a lump sum no matter how large their total pension savings. In addition, funds of £10,000 or less held in personal pension arrangements can be paid out as lump sum payment to individuals aged 60 or over, as an authorised payment, provided certain conditions are met. An individual may only have three such lump sum payments in their lifetime. Lump sum payments made under these rules are taxed as if they were subject to the trivial commutation rules – see above.
- **Individuals with funds above the LTA** are subject to different tax rates, depending on how the funds are withdrawn: Any funds above the LTA that are taken out as a lump sum are taxed at 55 per cent; and any funds that are used to provide a pension are taxed at 25 per cent (the pension income is then taxed at the individual's marginal tax rate).

Freedom and choice in pensions

- Since April 2015, individuals aged 55 and over can access their defined contribution pension savings as they wish, subject to their marginal rate of income tax. Further details on this can be found in “Freedom and choice in pensions: government response to the consultation”, available here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332714/pensions_response_online.pdf
- HMRC publishes statistics on the number and value of flexible payments made from pensions since April 2015. These can be found here: <https://www.gov.uk/government/statistics/flexible-payments-from-pensions>

Changes to the Annual allowance and LTA

The table below sets out recent annual allowance and lifetime allowances.

Lifetime and annual pension contribution allowances eligible for tax relief 2006-07 to 2017-18

Tax Year	Annual Allowance	Tapered Annual Allowance Minimum ²	Lifetime Allowance
2006-07	£215,000	-	£1.50 million
2007-08	£225,000	-	£1.60 million
2008-09	£235,000	-	£1.65 million
2009-10	£245,000	-	£1.75 million
2010-11	£255,000	-	£1.80 million
2011-12	£50,000	-	£1.80 million
2012-13	£50,000	-	£1.50 million
2013-14	£50,000	-	£1.50 million
2014-15	£40,000	-	£1.25 million
2015-16	£40,000	-	£1.25 million
2016-17	£40,000	£10,000	£1.00 million
2017-18	£40,000	£10,000	£1.00 million

In July 2015, the Chancellor announced that the Lifetime Allowance will be indexed annually in line with CPI from 6 April 2018.

Since April 2016 there has been a taper to the Annual Allowance for those with adjusted annual incomes, including their own and employer’s pension contributions, over £150,000. For every £2 of adjusted income over £150,000, an individual’s Annual Allowance is reduced by £1, down to a minimum of £10,000.

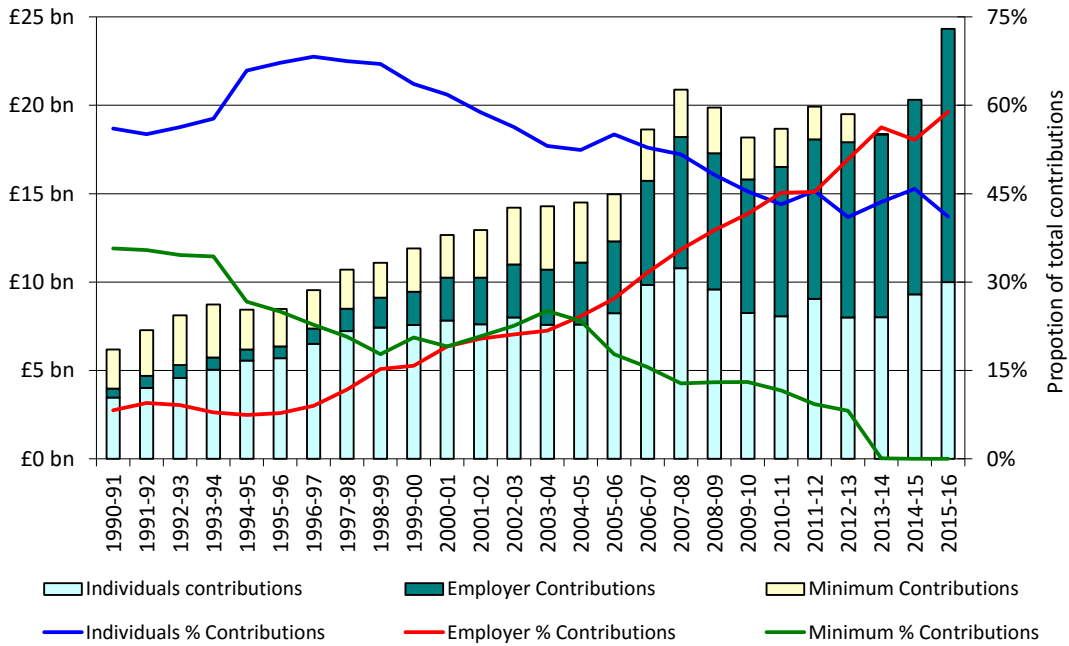
² For individuals with total incomes over £150,000

Section 2 – Commentary and analysis

This section provides commentary and analysis on the key features of the statistics contained in the release.

Personal Pensions Contributions by Source (see [PEN1](#))

Chart 1 - Personal Pension Contributions



£24.3 billion was contributed to personal pensions in 2015-16 (Chart 1), higher than both the £20.3 billion in 2014-15, and the previous peak of £20.9 billion contributed in 2007-08 ahead of the financial crisis and downturn in the UK economy.

The proportion of payments contributed by employers has been rising since 1990-91 from around 9 per cent in the early 1990's to 59 percent in 2015-16. Recent rises in contributions (especially employer contributions) are likely to have been partly as a result of automatic enrolment into workplace pensions.

The Government ended contracting out of the additional State Pension on a defined contribution basis from 6 April 2012 hence the near-zero figure for minimum contributions in the final years of Chart 1. Contracting out for defined benefit schemes will be abolished from April 2016. Thus by 2015-16 the split of contributions between employers and employees were 59 and 41 percent respectively.

Table PEN1 shows that the value of individual contributions by self-employed individuals (rather than employees) has increased for the first time since 2011-12.

Personal Pensions by Type of Schemes (see [PEN2](#))

Chart 2 - Personal Pensions: Numbers of Members and Annual Contributions by Scheme Type and Popularity (2015-16)

