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 earlier editions of *The Purple Book* as more informative breakdowns became available although the method of categorisation has been unchanged since 2013. For more detailed information, see the appendix.

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

	Date of The Purple Book	
	31 March 2022	31 March 2
Number of schemes in The Purple Book dataset	5,131	5,
Proportion of schemes that are:		
open to new members	10%	-
closed to new members (but open to new benefit accrual)	38%	2
closed to new benefit accrual	51%	Z
winding up	2%	
Number of members covered by schemes in		
The Purple Book dataset, of which:	9.6m	9.
pensioner members	43%	2
deferred members	47%	2
active members (still accruing benefits)	10%	1

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

- The number of active members has continued to fall and is now around 0.9 million. This is around 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 accounts for more than half of all schemes for the first time (51 per cent). This compares with 12 per cent in *The Purple Book* dataset in 2006.
- 73 per cent of schemes have assets of less than £100 million.

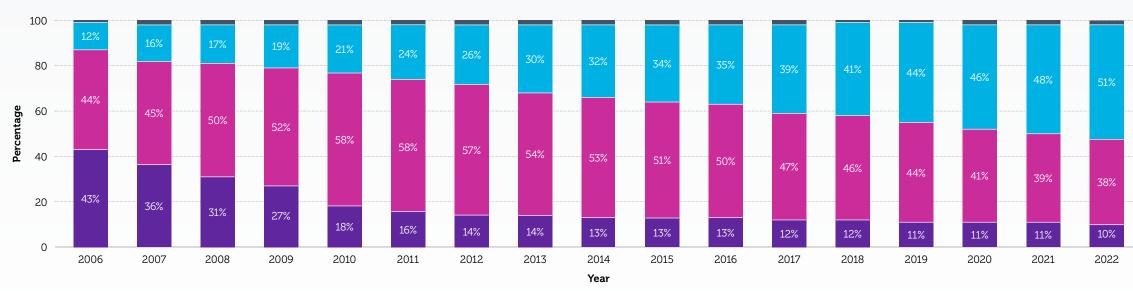


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Figure 3.3 | Distribution of schemes by scheme status and year

The gradual trend of schemes already closed to new members also closing to accrual has continued, with this status now covering more than 50 per cent of schemes for the first time (51 per cent).



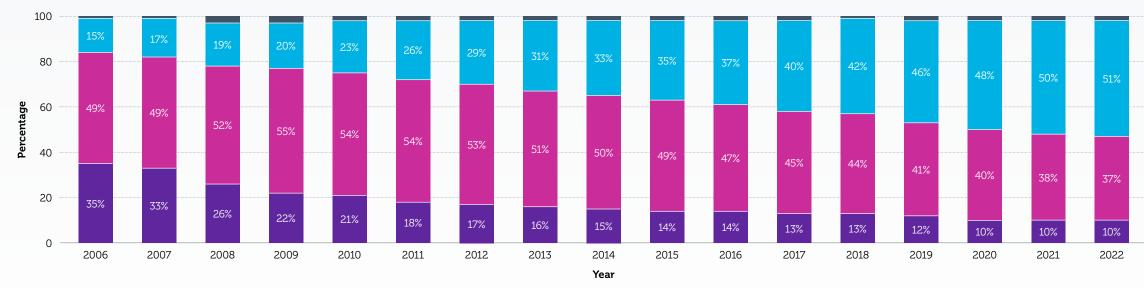
Open
Closed to new members
Closed to new benefit accrual
Winding up

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 schemes¹)

The distribution of schemes by scheme status in The Purple Book 2022 dataset is similar whether or not hybrid schemes are excluded.



