

03

Scheme demographics

This chapter looks at trends in scheme status and member status.

Schemes can be open to new members, closed to new members but open to new benefit accrual, closed to new members and benefit accrual, or winding up.

Members may be actively accruing benefits, deferred, or retired.

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 2021	31 March 2020
Number of schemes in <i>The Purple Book</i> dataset	5,215	5,318
Proportion of schemes that are:		
open to new members	11%	11%
closed to new members (but open to new benefit accrual)	39%	41%
closed to new benefit accrual	48%	46%
winding up	2%	2%
Number of members covered by schemes in <i>The Purple Book</i> dataset, of which:	9.7m	9.9m
pensioner members	43%	43%
deferred members	47%	46%
active members (still accruing benefits)	10%	11%

- The number of active members has fallen to just under one million for the first time. This is just over a quarter 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 48 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

39 per cent of schemes are closed to new members, and another 48 per cent are also closed to new benefit accrual.



Source: PPF

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.

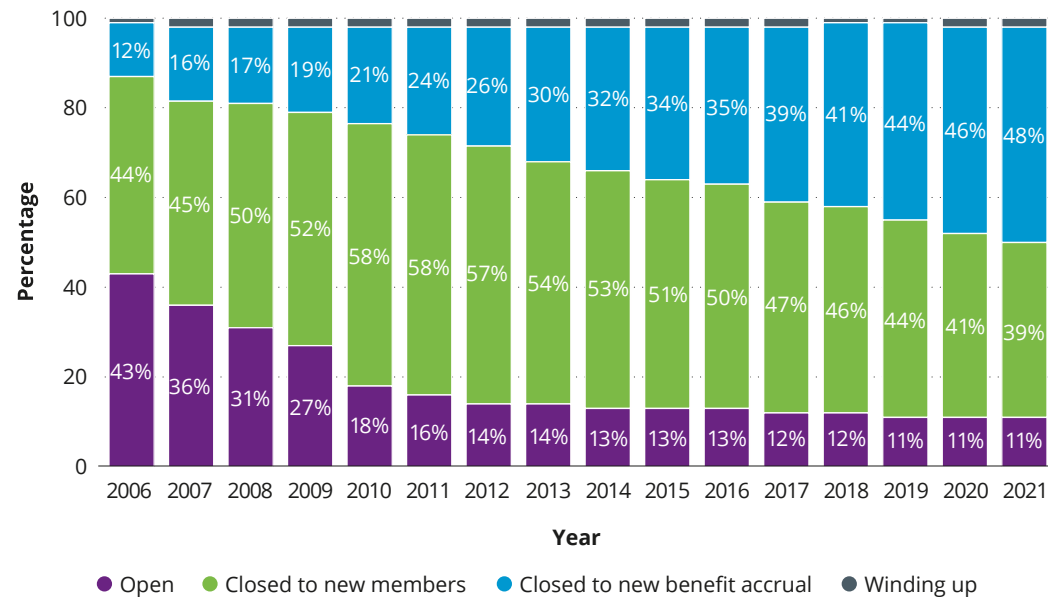


Note: the percentages may not sum to 100 per cent because of rounding.

Source: PPF

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 this status now covering 48 per cent of schemes.

