

### 3. Scheme demographics

#### Summary

This chapter describes the dataset used for this year’s edition of *The Purple Book* and includes some comparisons with data from previous years. Figures for the total number of schemes and total scheme membership are included, with breakdowns by scheme size, scheme status and member status.

How we categorise schemes has varied in previous editions of *The Purple Book* as more informative breakdowns became available. For more detailed information, see the appendix.

Some statistics from this chapter are summarised in the following table:

	Date of <i>The Purple Book</i>	
	31 March 2020	31 March 2019
Number of schemes in <i>The Purple Book</i> dataset	5,318	5,422
Proportion of schemes that are:		
open to new members	11%	11%
closed to new members (but open to new benefit accrual)	41%	44%
closed to new benefit accrual	46%	44%
winding up	2%	1%
Number of members covered by schemes in <i>The Purple Book</i> dataset, of which:	9.9m	10.1m
pensioner members	43%	42%
deferred members	46%	47%
active members (still accruing benefits)	11%	11%

- The number of active members is now just over a million. This is less than a third of those found in the first *Purple Book* dataset in 2006.
- The gradual trend of schemes closing to both new members and new benefit accrual has continued and now stands at 46 per cent. This compares with 12 per cent in *The Purple Book* dataset in 2006.
- 72 per cent of schemes have assets of less than £100 million.

#### Scheme status

Figure 3.1 | Distribution of schemes by scheme status

41 per cent of schemes are closed to new members, and another 46 per cent are also closed to new benefit accrual.

Source: PPF



3. Scheme demographics continued

Figure 3.2 | Distribution of schemes by scheme status and member group

Large schemes are more likely to be open to new members or new benefit accrual.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.

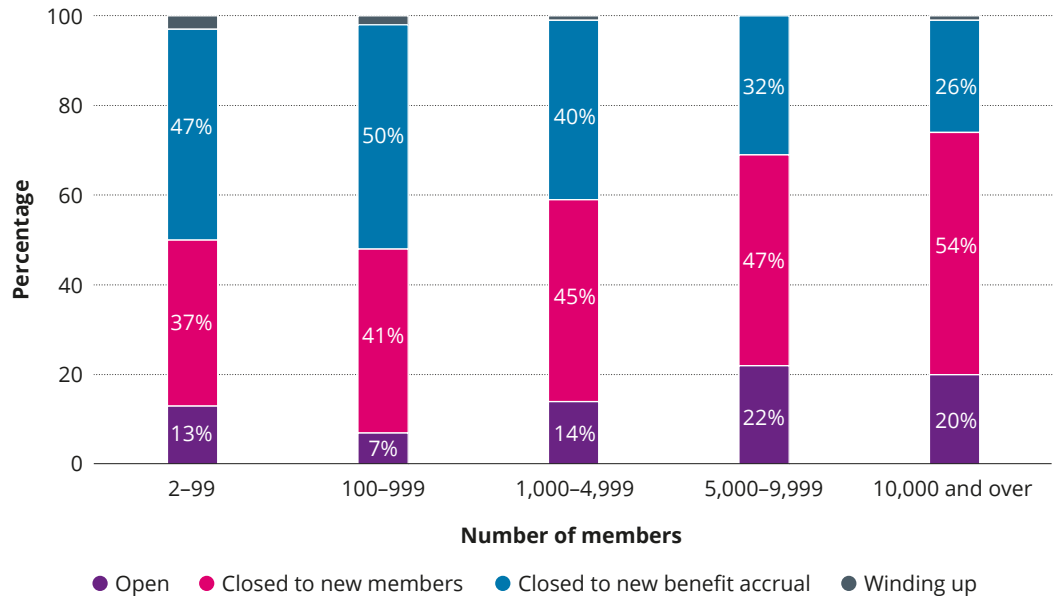
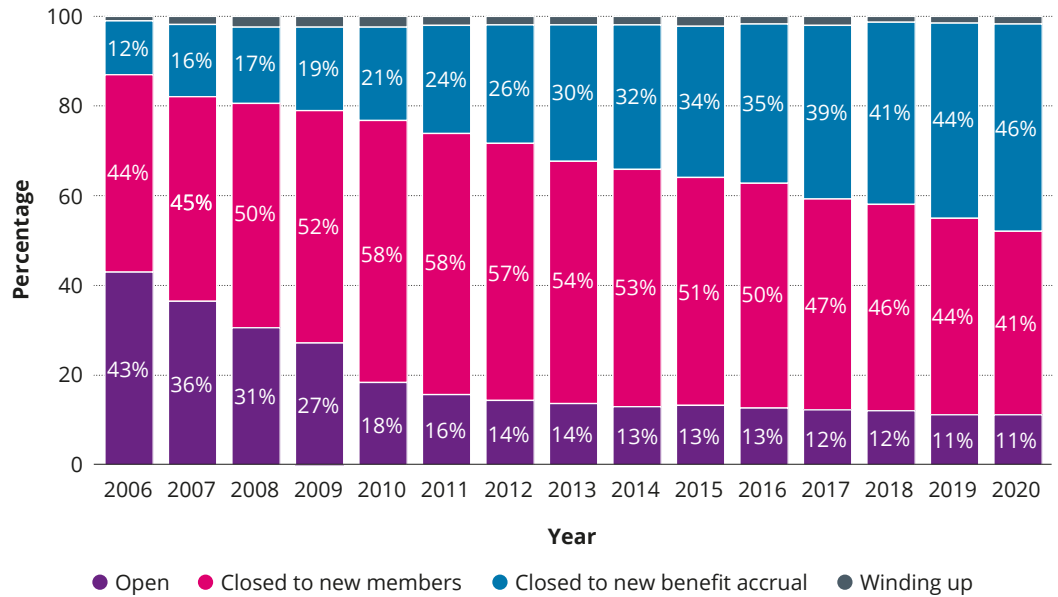