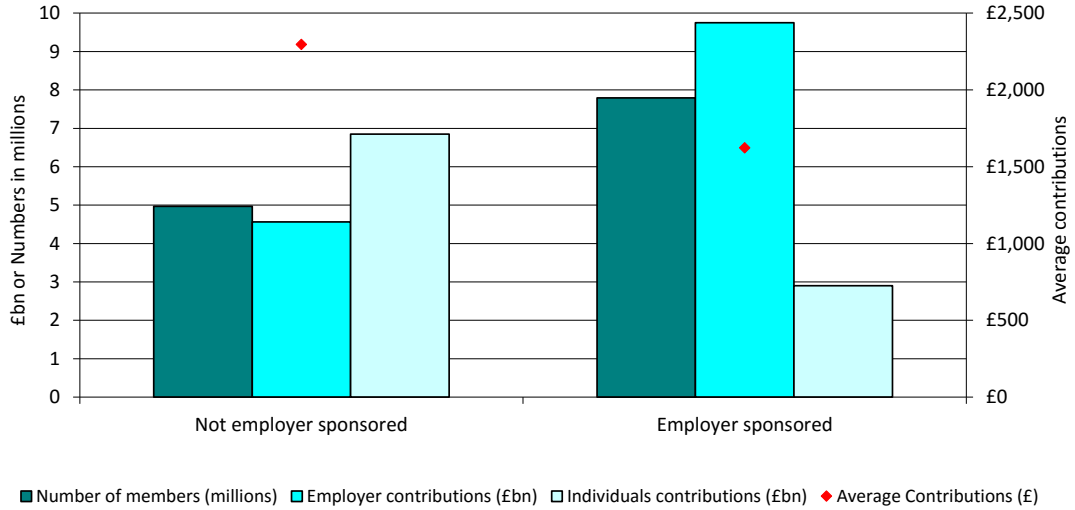
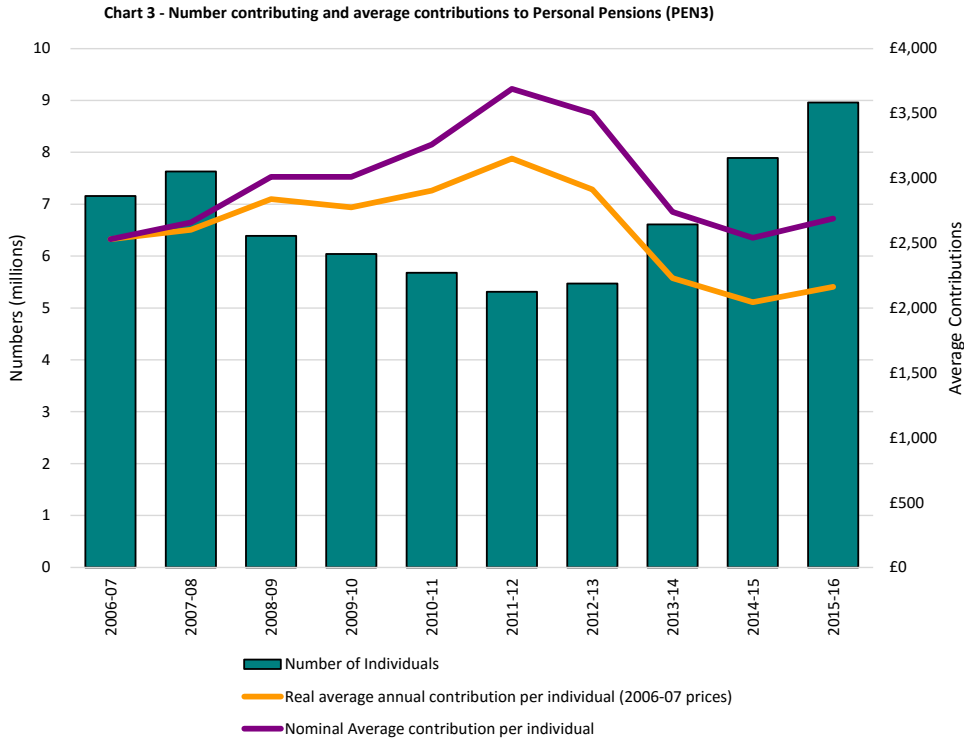


Chart 2 shows personal pension schemes by popularity. Schemes not specific to a particular employer (not employer sponsored) receive a higher proportion of contributions from individuals than from employers. Those schemes specific to a particular employer (employer sponsored) receiving a higher proportion of employer contributions than contributions from individuals. Average total contributions in non-employer sponsored schemes are higher than those of employer sponsored schemes.

Number contributing and average contributions to Personal Pensions (see [PEN3](#))



The number of individuals contributing to a personal pension has increased to 9.0 million in 2015-16. This is the highest level since these statistics began; higher than the 7.9 million seen in 2014-15. There are currently 3.7 million more individuals contributing to personal pensions than the low of 5.3 million in 2011-12, and a 1.1 million increase from 2014-15. As with 2014-15, this increase is likely to reflect the effects of automatic enrolment.

It should be noted that this chart only shows the numbers saving into personal pensions (which can be employer sponsored), but other types of pension (e.g. occupational defined contribution or defined benefit) can also be used for automatic enrolment.

Annual average contributions per individual grew between 2006-07 and 2011-12 (peaking at £3,690 per individual), before falling to £2,540 per individual in 2014-15. Annual average contributions per individual increased to £2,690 in the most recent year.

Employees and the self-employed make up the bulk (99 per cent) of contributors to personal pensions. Carers, the unemployed, children, those in education, and those already drawing a pension account for the remainder.

Personal Pension contributors by age and gender (see [PEN4](#))

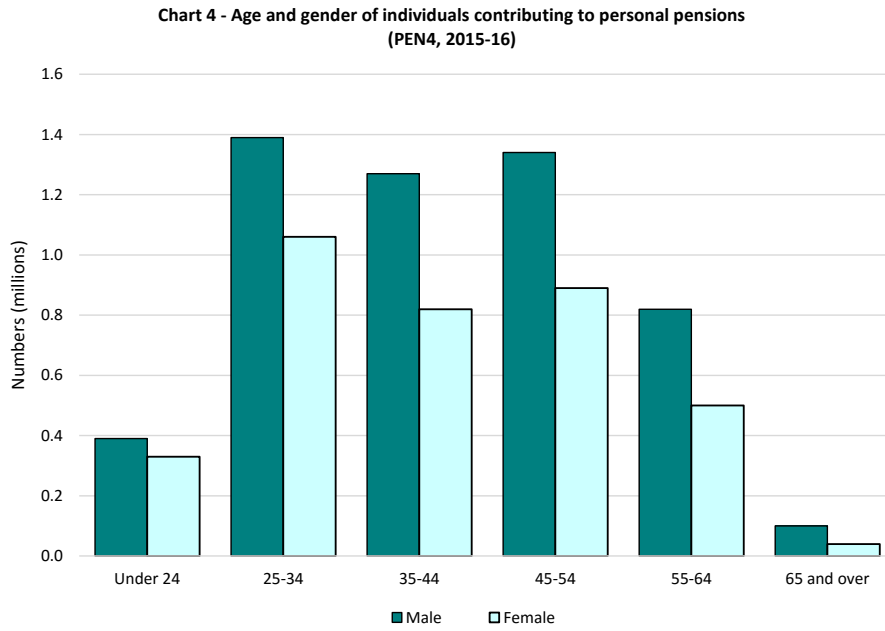


Chart 4 shows that in 2015-16 there are more men in each age group contributing to personal pensions than women, with an overall gender split of around 41 per cent of people contributing to pensions are women, and 59 per cent are men.