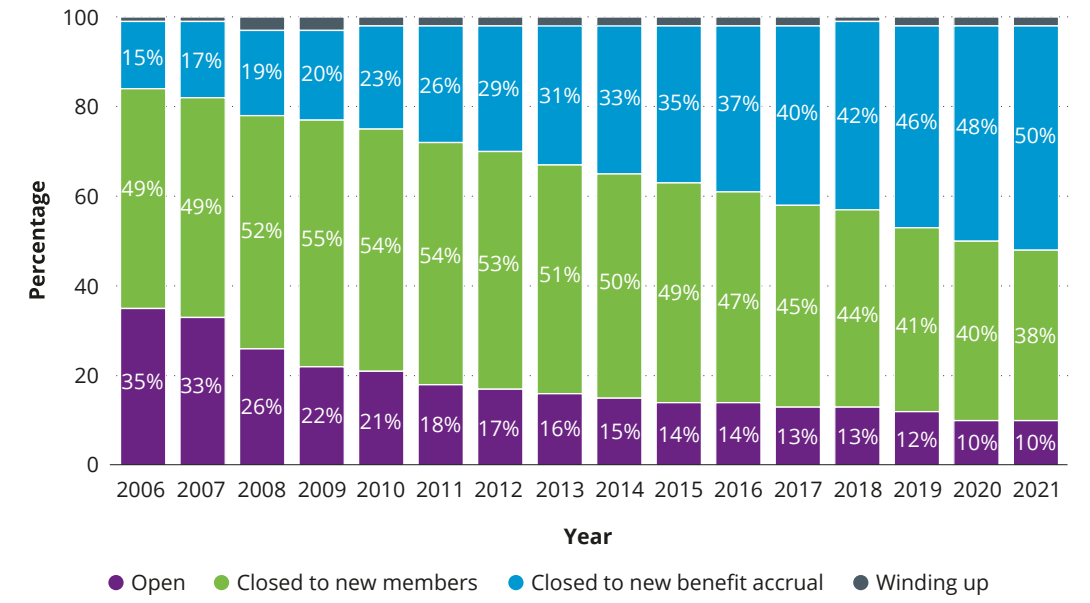


Note: the percentages may not sum to 100 per cent because of rounding.

Source: PPF

Figure 3.4 | Distribution of schemes by scheme status and year (excluding hybrid schemes⁵)

The distribution of schemes by scheme status in *The Purple Book 2021* dataset is similar whether or not hybrid schemes are excluded.



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

Source: PPF

Scheme status and scheme members

Figure 3.5 | Distribution of members by scheme status

Around 65 per cent of members are in schemes that have some form of new benefit accrual.



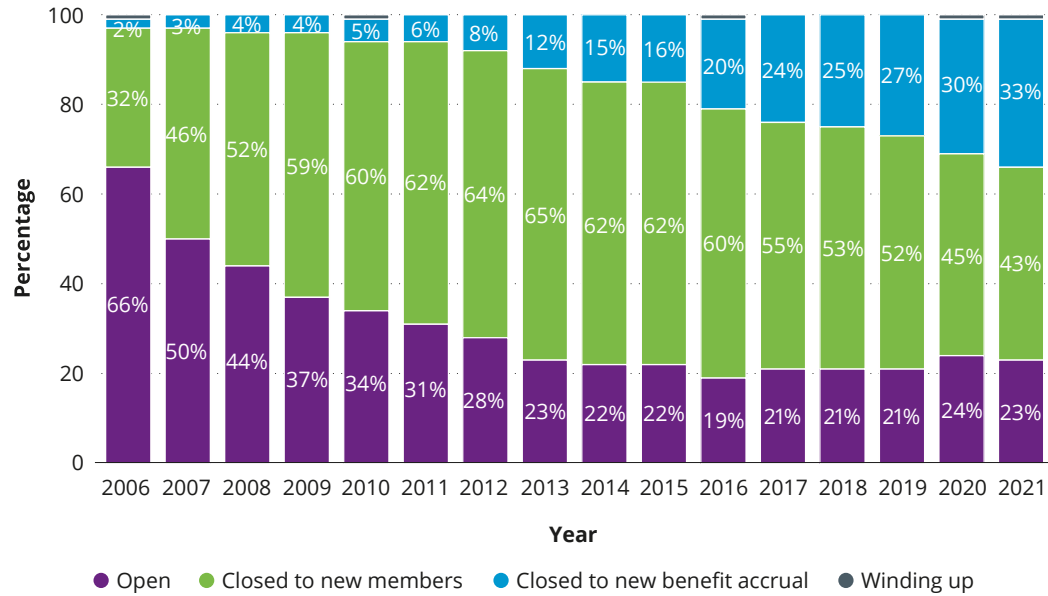
Source: PPF

5 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.

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.