Open
Closed to new members
Closed to new benefit accrual
Winding up

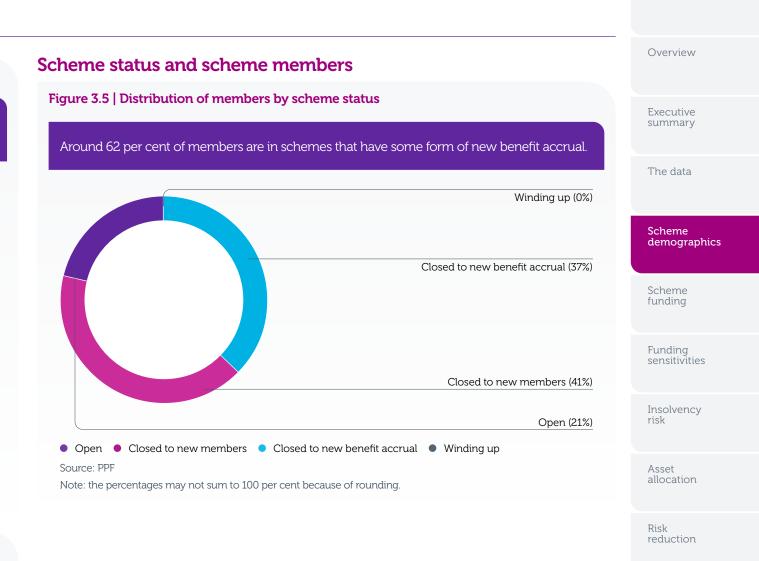
Source: PPF

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

1 A hybrid scheme is one that provides defined benefit (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.

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Figure 3.6 | Distribution of members by scheme status and year

The change in membership by scheme status has followed a similar trend over time to the number of schemes by scheme status. However, just under 40 per cent of members are in schemes that don't provide any new benefit accrual compared with over 50 per cent of schemes not providing any new benefit accrual.



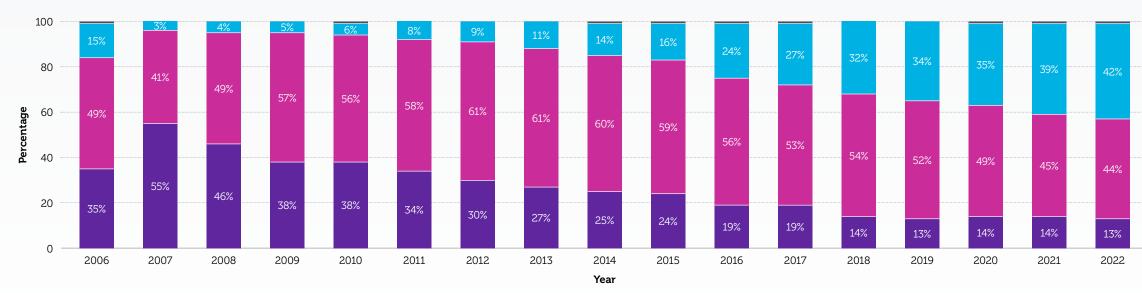
Open
Closed to new members
Closed to new benefit accrual
Winding up

Source: PPF

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

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

Excluding hybrid schemes has a notable effect on the distribution of members by scheme status in *The Purple Book 2022* dataset. This is partly due to one very large open scheme having a hybrid status.



Open
Closed to new members
Closed to new benefit accrual
Winding up

Source: PPF

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

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Figure 3.8 | Number and distribution of members by member type and scheme status as at 31 March 2022

The total number of active members reduced by five per cent in the year to 31 March 2022 and is the main reason for the reduction in total membership. The total number of pensioners reduced by one per cent while the total number of deferreds was almost unchanged.

Number (000's) / %	Open	Closed to new members	Closed to new benefit accrual	Winding up	All
Active members	628.5	302.2	-	-	930.7
	7%	3%	0%	0%	10%
Deferred members	743.5	1,784.4	2,026.6	20.7	4,575.3
	8%	18%	21%	0%	47%
Pensioner members	657.7	1,908.4	1,555.2	20.3	4,141.6
	7%	20%	16%	0%	43%
Total	2,029.8	3,995.0	3,581.8	41.0	9,647.6
	21%	41%	37%	0%	100%

Note: the percentages may not sum to 100 per cent and the components may not sum to their totals because of rounding.

