

**Analysis of Personal Pension Income in
the Pensioners' Incomes Series**

**The Pensioners' Incomes Series
Methodological Paper No. 3**

October 2000

Foreword

This paper is based on a review of how personal pension income is treated in *The Pensioners' Incomes Series* (PI).

Personal pensions comprise a small but growing component of pensioners' incomes. At the time of the review, the publication did not include separate estimates of income from personal pensions – such income was included under the 'investment income' category. The aim of the review was to examine the potential for producing personal pension income estimates, either in the 1998/9 edition or in some future edition of PI.

The review took place in the first half of 2000. Therefore, any references to 'current' methodology or use of the present tense in this paper refers to the methodology used prior to the 1998/9 edition of PI. The same methodology is being used at the time of writing, since the 1998/9 edition followed the recommendations of the review – to maintain current practice until estimates of personal pension income are reliable enough to publish.

The review looked at issues surrounding the definition of personal pension income, the quality of estimates, strategies for presenting estimates and prospects for the future.

Please note that all estimates in this paper are included for illustrative purposes only. They are subject to a very high degree of sampling error and should not be cited elsewhere.

Any comments on this paper would be gratefully received.

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Analysis of Personal Pension Income in the Pensioners' Incomes Series July 2000

Executive Summary

Consultation with users regarding development areas for 'The Pensioners' Income Series 1998/9' (PI) highlighted a need for analysis of personal pension income. This paper seeks to inform readers of the arguments and methodological changes involved in providing these estimates.

Definition of personal pension income

Currently in PI, all personal pension income and related variables are counted as part of investment income. To provide a separate estimate, variables in the PI dataset must be modified. In order to provide estimates this paper recommends that the following are included in the definition of personal pension income:

- Personal pension income
- Annuity income from personal pensions
- Trade Union & Friendly Society pension income

We also recommend that the following are excluded from personal pension income estimates and therefore remain as part of investment income:

- Income from trusts or covenants
- Income from annuities not purchased with occupational or personal pension income

Feasibility of personal pension income estimates

Having looked at the standard errors for separate personal pension income estimates, we recommend that this option is NOT carried forward this year, owing to small sample size. The standard errors for all units, pensioner couples and single pensioners are large and significantly greater than those of the other listed sources of income in PI, such as benefit, investment and earnings income. In addition, we would expect the standard errors for sub-sets of personal pension income to be even greater (e.g. broken down by quintile, gender or age). However, the number of pensioners with personal pension income is growing over time. As a result of this, we recommend that the situation is monitored each year until sample sizes are of a sufficient size to allow publication of estimates.

We also recommend that the other change to PI methodology discussed in the paper (moving income from an annuity bought with an occupational pension from investment income to occupational pension income) be postponed until separate estimates of personal pension income become feasible.

Prospects for the Future

It is not possible to replicate the same definition of personal pension income using FES data. Sample sizes are smaller for the FES than the FRS. Moreover, personal pensions were introduced in 1988, so we would expect numbers in receipt for these FES-based years immediately post-1988 to be smaller than those for the FRS-based estimates covering 1994/5 onwards. Therefore, when separate estimates of personal pension income are published, we recommend that the FES-based estimates are not produced.

In addition, we recommend that any future personal pension income variable be adjusted for high income cases using Inland Revenue's 'Survey of Personal Incomes' in line with standard PI methodology.

Section 1: Background and Outline

1.1 Introduction

As part of the ongoing development of *'The Pensioners' Income Series'* (PI) a series of methodological papers have been produced and published. This is the third in this series. Having consulted users, it was felt that publishing separate analyses of personal pension income was a high development priority, improving the usefulness of PI. This paper seeks to describe and appraise the options for changing current methodology in order to present analysis of personal pension income within future editions of PI. In order to start examining the options for personal pension income, we need to understand how the issue is treated currently.