Figure 3.3 | Distribution of schemes by scheme status and year

The gradual trend of schemes already closed to new members also closing to accrual has continued, with 46 per cent of schemes now in this category.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.

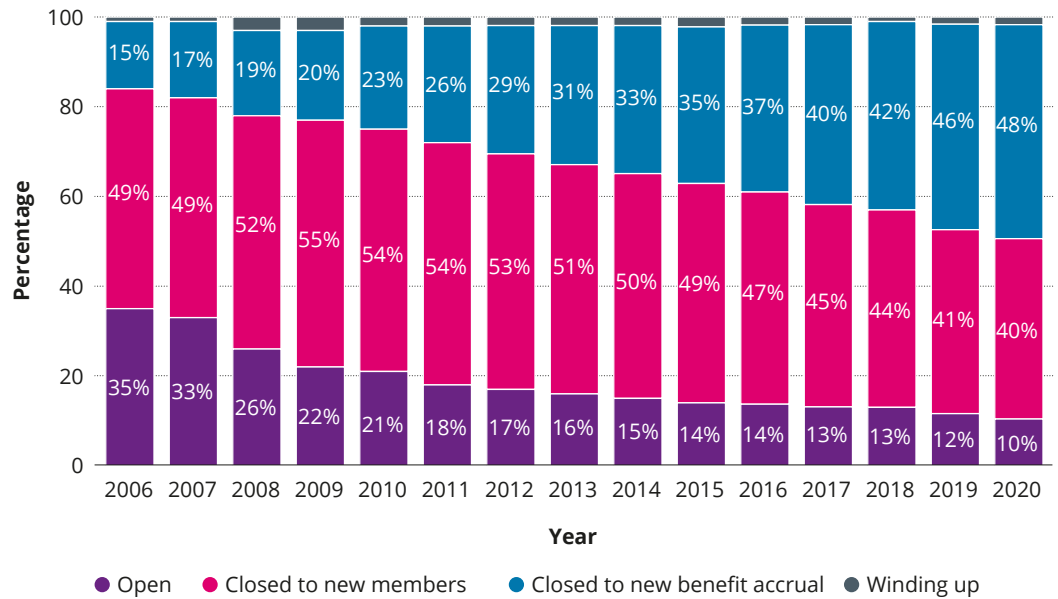


**Figure 3.4 | Distribution of schemes by scheme status and year (excluding hybrid schemes<sup>6</sup>)**

The distribution of schemes by scheme status in *The Purple Book 2020* dataset is similar whether or not hybrid schemes are excluded.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.