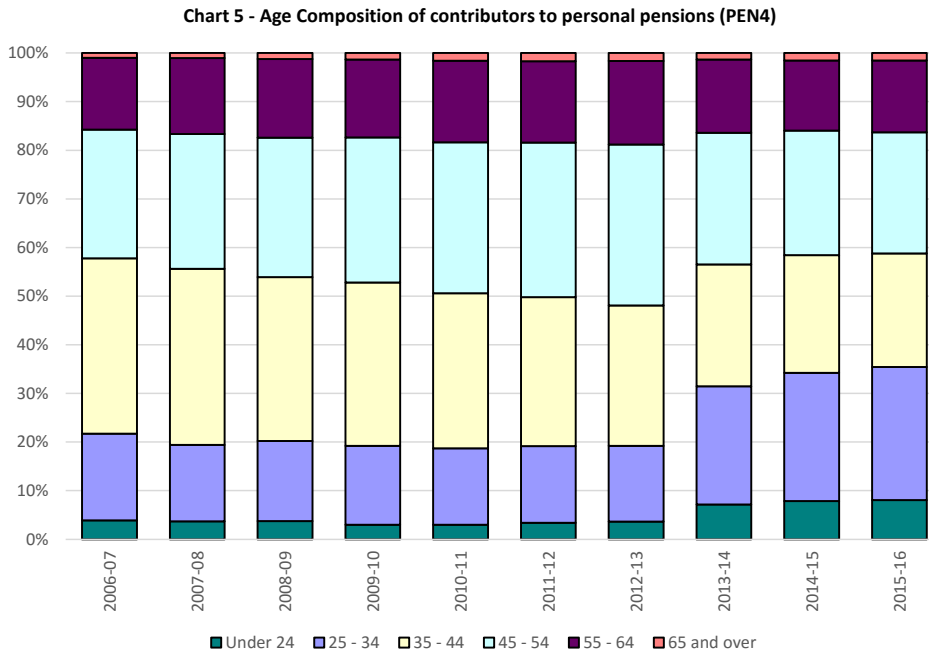


Chart 5 shows that contributions by the under 24 and 25-34 age groups have remained strong possibly because of automatic enrolment. This group now make up around 35 per cent of contributors in 2015-16 (up from around 20 per cent in 2012-13). There has also been increases in contributors across all age groups.

Geographical location of contributors to Personal Pensions (See [PEN5](#))

Chart 6 - Proportion of the adult population contributing to a personal pension by English Region (PEN5, 2015-16)

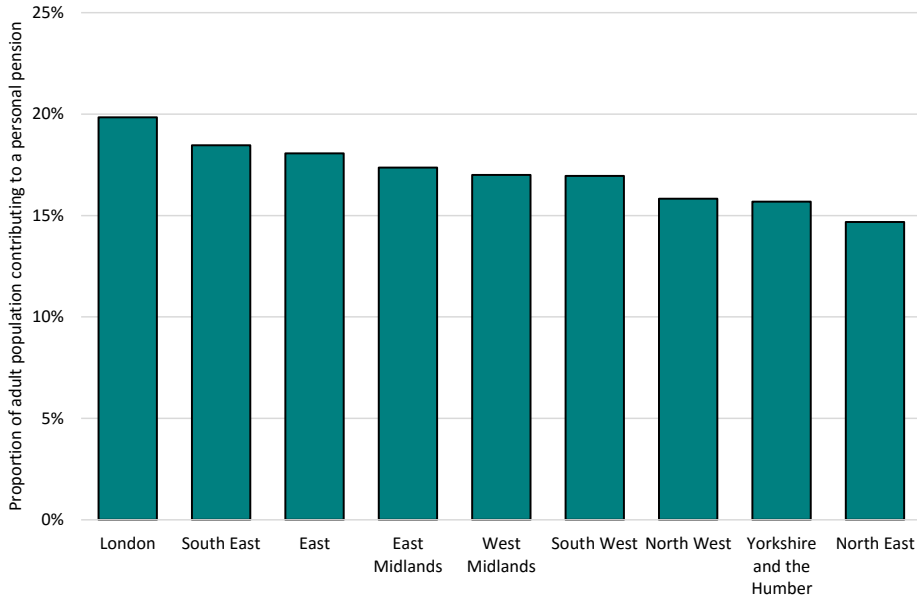


Chart 6 shows that, in England, London has the highest proportion of the adult population contributing to personal pensions, with around 20 per cent of the population making contributions, whilst the North East shows the lowest participation, at around 15 per cent of adults. All regions have increased in participation on the year previous.

Chart 7 - Proportion of the adult population contributing to a personal pension by Country (PEN5, 2015-16)

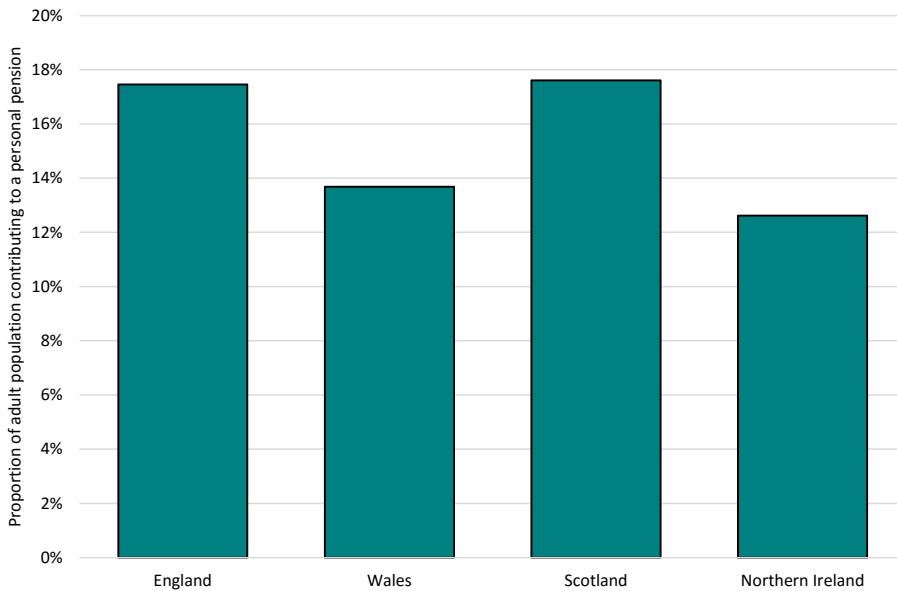
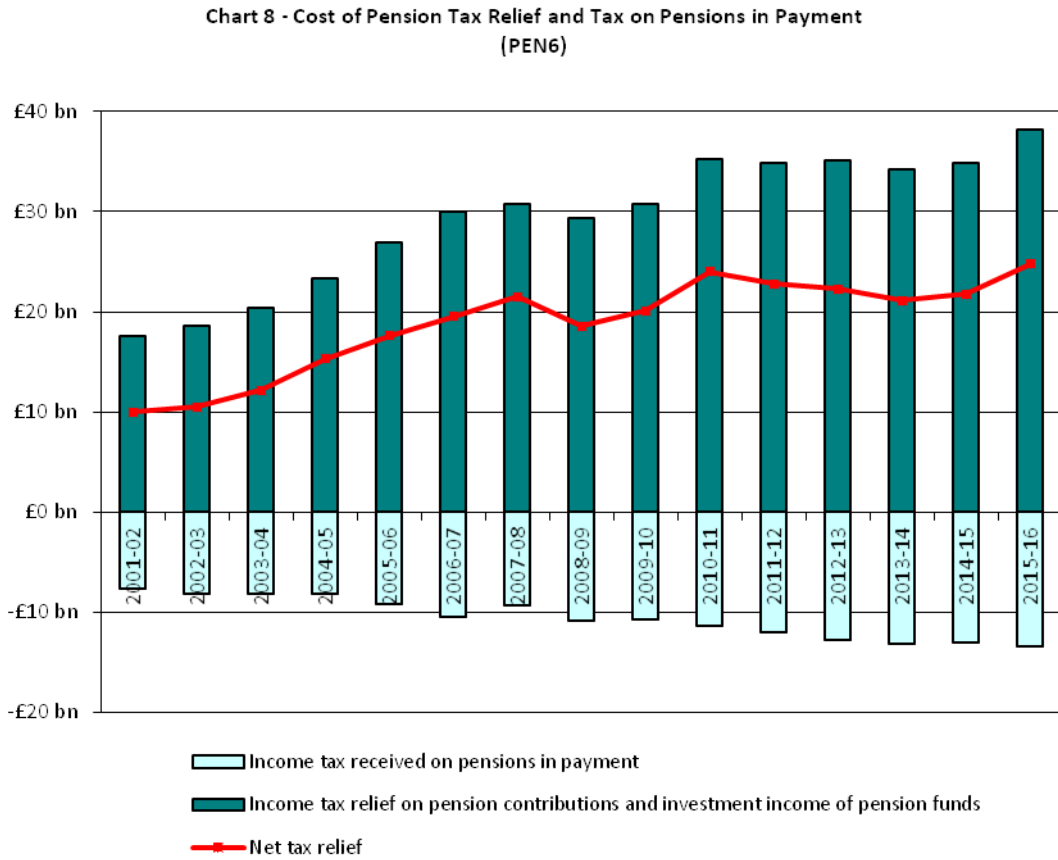