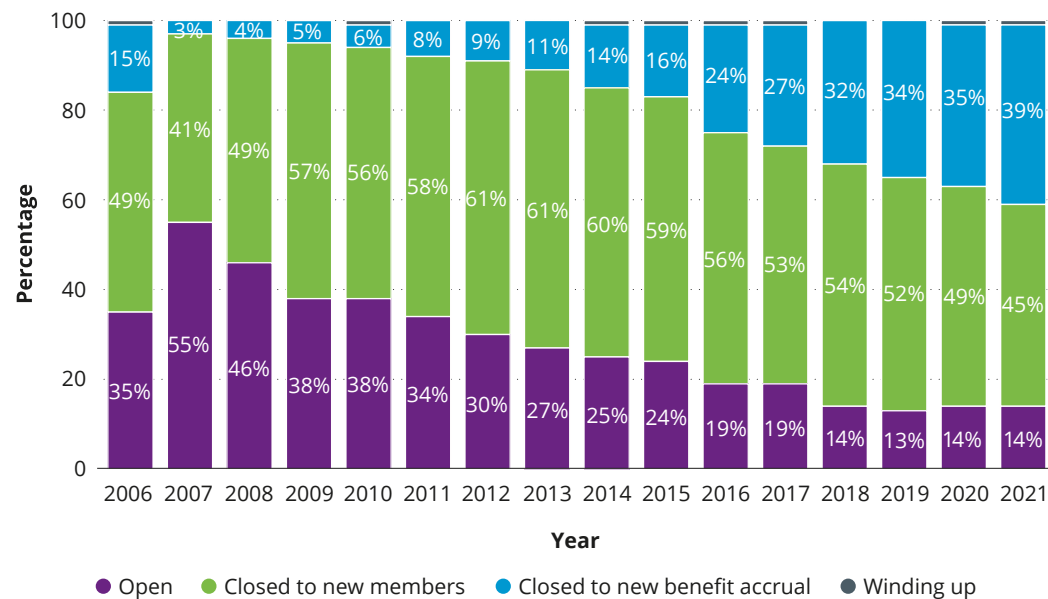


Note: the percentages may not sum to 100 per cent because of rounding.

Source: PPF

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 2021* dataset. This is partly due to one very large open scheme having a hybrid status.



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

Source: PPF

Scheme membership

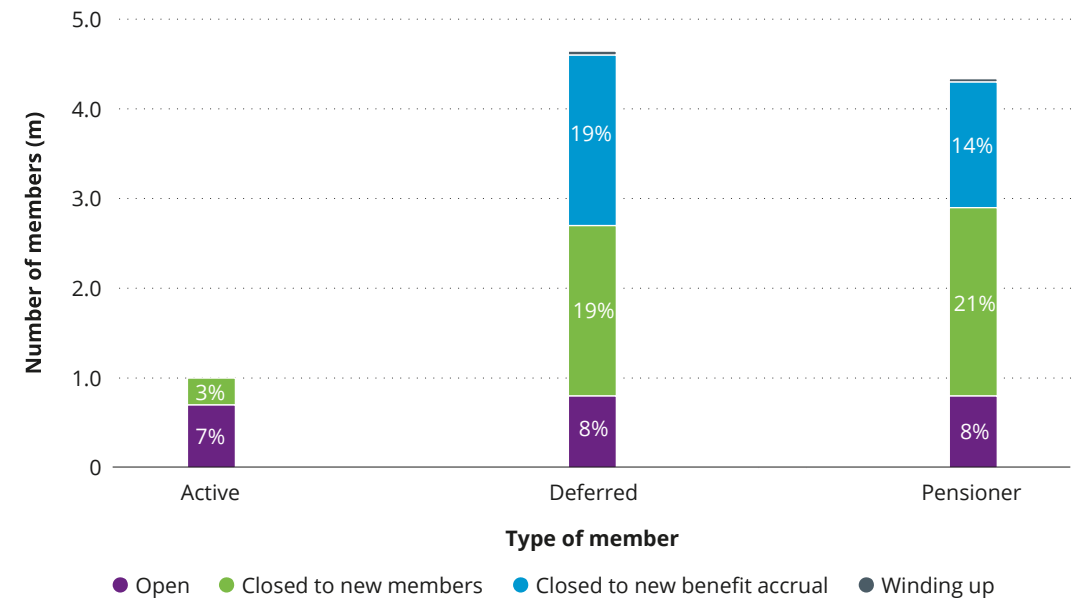
Figure 3.8 | Number and distribution of members by member type and scheme status as at 31 March 2021

Although around 65 per cent of members are in schemes that are open to new benefit accrual, only 10 per cent of members are actually accruing benefits.