**Scheme status and scheme members**

**Figure 3.5 | Distribution of members by scheme status**

Around 70 per cent of members are in schemes that have some form of new benefit accrual.

Source: PPF



<sup>6</sup> A hybrid scheme is one that provides DB and Defined Contribution (DC) benefits. The treatment of such schemes has varied in past editions of *The Purple Book* as better data has become available (see the appendix for a detailed explanation). At present we define a scheme as closed if the DB section is closed, even if the DC section remains open.

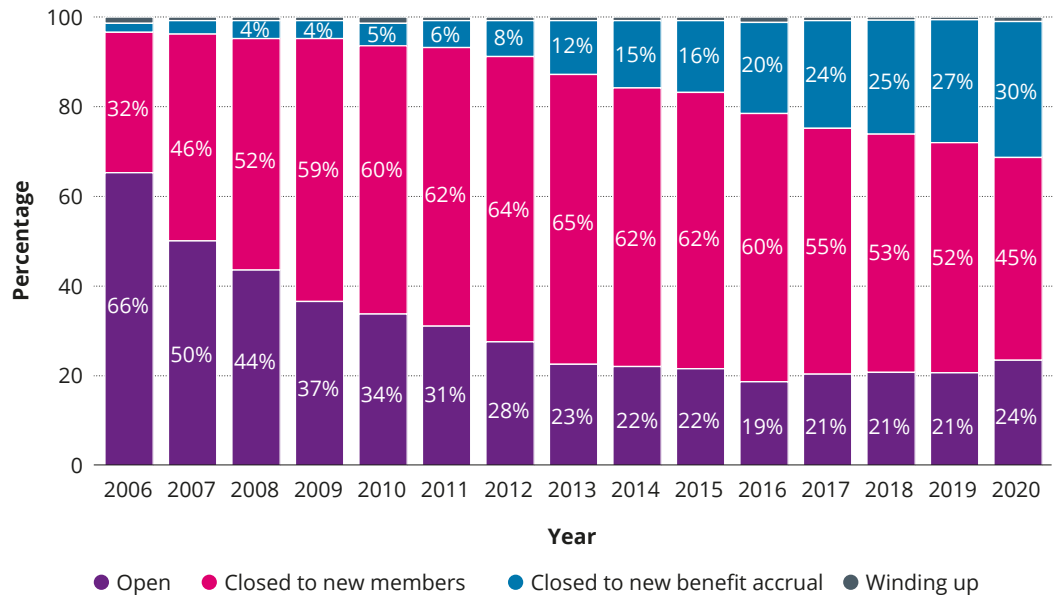
3. Scheme demographics continued

Figure 3.6 | Distribution of members by scheme status and year

The proportion of members in open schemes has stabilised in recent years following a significant decline between 2006 and 2013.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.



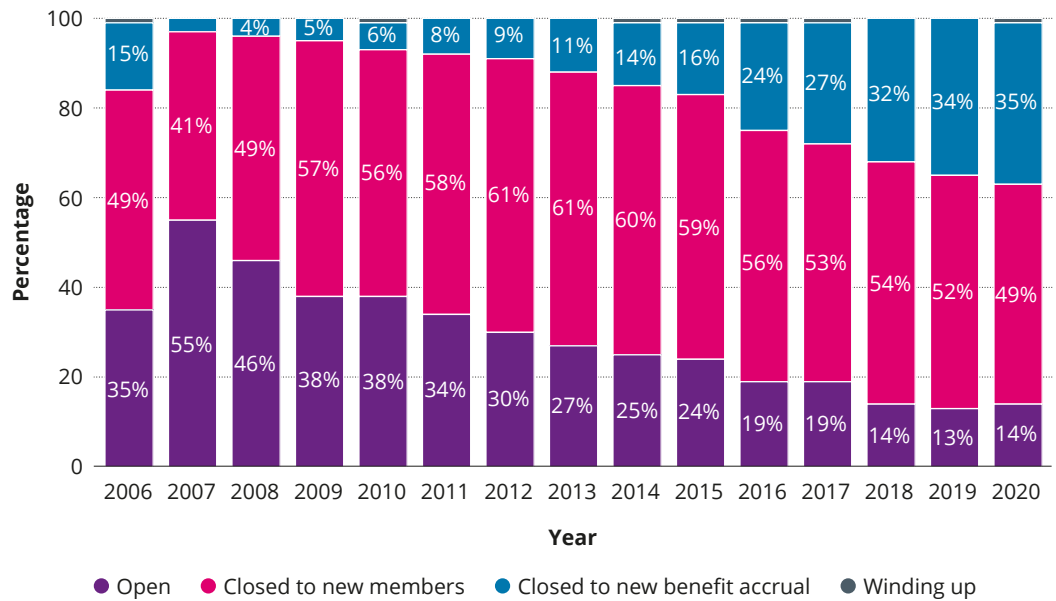
One very large scheme reported its scheme status as open this year having reported a closed status all previous years, which was the main reason for the increase in the proportion of members in open schemes this year.