Chart 7 shows that contributions are highest as a proportion of the adult population in Scotland where nearly 18 per cent of the population contribute while participation is lowest, at around 13 per cent, in Northern Ireland.

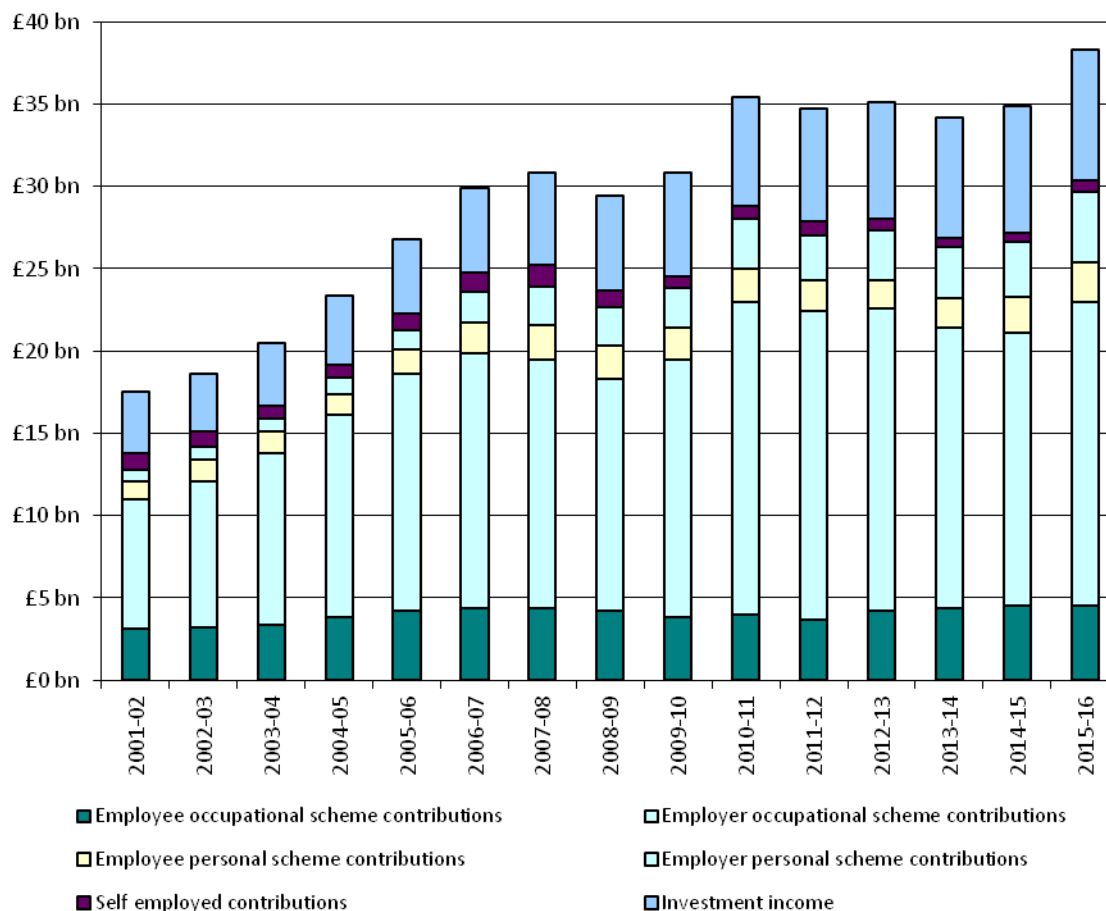
Cost of tax relief of registered pension schemes (See [PEN6](#))



Gross pension tax relief in 2015-16 is projected to be £38.2 billion, up from £34.9 billion in 2014-15. This is expected to be partly the result of the introduction of automatic enrolment, which has increased the number of individuals saving and thus the total amount saved into workplace pensions in recent years. Reductions in the annual and lifetime pensions tax allowances were expected to be the main cause of the flattening cost of pensions tax relief between 2010-11 and 2014-15.

Individuals are allowed tax relief on contributions at their top marginal rate while they are earning. However, when in receipt of pension income it is quite possible that the individual has retired and now faces a lower marginal tax rate than they did in work. Furthermore, individuals can typically receive 25 per cent of their pension funds tax free. Tax received by the government on pensions in payment in 2015-16 was £13.4 billion; the highest level since these statistics began, and reflecting the general year-on-year increase seen since 2009-10.

Chart 9 - Gross Tax Relief by Source (PEN6)



The source of tax relief is illustrated in Chart 9. Income tax relief in respect of employers contributions to occupational schemes increased in 2015-16, remaining the largest element of tax relief. Contributions to occupational schemes (employee and employer) account for 60 per cent of the total relief; this has fallen steadily from 65 per cent in 2010-11 and almost 70% in 2005-06. Contributions to personal pensions by employers and employees account for about 18 per cent of the total relief and contributions by the self employed a further 2 per cent. The remainder of the cost of relief is relief on investment income.