1.2 Current methodology

The most recent data use in PI is derived from the Family Resources Survey (and Households Below Average Income dataset). The FRS questionnaire asks details of the income for up to three personal pensions held by each member of the pensioner unit. The FRS questionnaire also asks for details of any Trades Union or Friendly Society pension income, income from a trust or covenant, and income from an annuity. Clearly, any re-examination of methodology with regard to personal pension income should also include these related variables as well.

At present, these variables are included as components of investment income, along with other more standard sources of investment income (dividends from stocks and shares, for instance).

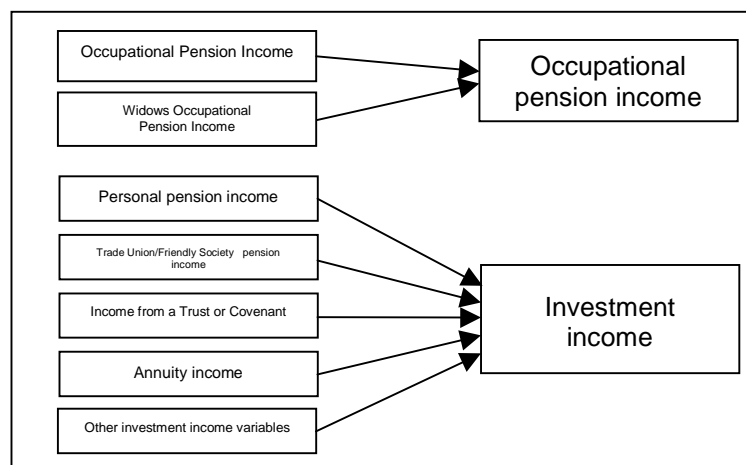
Occupational pension income is treated as a separate category in PI. The FRS questionnaire asks for details of

- the first four occupational pensions,
- the first three widows' occupational pensions

held by each member of the pensioner unit. These pensions form the occupational pension income totals presented in PI.

The diagram below summarises the various components:

Figure 1: Components of variables - the current situation



1.3 Options for change

It is clear that the current methodology must be changed in order to present a separate analysis of personal pension income in PI.

There are four main areas of potential change. These are how we treat:

- personal pension income;
- Trades Union and Friendly Society pension income;
- income from trusts or covenants;
- income from annuities

The aim of this paper is to inform decision about the best method for showing personal pension income in the publication. Clearly, the most desirable way of doing this would be to have a new 'personal pension income' category listed in PI Table 1 as one of the sources of income alongside benefit income, occupational pension income, investment income, earnings and other income. This must be broken down into 'all pensioner units'; 'pensioner couples' and 'single pensioners'. It would also be desirable to include analysis by age, gender and quintile in the subsequent tables in PI.

The main aim of this section is to introduce the concept of a new category. Discussion of how it should be constituted is continued in Section 2. There is a certain amount of circularity in the arguments and options presented in this paper and to help avoid this as much as possible, certain assumptions have been made in the analysis. These are clearly marked in the text.

The rest of this paper is divided into three main sections:

- **Section 2: Definition of Personal Pension Income** - to finalise the recommended components going to make up personal pension income. This section covers Trade union and Friendly Society pension, trust or covenant income and income from annuities components;
- **Section 3: Feasibility of Separately Analysing Personal Pension Income** - where the feasibility of carrying out the changes in PI 1998/9 are discussed;
- **Section 4: Prospects for the Future** - where any anticipated problems in having a personal pensions variable in future PI editions are discussed.

All following analyses are based on the FRS and PI datasets (unless otherwise stated) and therefore cover Great Britain. All data refers to pensioner units. The data presented here is based entirely on gross income variables.

For simplicity, the estimates in this paper vary from normal PI practice in that they are not adjusted using information from Inland Revenue's 'Survey of Personal Incomes'. Those at Inland Revenue responsible for this survey informed us that it would be possible in future to provide a separate estimate for personal pension income for those very high earners above a specified threshold, to use in adjusting our estimates in line with the rest of PI (See Section 4.3).