Figure 3.7 | Distribution of members by scheme status and year (excluding hybrid schemes)

Excluding hybrid schemes has an effect on the distribution of members by scheme status in *The Purple Book 2020* dataset. This is partly due to one very large open scheme having a hybrid status.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.



### Scheme membership

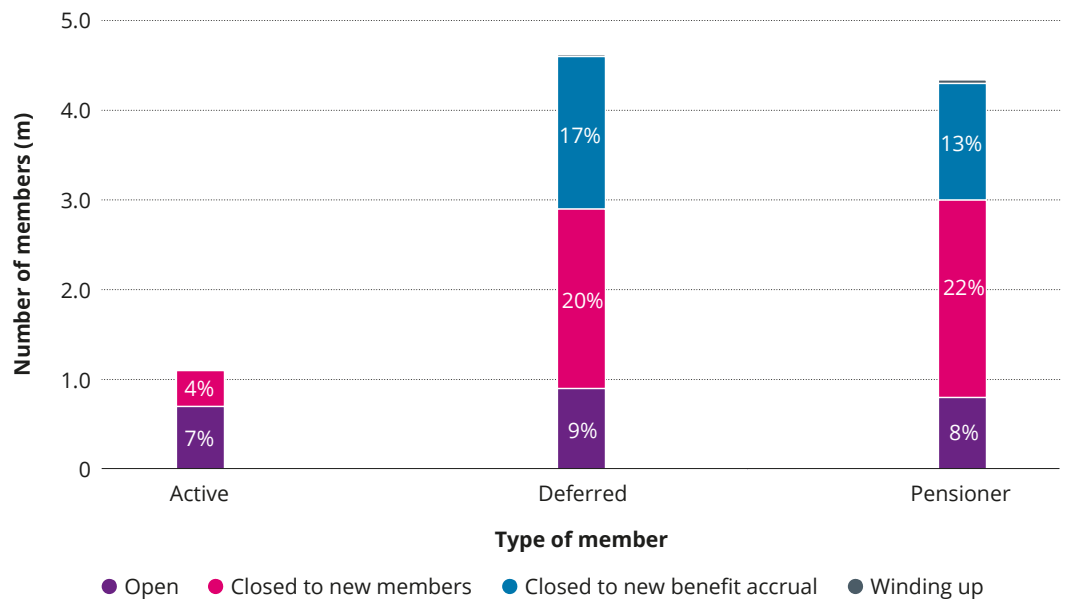
**Figure 3.8 | Number and distribution of members by member type and scheme status as at 31 March 2020**

Although around 70 per cent of members are in schemes that are open to new benefit accrual, only 11 per cent of members are actually accruing benefits.

Source: PPF

Note: the components may not sum to the total because of rounding.