Section 3 – Tables

Table list

This section contains the following tables. Microsoft Excel versions of these are available here: <https://www.gov.uk/government/collections/individual-savings-accounts-isa-statistics>:

Table PEN1	Formally published as Table 7.16, this table shows contribution to all personal persons by type of contribution for years 1990-91 to 2015-16; updated February 2017.
Table PEN2	Formally published as Tables 7.4 & 7.5, this table shows the combined number of members and value of contributions to stakeholder and non-stakeholder personal pensions; 2015-16 published February 2017.
Table PEN2.1	Formally published as Table 7.4 and is the non-stakeholder element of Table PEN2; 2015-16 published February 2017.
Table PEN2.2	Formally published as Table 7.5 and is the stakeholder element of Table PEN2; 2015-16 published February 2017.
Table PEN3	Formally published as Table 7.10, this table shows the number of individuals contributing to personal pensions and average contribution by status for each of the years 2006-07 to 2015-16: 2015-16 published September 2017.
Table PEN4	Formally published as Table 7.11, this table shows the number of individuals contributing to personal pensions by age and gender for each of the years 2006-07 to 2015-16: 2015-16 published September 2017.
Table PEN5	Formally published as Table 7.12, this table shows the number of individuals contributing to personal pensions by country and region for each of the years 2006-07 to 2015-16: 2015-16 published September 2017.
Table PEN6	Formally published as Table 7.9, this table shows the cost of tax relief for registered personal pensions for each of the years 2001-02 to 2015-16: published February 2017.

PEN1 Personal Pensions, Retirement Annuity Contracts and Free Standing Additional Voluntary Contributions

By type of contribution

Amounts: £ million

Year	Personal pension contributions (stakeholder and non-stakeholder)						
	Individuals Contributions ¹	of which Self-employed	Employer Contributions	Minimum Contributions ²	RACs ³	FSAVCs ⁴	Total
1990/91	1,450		510	2,210	1,860	160	6,190
1991/92	2,010		690	2,580	1,720	280	7,280
1992/93	2,590		740	2,810	1,560	420	8,120
1993/94	3,040		690	3,000	1,400	600	8,730
1994/95	3,550		630	2,250	1,340	670	8,440
1995/96	3,750		660	2,120	1,250	700	8,480
1996/97	4,540		860	2,170	1,230	740	9,540
1997/98	5,210		1,260	2,220	1,230	790	10,710
1998/99	5,460		1,690	1,970	1,120	850	11,090
1999/00	5,730		1,880	2,450	1,090	750	11,900
2000/01	6,120		2,420	2,420	980	730	12,670
2001/02	6,070	2,510	2,640	2,690	940	600	12,940
2002/03	6,660	2,460	3,000	3,210	800	540	14,210
2003/04	6,460	2,350	3,110	3,590	690	440	14,290
2004/05	6,560	2,240	3,510	3,390	630	410	14,500
2005/06	7,070	2,190	4,070	2,660	780	390	14,970
2006/07	9,290	3,070	5,890	2,900	550	-	18,630
2007/08	10,180	3,530	7,420	2,670	610	-	20,880
2008/09	8,970	2,610	7,710	2,580	610	-	19,870
2009/10	7,840	2,000	7,560	2,370	410	-	18,180
2010/11	7,710	2,150	8,440	2,170	360	-	18,690
2011/12	8,710	2,230	9,020	1,850	340	-	19,910
2012/13	7,680	1,880	9,910	1,590	320	-	19,500
2013/14	7,720	1,610	10,340	20	290	-	18,380
2014/15 r	9,030	1,520	11,000	0	280	-	20,310
2015/16 p	9,740	1,710	14,320	0	260	-	24,320

February 2017

Footnotes

r. Revised

p. Provisional

1. Includes a provision for basic rate tax relief claimed by pension providers in respect of qualifying contributions from individuals. From 2006-07 includes FSAVC contributions.

2. Minimum contributions represent the rebate paid by HMRC to individuals' funds who have used their personal pension to contract out of the state second pension (state earnings related pension scheme prior to April 2002). The Government ended contracting out of the additional State Pension on a defined contribution basis from 6 April 2012 hence the near-zero figure for minimum contributions from 2013-14 onwards. Contracting out for defined benefit schemes was abolished from April 2016.

3. No new Retirement Annuity Contracts (RACs) could be taken out from 1 July 1988, although those with contracts at this date could still continue to contribute to them. Figures for 2011/12 are estimates.

4. From 2006/07 information on Free Standing Additional Voluntary Contributions (FSAVCs) was no longer separately collected and any payments are included with individuals contributions.

Note on the Table

i. All figures are derived from returns made by scheme administrators to HMRC, apart from RACs which are derived from HMRC's Survey of Personal Incomes and Self-Employment Contributions which are derived from a matching of both these sources.

PEN2**Personal Pensions (including stakeholder pensions):
Scheme members' annual contributions**

Numbers of members and value of contributions by type of scheme as reported to HMRC by providers for the year.

	Numbers: Thousands		Contributions: £ millions		Total
	Number of members	Minimum contributions	Individuals contributions ¹	Employer contributions	
6 April 2015 - 5 April 2016					
Employer sponsored schemes	7,790	0	2,900	9,750	12,650
Non-employer sponsored schemes	4,970	0	6,850	4,560	11,410
Total²	12,760	0	9,740	14,320	24,060

February 2017

Footnotes

1. Figures include basic rate tax relief repaid to scheme administrators by HM Revenue & Customs.
 2. Components may not sum to their total due to rounding.
- "-" denotes nil or negligible or not applicable.

Notes on the Table

- i. The table above shows the contributions made to Personal Pensions, by type of scheme. They are derived from annual statistical returns submitted to HMRC by pension providers. Due to late returns by providers the tables may subsequently be revised.
- ii. The number of members relates to members of each reporting provider and should not be taken as numbers of individuals, since individuals can have more than one pension provider.
- iii. Employer sponsored schemes include contracts for schemes nominated by employers or set up under a trust by an employer.
- iv. Non-Employer sponsored schemes are contracts set-up by a financial institution and offered for sale to the public, and include schemes arranged via Trade Unions or other bodies.
- v. Minimum contributions represent the rebate paid by HMRC to individuals' funds who have used their personal pension to contract out of the state second pension (state earnings related pension scheme prior to April 2002). The Government ended contracting out of the additional State Pension on a defined contribution basis from 6 April 2012 hence the zero figure for minimum contributions. Contracting out for defined benefit schemes was abolished in April 2016.

PEN2.1 Non-Stakeholder Personal Pensions: Scheme members' annual contributions

Numbers of members and value of contributions by type of scheme as reported to HMRC by providers for the year.