Section 2: Definition of Personal Pension Income

2.1 Introduction

This section seeks to clarify the content of the proposed personal pension income variable. We look at annuity income, income from trusts or covenants and Trade Union & Friendly Society pension income in turn. Each sub-section contains a recommendation as to whether or not each component should be counted as a part of personal pension income.

2.2 Annuity income:

The FRS asks each member of the benefit unit whether or not they have income from an annuity. If the answer is 'yes', the questionnaire then goes on to ask whether it was purchased by a lump sum from either an:

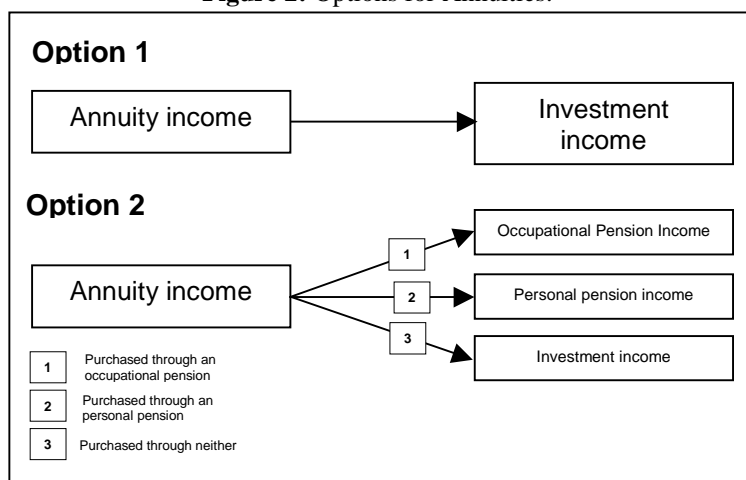
- occupational pension;
- personal pension;
- or neither

Currently, all annuity income, whatever the source, is counted as part of investment income. The nature of the FRS questions makes it possible to split this annuity income according to its source. The option exists, therefore, to reallocate these three sources of income by their source. This would mean that income from an annuity purchased through an occupational pension lump sum should be counted as part of occupational pension income. The same would happen for personal pensions, assuming that a separate category is constructed. Those annuities purchased by neither an occupational or personal pension would remain unchanged, therefore counted as investment income. This is shown in the bottom section of Figure 2.

The options for annuity income are:

1. To maintain the status quo
2. To split annuity income according to source

Figure 2: Options for Annuities:



There is a strong argument for following **option 2** and splitting annuity income according to its source. Income from an annuity purchased using a lump sum built up from contributions to a personal or occupational pension is still pension income, the only difference being it has been

converted into a different financial tool used to deliver that income. Any income from an annuity should be re-allocated to the source used to buy that annuity.

One possible problem with this is whether or not it would significantly affect the estimates of both occupational pension income and investment income in PI significantly. Analysis shows that for 1997/8 the differences are not significant. It is also unlikely to be significant for earlier years, since money purchase occupational pensions have been growing over time.

Following **option 2** would require only minor revisions to PI figures, as shown below:

Table 1: Occupational pension and investment income, split by annuity type, 1997/8

		Income without split (£pw) (Option 1)	Income with split (£pw) (Option 2)
Occupational pension income	All pensioner units	55	56
	Pensioner couples	90	91
	Single pensioners	33	33
Investment income	All pensioner units	27	27
	Pensioner couples	48	47
	Single pensioners	14	14

Indeed, this table overstates the difference, as most of the changes shown here are due to rounding. The greatest difference is in fact approximately 60p.

Recommendation 1: *To split annuity income according to source (Option 2)*

NB: All further analysis shown in this paper is conducted assuming this recommendation has been carried out, and so all variables include their respective annuity component.

2.3 Income from Trusts or Covenants:

Currently, income from a trust or covenant is counted as part of investment income. Questions in the FRS about income from trusts or covenants are asked as part of the same block as personal pension, annuity and Trade Union & Friendly Society pension income. The option exists to count it as part of a new personal pension income variable.