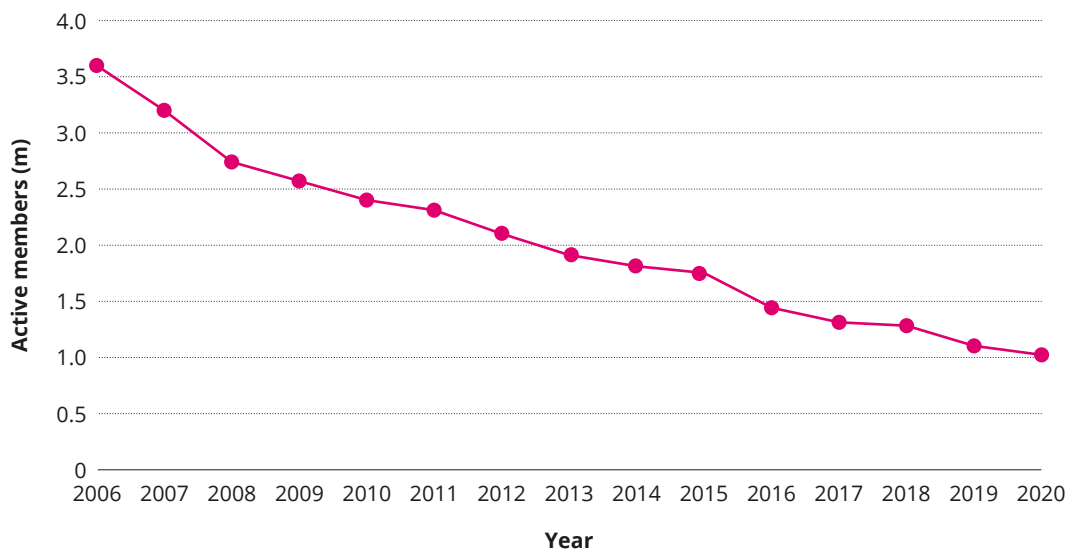
Number (000's)/%	Open	Closed to new members	Closed to new benefit accrual	Winding up	All
Active members	668.7 7%	349.4 4%	– 0%	– 0%	1,018.1 11%
Deferred members	876.0 9%	1,980.0 20%	1,711.7 17%	20.5 0%	4,588.2 46%
Pensioner members	795.3 8%	2,155.9 22%	1,275.1 13%	39.3 0%	4,265.6 43%
<b>Total</b>	<b>2,340.0 24%</b>	<b>4,485.3 45%</b>	<b>2,986.8 30%</b>	<b>59.8 1%</b>	<b>9,871.9 100%</b>



**Figure 3.9 | Active members in *The Purple Book* datasets**

The number of active members is less than a third of those found in the first *Purple Book* dataset in 2006.

Source: PPF



3. Scheme demographics continued

Figure 3.10 | Distribution of member type, by scheme membership size

The proportion of active members increases as scheme membership size increases.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.