Numbers: Thousands Contributions: £ millions

6 April 2015 - 5 April 2016

	Number of members	Contributions			Total
		Minimum contributions	Individuals contributions ¹	Employer contributions	
Employer sponsored schemes	6,990	0	2,440	8,050	10,490
Non-employer sponsored schemes	3,950	0	6,030	4,260	10,300
Total²	10,940	0	8,470	12,310	20,790

February 2017

Footnotes

1. Figures include basic rate tax relief repaid to scheme administrators by HM Revenue & Customs.
 2. Components may not sum to their total due to rounding.
- "-" denotes nil or negligible or not applicable.

Notes on the Table

- i. The table above shows the contributions made to Personal Pensions, by type of scheme. They are derived from annual statistical returns submitted to HMRC by pension providers. Due to late returns by providers the tables may underestimate both the numbers and contributions made during the year.
- ii. The number of members relates to members of each reporting provider and should not be taken as numbers of individuals, since individuals can have more than one pension provider.
- iii. Employer sponsored schemes include contracts for schemes nominated by employers or set up under a trust by an employer.
- iv. Non-Employer sponsored schemes are contracts set-up by a financial institution and offered for sale to the public, and include schemes arranged via Trade Unions or other bodies.
- v. Minimum contributions represent the rebate paid by HMRC to individuals' funds who have used their personal pension to contract out of the state second pension (state earnings related pension scheme prior to April 2002). The Government ended contracting out of the additional State Pension on a defined contribution basis from 6 April 2012 hence the zero figure for minimum contributions. Contracting out for defined benefit schemes was abolished from April 2016.

PEN2.2**Stakeholder Personal Pensions:
Scheme members' annual contributions**

Numbers of members and value of contributions by type of scheme as reported to HMRC by providers for the year.

Numbers: Thousands Contributions: £ millions

6 April 2015 - 5 April 2016	Contributions				Total
	Number of members	Minimum contributions	Individuals contributions ¹	Employer contributions	
Employer sponsored schemes	800	0	460	1,700	2,160
Non-employer sponsored schemes	1,020	0	810	300	1,120
Total²	1,820	0	1,270	2,000	3,270

February 2017

Footnotes

1. Figures include basic rate tax relief repaid to scheme administrators by HM Revenue & Customs.

2. Components may not sum to their total due to rounding.

"-" denotes nil or negligible or not applicable.

Notes on the Table

i. The table above shows the contributions made to Personal Pensions, by type of scheme. They are derived from annual statistical returns submitted to HMRC by pension providers. Due to late returns by providers the tables may underestimate both the numbers and contributions made during the year.

ii. The number of members relates to members of each reporting provider and should not be taken as numbers of individuals, since individuals can have more than one pension provider.

iii. Employer sponsored schemes include contracts for schemes nominated by employers or set up under a trust by an employer.

iv. Non-Employer sponsored schemes are contracts set-up by a financial institution and offered for sale to the public, and include schemes arranged via Trade Unions or other bodies.

v. Minimum contributions represent the rebate paid by HMRC to individuals' funds who have used their personal pension to contract out of the state second pension (state earnings related pension scheme prior to April 2002). The Government ended contracting out of the additional State Pension on a defined contribution basis from 6 April 2012 hence the zero figure for minimum contributions. Contracting out for defined benefit schemes was abolished from April 2016.

PEN3

Personal pensions¹

Estimated number of individuals making or receiving contributions and average contribution by status² (2006-07 to 2015-16)

Numbers: Thousands Amounts: £s

Status	2006-07		2007-08		2008-09		2009-10		2010-11	
	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}
Employees	6,110	2,420	6,530	2,520	5,510	2,980	5,310	3,010	4,980	3,260
Self-Employed	950	3,230	990	3,570	800	3,270	660	3,030	620	3,330
Unemployed	50	2,250	60	2,240	30	3,070	20	2,480	30	2,770
In receipt of a Pension	20	4,220	20	4,230	10	4,410	10	3,790	10	3,840
Child	10	2,350	10	2,480	10	2,330	10	2,310	10	2,380
Full-time Education	10	1,970	10	2,120	10	2,060	10	1,980	10	2,160
Carer	20	1,930	10	2,110	10	1,920	10	1,980	10	2,350
Total⁵	7,160	2,530	7,630	2,660	6,390	3,010	6,040	3,010	5,680	3,260

Status	2011-12		2012-13		2013-14		2014-15 ¹		2015-16 ^P	
	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}	Number of Individuals	Average Annual Contribution per Individual ^{3,4}
Employees	4,750	3,640	4,910	3,490	6,140	2,670	7,430	2,460	8,530	2,570
Self-Employed	500	4,250	490	3,760	400	3,750	380	4,070	350	5,310
Unemployed	20	3,390	20	3,340	20	3,210	20	3,370	30	3,800
In receipt of a Pension	10	4,470	10	4,570	10	4,550	20	3,700	20	4,170
Child	10	2,460	10	2,320	10	2,240	10	2,100	10	2,420
Full-time Education	10	2,350	10	2,330	10	2,350	10	2,300	10	2,650
Carer	10	2,410	10	2,520	10	2,450	10	2,620	10	2,860
Total⁵	5,310	3,690	5,470	3,500	6,610	2,740	7,890	2,540	8,960	2,690

Published: September 2017

Footnotes

- r. Revised
- p. Provisional

1. The tables refer to the number of individuals whose personal pension (including stakeholder pension) has received a contribution during the year. Years 2001-02 to 2005-06 can now be found on the National Archives website.
2. Employment status is based on what is reported to the provider by an individual when making their original application.
3. Average contributions include individual, employer and government minimum contributions, plus any basic rate tax relief that a pension provider has been able to claim on an individual's contribution.
4. 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.
5. Components may not sum to their total due to rounding.

Notes on the table

- i. The table shows the number of individuals contributing to a personal pension by employment status. It also shows the average annual contribution per individual. The data is derived from annual personal pension information submitted to HM Revenue & Customs by pension providers in respect of each individual scheme member.
- ii. 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.
- iii. 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 PEN2, 2.1 & 2.2 which are based on aggregate returns from providers and can only record numbers of contributors, these results are presented in terms of numbers of individuals. Providers report the status of the individual scheme members in the following categories:
 - Employee
 - In receipt of a pension
 - Self-employed
 - Child
 - Carer of either a child aged less than 16 or a person aged 16 or over
 - in full-time education
 - Unemployed
 - Other
- iv. The table relates to the number of individuals who have a recorded contribution in the year - either individual, employer or government 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. Simple grossing has been used to remedy this shortfall.