Number (000's)/%	Open	Closed to new members	Closed to new benefit accrual	Winding up	All
Active members	657.0	323.9	-	-	981.0
	7%	3%	0%	0%	10%
Deferred members	820.5	1,887.4	1,824.3	43.4	4,575.7
	8%	19%	19%	0%	47%
Pensioner members	730.8	2,014.4	1,400.7	36.6	4,182.6
	8%	21%	14%	0%	43%
Total	2,208.4	4,225.8	3,225.0	80.1	9,739.3
	23%	43%	33%	1%	100%

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

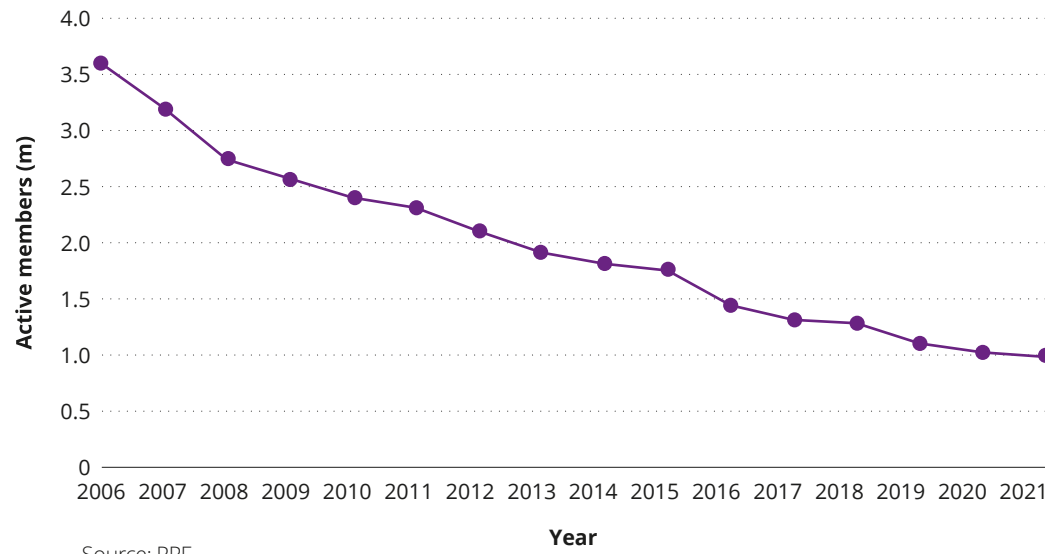
Source: PPF



Scheme demographics continued

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

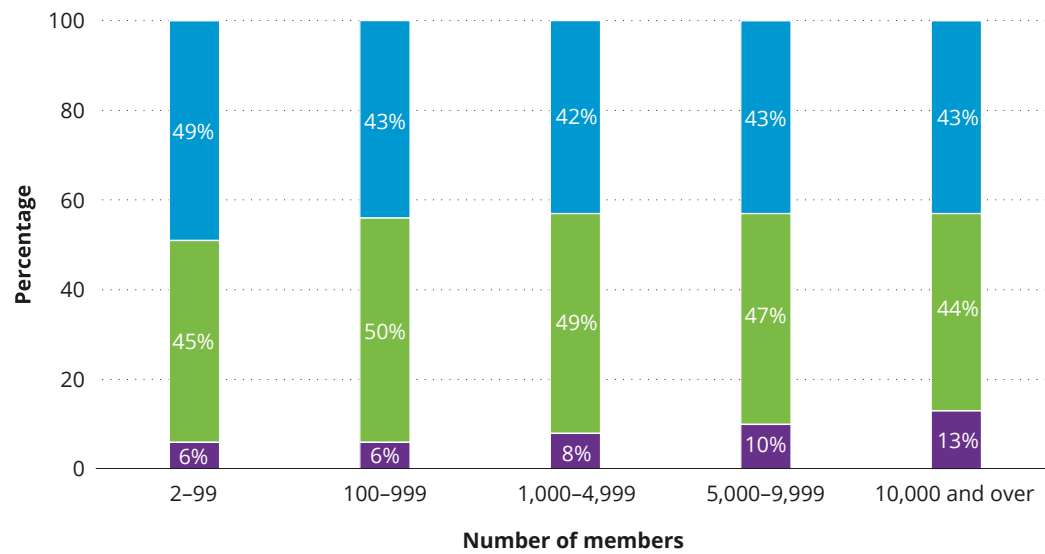
The number of active members has fallen to less than one million for the first time.