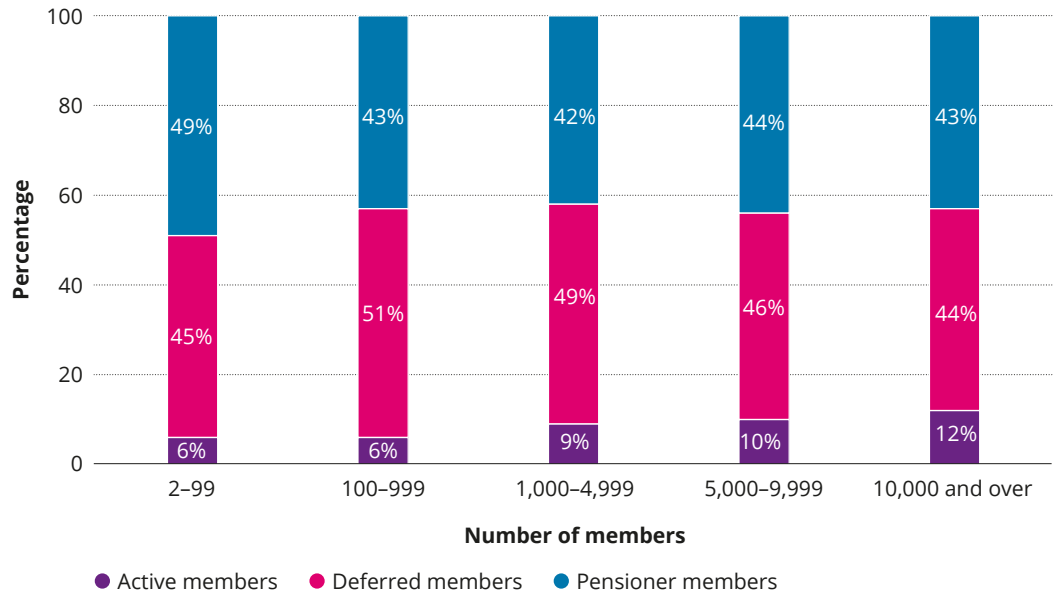
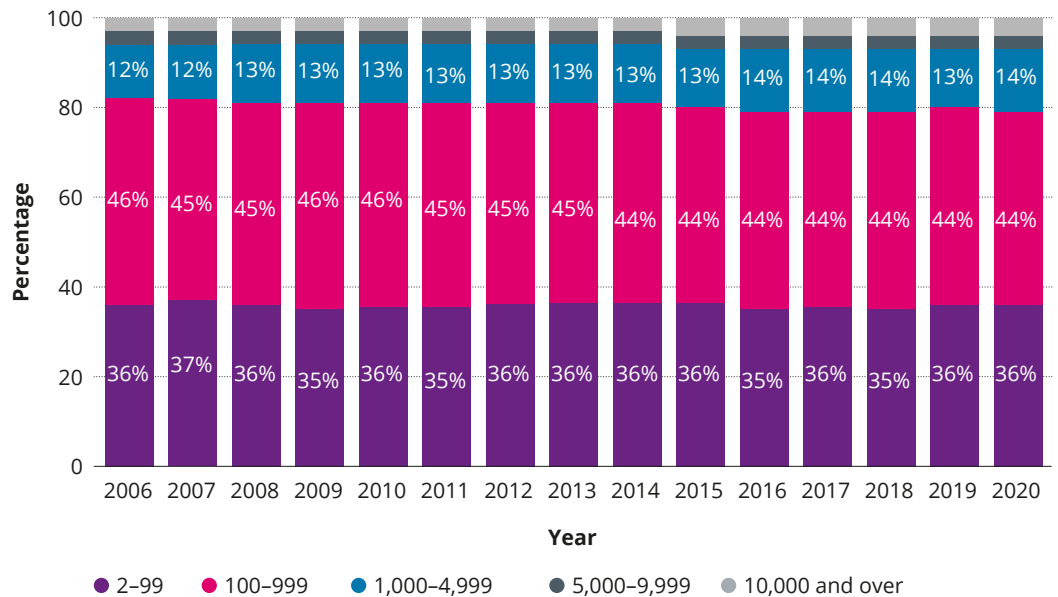


Figure 3.11 | Proportion of schemes by scheme membership size, by year

The distribution of schemes by scheme membership size has remained relatively stable over time, suggesting that there is little correlation between scheme size and removal from the eligible universe.

Source: PPF

Note: the percentages may not sum to 100 per cent because of rounding.