PEN4

Personal pensions¹

Estimated number of individuals making or receiving contributions by gender and age (2006-07 to 2015-16)

Numbers: Thousands					
Gender and age	2006-07	2007-08	2008-09	2009-10	2010-11
Female					
15 and under ²	10	10	10	-	-
16-24	90	80	80	70	70
25-34	510	460	430	410	380
35-44	910	950	760	740	670
45-54	650	700	610	610	610
55-64	320	360	310	300	300
65 and over	20	20	20	20	20
Total³	2,500	2,580	2,210	2,150	2,060
Male					
15 and under ²	10	10	10	-	-
16-24	170	180	140	110	100
25-34	770	740	620	570	510
35-44	1,680	1,810	1,390	1,290	1,140
45-54	1,250	1,410	1,220	1,190	1,150
55-64	740	830	720	670	650
65 and over	50	60	60	60	70
Total³	4,660	5,050	4,170	3,890	3,620
Total³	7,160	7,630	6,390	6,040	5,680
Gender and age	2011-12	2012-13	2013-14	2014-15 ^r	2015-16 ^p
Female					
15 and under ²	-	-	-	-	-
16-24	70	80	210	280	330
25-34	370	380	670	880	1,060
35-44	610	610	620	730	820
45-54	590	650	670	770	890
55-64	280	310	340	410	500
65 and over	20	20	20	30	40
Total³	1,940	2,060	2,540	3,100	3,650
Male					
15 and under ²	10	10	-	-	-
16-24	100	110	260	340	390
25-34	470	470	930	1,200	1,390
35-44	1,020	970	1,030	1,180	1,270
45-54	1,100	1,160	1,110	1,250	1,340
55-64	610	630	650	730	820
65 and over	70	70	70	90	100
Total³	3,370	3,420	4,060	4,790	5,310
Total³	5,310	5,470	6,610	7,890	8,960

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Footnotes

r. Revised

p. Provisional

1. The tables refer to the number of individuals whose personal pension (including stakeholder pension) has received a contribution during the year, either from themselves, an employer, or a government minimum contribution. Years 2001-02 to 2005-06 can now be found on the National Archives website.

2. A "-" denotes fewer than 5 (thousand).

3. Components may not sum to their total due to rounding.

Notes on the Table

i. The table shows individuals contributing to a Personal pension by gender and age. The data is derived from annual personal pension information submitted to HM Revenue & Customs by pension providers in respect of each individual.

ii. 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.

iii. 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 PEN2, 2.1 & 2.2 which are based on aggregate returns from providers and can only record numbers of contributors, these results are presented in terms of numbers of individuals.

iv. 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. Simple grossing has been used to remedy this shortfall.

PEN5

Personal pensions¹

Estimate number of individuals making or receiving contributions by country and region (2006-07 to 2015-16)

Numbers: Thousands

Country / Government Office Region	2006-07	2007-08	2008-09	2009-10	2010-11
England					
North East	250	270	210	190	180
North West	740	770	610	590	550
Yorkshire and the Humber	590	640	470	450	430
East Midlands	540	570	460	430	410
West Midlands	650	690	530	490	460
East of England	720	750	650	610	580
London	740	800	740	730	680
South East	1,100	1,190	1,040	990	940
South West	660	680	580	540	520
Total²	6,000	6,370	5,300	5,040	4,760
Wales	290	300	240	230	220
Scotland	610	650	610	560	520
Northern Ireland	140	150	120	120	110
Address aboard³	-	-	-	-	-
Unknown	130	160	120	90	70
United Kingdom²	7,160	7,630	6,390	6,040	5,680
Country / Government Office Region	2011-12	2012-13	2013-14	2014-15 ^r	2015-16 ^p
England					
North East	170	170	230	280	310
North West	510	530	660	800	900
Yorkshire and the Humber	390	400	500	590	670
East Midlands	380	400	490	580	650
West Midlands	430	450	560	670	770
East of England	540	560	650	760	870
London	660	690	940	1,160	1,350
South East	890	910	990	1,160	1,310
South West	480	500	560	670	750
Total²	4,450	4,620	5,590	6,670	7,590
Wales	200	210	250	300	340
Scotland	480	460	600	710	770
Northern Ireland	100	100	120	150	180
Address aboard³	-	-	-	-	-
Unknown	70	80	50	60	80
United Kingdom²	5,310	5,470	6,610	7,890	8,960

Published: September 2017

Footnotes

r. Revised

p. Provisional

1. The tables refer to the number of individuals whose personal pension (including stakeholder pension) has received a contribution during the year, either from themselves, an employer, or a government minimum contribution. Years 2001-02 to 2005-06 can now be found on the National Archives website.

2. A "-" denotes nil or negligible.

3. Components may not sum to their total due to rounding.

Notes on the table

i. The table shows individuals contributing to a personal pension by country and government office region. The data is derived from annual personal pension information submitted to HM Revenue & Customs by pension providers in respect of each individual scheme member.

ii. 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.

iii. 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 PEN2, 2.1 & 2.2 which are based on aggregate returns from providers and can only record numbers of contributors, these results are presented in terms of numbers of individuals.

iv. Individuals are allocated to regions according to their postcode, which is used to determine the appropriate country and region. A small number of people with overseas addresses have not been allocated to a region but have been included in the UK figures. Investigations indicate that the vast majority of these are armed forces, or other Crown employees, and their families serving overseas. There are also a small number of people where it was not possible to identify their postcode, these are marked as unknown and have also been included in the UK figures.

v. 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. Simple grossing has been used to remedy this shortfall.

PEN 6 Cost of Registered Pension Scheme Tax Relief

Occupational schemes in the public and private sectors and individuals' personal pensions

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 [†]	2013-14	2014-15 [†]	2015-16 ^p
£ million															
Income tax relief on:-															
Occupational Scheme Contributions															
By Employers	3,100	3,200	3,400	3,800	4,200	4,400	4,400	4,200	3,800	4,000	3,700	4,200	4,400	4,500	4,500
By Employers	7,900	8,900	10,400	12,300	14,400	15,500	15,100	14,100	15,700	19,000	18,700	18,400	17,000	16,600	18,500
Personal Pension Scheme Contributions															
By Employers	1,090	1,300	1,300	1,300	1,500	1,800	2,100	2,000	1,900	2,000	1,900	1,700	1,800	2,200	2,400
By Employers	700	800	800	1,000	1,200	1,900	2,300	2,400	2,400	3,000	2,700	3,000	3,100	3,300	4,300
Contribution to PPs and RACs by self employed	1,000	900	800	800	1,000	1,200	1,300	1,000	700	800	900	700	600	600	700
Investment income of pension funds ¹	3,700	3,500	3,800	4,200	4,500	5,100	5,600	5,700	6,300	6,600	6,800	7,100	7,300	7,700	7,900
Total reliefs	17,800	18,600	20,400	23,400	26,900	30,000	30,800	29,400	30,800	35,300	34,800	35,100	34,200	34,900	38,200
Less tax liable on															
Pension payments ²	7,500	8,100	8,200	8,100	9,200	10,500	9,300	10,800	10,700	11,300	12,000	12,800	13,100	13,000	13,400
Refunds by funds to employers															
in connection with pension fund surpluses	110	60	40	20	10	-	-	-	-	-	-	-	-	-	-
Total deductions	7,610	8,200	8,200	8,200	9,200	10,500	9,300	10,800	10,700	11,300	12,000	12,800	13,100	13,000	13,400
Total	10,000	10,500	12,200	15,300	17,600	19,500	21,500	18,600	20,100	24,000	22,800	22,300	21,100	21,800	24,800

Memorandum item

National insurance relief on employer contributions ³	5,400	6,200	7,300	8,400	9,800	10,400	11,700	11,500	12,900	14,500	14,800	14,700	13,800	13,700	15,700
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PP = Personal Pension.