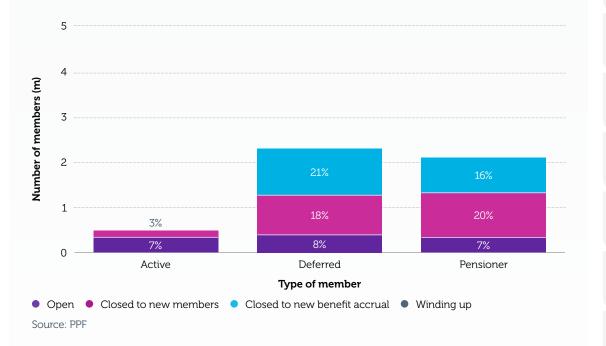


Figure 3.9 | Active members in The Purple Book datasets



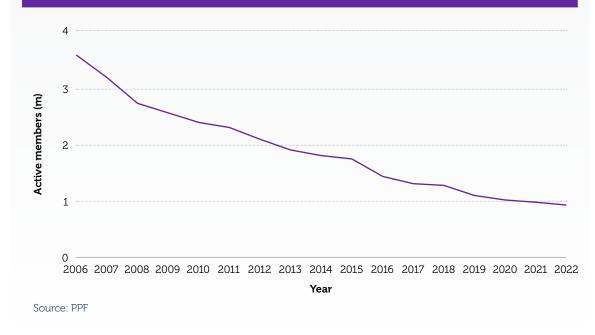


Figure 3.10 | Distribution of member type, by scheme membership size

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

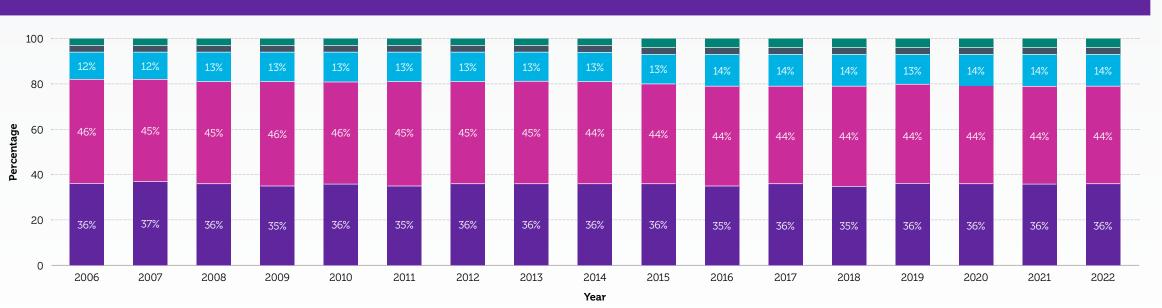


Source: PPF

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.



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

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



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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.

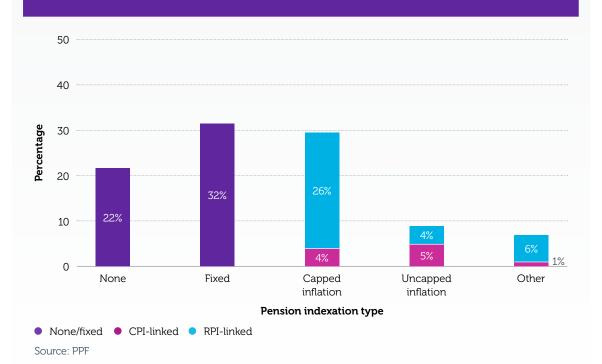
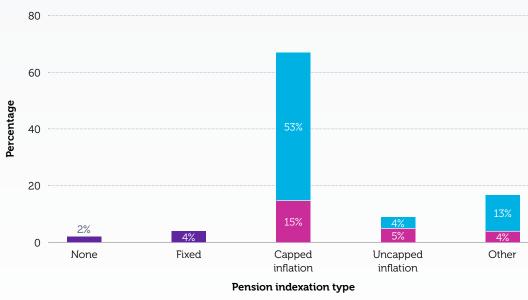


Figure 3.14 | Pension indexation types for scheme benefits accrued after 5 April 1997

Around two thirds of schemes provide indexation of capped inflation on scheme benefits accrued after 5 April 1997. For the vast majority of these schemes, the inflation cap is five per cent a year.



None/fixed • CPI-linked • RPI-linked

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 or are cash balance schemes.

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