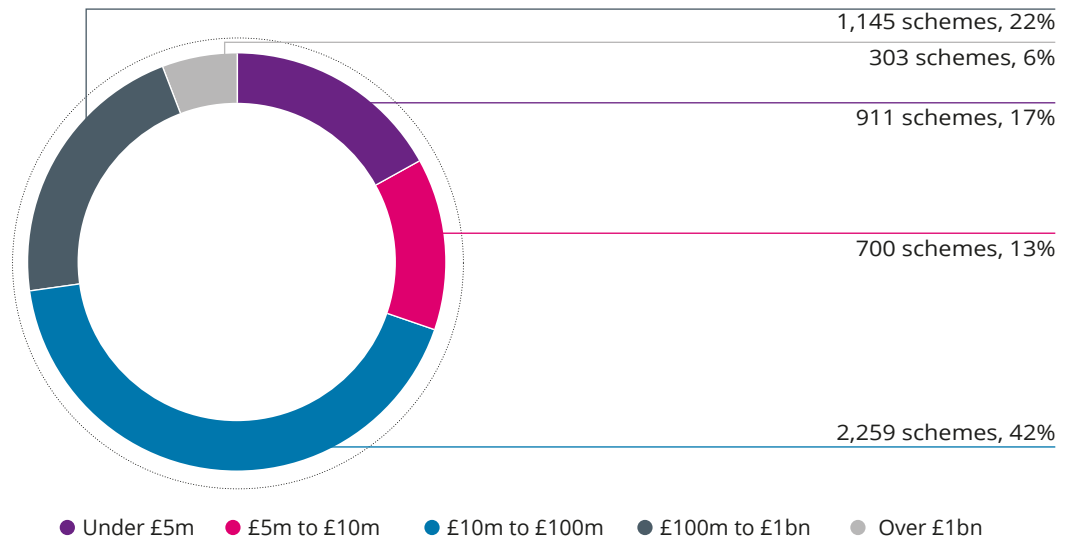


### Asset size

Figure 3.12 | Distribution of schemes by asset size

72 per cent of schemes have assets of less than £100 million.

Source: PPF

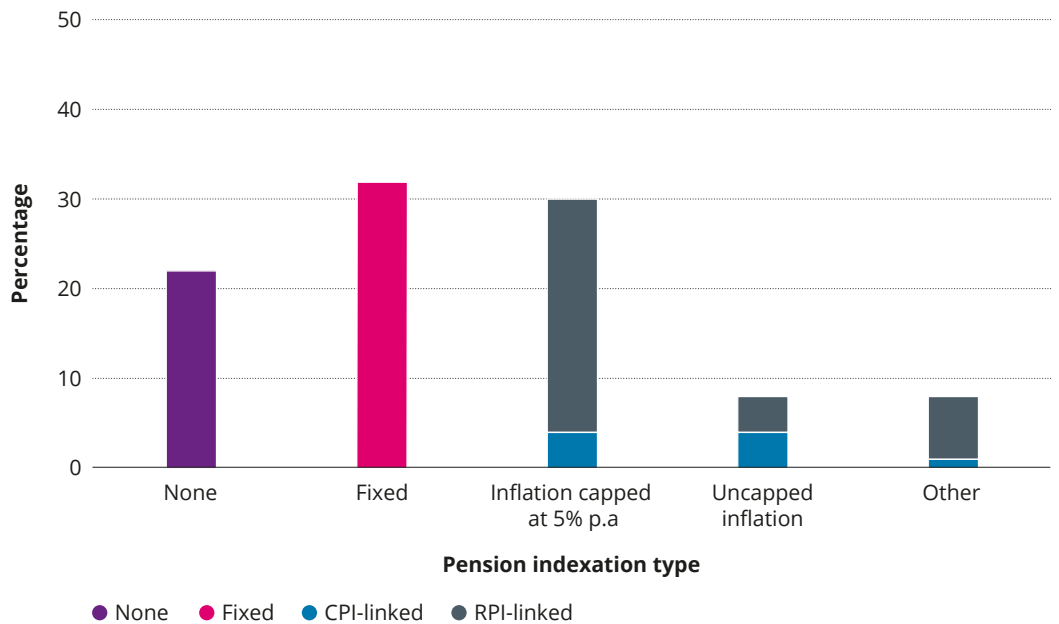


### Pension indexation types

Figure 3.13 | Pension indexation types for scheme benefits accrued before 6 April 1997

More than three quarters of schemes provide indexation on scheme benefits accrued before 6 April 1997.

Note: this is based on scheme return data provided by schemes, where the scheme return specifies that in cases where there is more than one rate of indexation, the rate applying to the largest proportion of protected liabilities should be submitted.



### 3. Scheme demographics continued

**Figure 3.14 | Pension indexation types for scheme benefits accrued after 5 April 1997**

Around two thirds of schemes provide indexation of inflation capped at 5 per cent a year on scheme benefits accrued after 5 April 1997.

Note: this is based on scheme return data provided by schemes, where the scheme return specifies that in cases where there is more than one rate of indexation, the rate applying to the largest proportion of protected liabilities should be submitted.

Note: most of the schemes with no pension indexation don't have any scheme benefits that were accrued after 5 April 1997. The remaining instances may be errors in scheme return data submitted by schemes.