Source: PPF

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

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



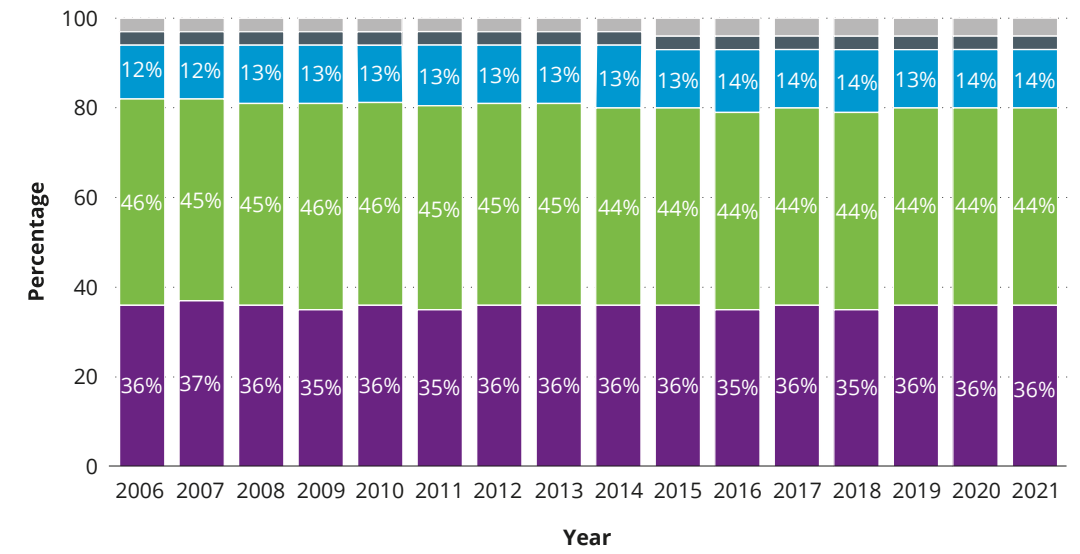
● Active members ● Deferred members ● Pensioner members

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

Source: PPF

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.



● 2-99 ● 100-999 ● 1,000-4,999 ● 5,000-9,999 ● 10,000 and over

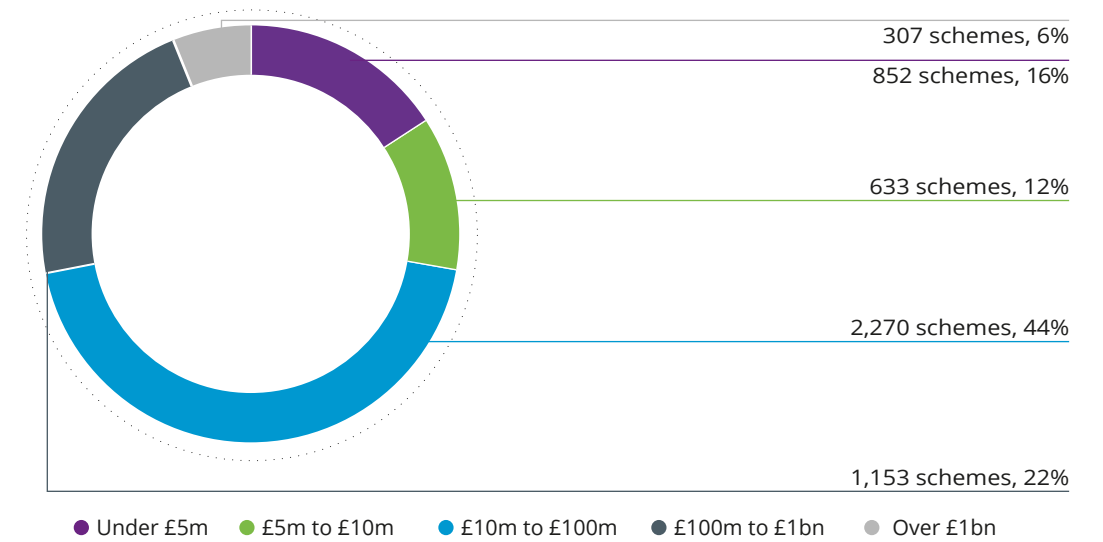
Note: the percentages may not sum to 100 per cent because of rounding.