RAC = Retirement Annuity Contract.

p = mixture of provisional outcomes and projections; r = revised

Updated February 2017

Footnotes

- The cost is in respect of the investment income of both occupational and personal pensions schemes assuming relief at the basic rate of tax. Estimates of relief for capital gains realised by pension funds are not included because of estimation difficulties.
- Based on the effective rate of tax applying to personal (non-state) pension income as derived from the HMRC Personal Taxes Model, with different rates of tax applying to different slices of pension income, or possibly not subject to tax at all.
- This is a combination of National Insurance relief for employers on the pension contributions they make as well as the saving for individuals from the employers' contributions not being treated as part of their gross income and subject to employee National Insurance contributions (in accordance with how individuals own pension contributions are treated).

Notes on the Table

- The figures are based on HMRC administrative data and information compiled from a variety of sources by the Office for National Statistics (ONS). Costs are subject to large revisions and have a particularly wide margin of error.
- The cost of the tax relief is calculated as the tax that would be paid on contributions to registered pension schemes presuming they were not registered and the payments were subject to the normal tax rules applying to individuals' remuneration. The estimates do not represent the yield from withdrawing tax relief as there would be significant changes in taxpayers' behaviour.
- The figures in the table for tax liabilities on pensions in payment are the tax on pensions paid in the year, not the tax that might eventually be received on pension paid as a result of contributions made in the year. Future tax receipts on pensions paid to individuals currently making contributions to funds may be higher than those currently receiving pensions because of earnings growth and an increase in the average number of working years of membership in pension schemes. Also the ratio of pensioners to contributors may be expected to increase significantly which would tend to reduce the cost in net present value terms.
- Many pension funds currently have more money coming in from contributions and investment income than they are paying out in pensions. In addition, the average tax rate relieved on contributions and on investment income is higher than on pensions in payment. The relief on the first two thus substantially exceeds tax receipts on pensions.
- Personal Pensions include Group Personal Pensions (arranged through an employer) and Stakeholder pensions; and Free Standing Additional Voluntary Contributions up to and including 2006-07. A small number of non-working individuals (e.g. children) make contributions to PP and the value of these contributions are included within the employee contribution category.
- The column totals may not equal the calculation from the individual components due to rounding.
- Some of the series in this table have seen revisions since publication last year. This is a combination of revisions to the base data provided by ONS and changes to estimates derived from the HMRC Personal Taxes Model.

Section 4: Data and methodology

Data sources

The published Pension tables draw on information from the following returns that pension providers are required to make:

- [APSS106](#) Registered Pension Schemes Relief at Source – annual claim, this paper claim form provides the total amounts of personal pension relief repayment claimed each year by registered pension providers.
- [APSS105](#) Registered Pension Schemes Relief at Source – interim claim, this paper claim form provides the total amounts of personal pension relief repayment claimed in- year by each registered pension provider.
- [APSS107](#) Registered Pension Schemes Annual statistical return, this paper claim form provides numbers of members and total contributions by employer and non-employer sponsored schemes for each registered pension provider.
- [RPSCOM100\(Z\)](#) This provides HMRC with details of approximately 15 million personal pension accounts in electronic format providing details on individual and employer contributions made in the tax year. Personal details of each account holder are also provided covering around 6 million individuals.

Method of preparing tables

Table PEN1

Figures for this table use the information produced in Table PEN2 (see below). The RACs (Retirement Annuity Contracts) figures are derived from HMRC's Survey of Personal Incomes. Figures for the latest year are projections.

Table PEN2 (PEN2.1 & PEN2.2)

PEN2 is the sum of PEN2.1 and PEN2.2. Figures for these tables are simple totals from the relevant paper forms (APSS107 or APSS106). One reason for moving the publication date of these tables from October to February was to allow additional time for all the forms to be returned, improving the accuracy of our publication.

Individuals can hold and contribute to more than one personal pension account with more than one provider and the information in Table PEN2 relates to the numbers of accounts subscribed to and not the numbers of separate individuals subscribing to accounts (which will be fewer).

Employer sponsored schemes include contracts for schemes nominated by employers or set up under a trust by an employer. Non-Employer sponsored schemes are contracts set-up by a financial institution and offered for sale to the public, and include schemes arranged via Trade Unions or other bodies.

Tables PEN3, PEN4 & PEN5

Figures for this table come from the distributional data provided on the paper and electronic forms RPSCOM100(Z) and the overall totals are scaled up to match the figures as published in Table PEN2.

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.

As well as containing individual details, such as name and date of birth, the data also contains their National Insurance number and using this it possible to aggregate across those who have arrangements with one or more providers. Therefore, unlike table PEN2 which is 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 employment status of the individual.

These tables 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 per cent of records are available for analysis. The estimates have therefore been grossed up so that they are in line with control totals.

Table PEN6

The income taxation of pensions saving in UK registered pensions schemes generally follows an exempt, exempt, taxed structure (EET). Tax relief is available on employee and employer contributions to a registered pension scheme (E), and on investment growth within that scheme (E). Pensions in payment are taxed as income (T). In theory, this means that pensions are tax-deferred rather than tax-exempt; and the availability of relief in the accumulation phase ensures that individuals are not taxed twice on the same income.

This publication compares the pension's tax regime for registered pension schemes (generally EET) with the tax regime we have for most other forms of saving (TTE). The cost of income tax relief on contributions is calculated as:

1. Tax relief on employees' contributions to occupational schemes, including self administered schemes, Insurance company administered schemes, notionally funded and unfunded schemes;
2. Plus tax relief on employers' contributions to occupational schemes, including self administered schemes, Insurance company administered schemes, notionally funded and unfunded schemes;
3. Plus tax relief on individuals contribution to personal pension schemes;
4. Plus tax relief on employers' contributions to personal pension schemes;
5. Plus tax relief on self employed contribution to personal pension schemes;
6. Plus tax relief on pension funds investment returns of income;
7. Less tax on pension benefits. This is derived from the HMRC Personal Taxes Model by measuring the tax impact of eliminating private pension income. This measures the true impact of pension income on the UK's tax

proceeds by both allowing for individuals' personal allowances and the average rate at which they pay tax above this.

The estimates are mainly based on:

- Estimates of contributions to occupational schemes, supplied by the Office for National Statistics;
- Estimates of contributions to personal pensions taken from PEN1,
- Estimates of pension scheme's investment income, supplied by the ONS; and
- Average marginal tax rates for individuals contributing to and receiving pensions, based on HMRC's Personal Tax Model (PTM).