Source: PPF

Asset size

Figure 3.12 | Distribution of schemes by asset size

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



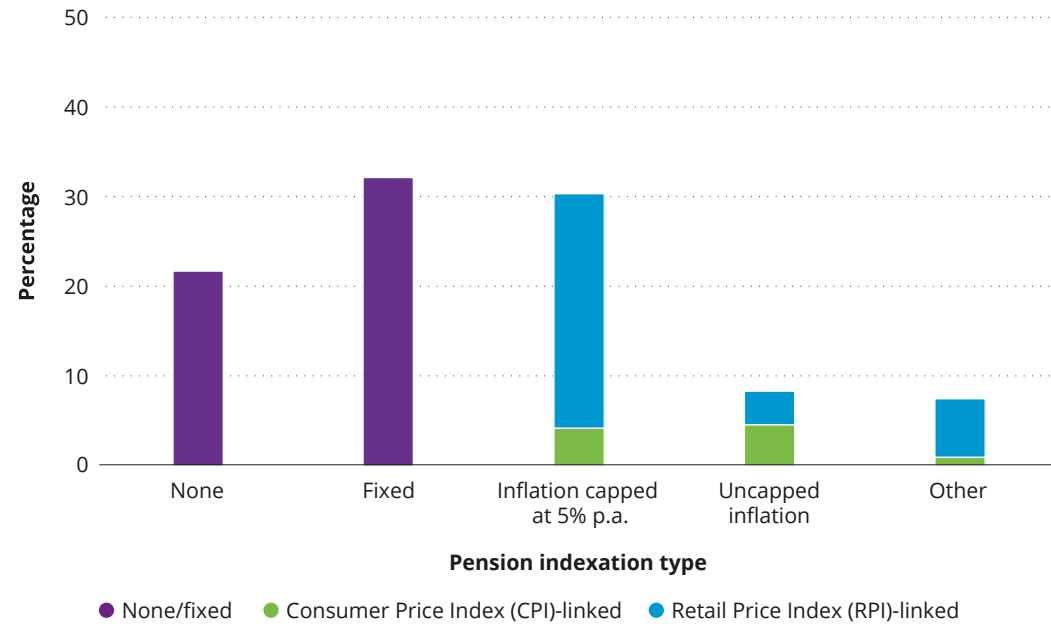
● Under £5m ● £5m to £10m ● £10m to £100m ● £100m to £1bn ● Over £1bn

Source: PPF

Pension indexation types

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

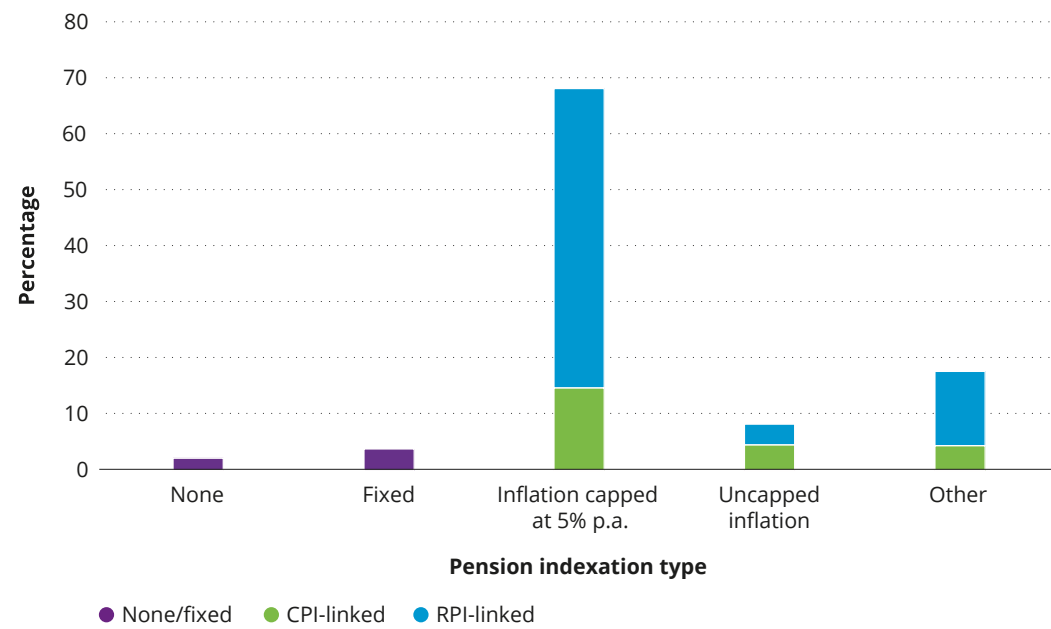
More than three quarters of schemes provide indexation on scheme benefits accrued before 6 April 1997.



Source: PPF

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 five per cent a year on scheme benefits accrued after 5 April 1997.



Source: PPF

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.