The options for income from trusts or covenants are:

1. **To maintain the status quo**
2. **To count trust or covenant income as part of the personal pension income variable**

There is a strong case for retaining this as part of investment income, and virtually no case for including it as part of personal pension income. Savings placed into trust or covenants are not accumulated through contributions like pensions, they tend to be lump sums. Also, individual who places money in trust tends not to be the recipient of the income. In addition, income from a trust or covenant is not necessarily intended to finance retirement, unlike most pension schemes.

Trusts and covenants are rarely used as a method of saving for retirement, as the data in Table 2 shows:

Table 2: Income from Trusts or Covenants, 1997/8

		£pw	% in receipt	N (ungrossed)
Average income from trust or covenant (whole sample)	All pensioner units	*	n/a	n/a
	Pensioner couples	*	n/a	n/a
	Single pensioners	1	n/a	n/a
Average income from trust or covenant (those in receipt only)	All pensioner units	106	0.4%	30
	Pensioner couples	140	0.2%	5
	Single pensioners	98	0.5%	25

Notes: Amounts less than £0.50 are marked *

On balance, there seems no compelling reason to change the situation as it is currently.

Recommendation 2: *Keep trust and covenant income as part of investment income (Option 1)*

NB: All further analysis shown in this paper is conducted assuming this recommendation has been carried out.

2.4 Trade Union & Friendly Society Pension Income:

The FRS reveals that a small number of benefit units are receiving income from Trade Union and Friendly Society pension schemes. The FRS asks for details of these as a unified category. Friendly society pensions are:

"based on the principle of a group of people contributing to a collective fund, which will provide benefits for individual members of that group. What sets them apart from most insurance companies operating on the same principle is that they are truly mutual organisations. They have no shareholders. It is only the contributors to the Society who own it."¹

According to the TUC, Trade Union pensions are pension schemes run for the members of the Trade Union, as opposed to its' employees. Historically, the Trade Unions shied away from providing their own pensions for members, being more in favour of devoting resources to campaigning for a more generous state pension system.²

The exact details of the schemes run by either Trade Unions or Friendly Societies are varied. What is certain is that, according to the FRS, they provide an income for small numbers of pensioners and that this income tends to be low. Also, age of receipt is distributed evenly.

Table 3: Trade Union and Friendly Society Pension income, 1994/5 – 1997/8

		Mean (£pw) (less than £0.50 marked *)	Mean amount for those in receipt (£pw)	N in receipt Ungrossed (grossed)
1994/5	All pensioner units	*	10	22 (17,342)
1995/6	All pensioner units	*	7	18 (15,544)
1996/7	All pensioner units	*	5	20 (17,053)
1997/8	All pensioner units	*	4	11 (10,065)

¹ This paragraph adapted from the Tunbridge Wells Equitable Friendly Society website (www.twefs.co.uk)

² Richard Nobles, *Pensions Employment and the Law* (1993), Clarendon Press

With Trade Union and Friendly Society pensions, the issue is whether they should be treated as part of a new personal pensions category, added to the existing occupational pension income category, or remain within investment income.

1. **To retain the status quo - TU/FS pensions should remain as investment income**
2. **To treat it as part of occupational pension income**
3. **To treat it as part of personal pension income**

The issue is fairly clear-cut with regard to Friendly Society pensions. The fact that they are closely related to insurance companies in the kinds of services they offer provides a strong argument that they should be considered a form of personal pension. They are fund-based, albeit on a collective fund, are built up through contributions and are paid in much the same way as a personal pension.

However, Trade Union pensions are not as easy to categorise. There is much more variety regarding the types of schemes run, level of contributions, who pays these contributions and whether they are based on collective fund or whether they reflect an individual's contributions. Given this variety, it is hard to describe what exactly is meant by a typical Trade Union pension scheme. What is clear is that Trade Union pension income should not be counted as investment income in any case, so the choice remains whether or not to treat it as counting toward occupational or personal pension income.

Given that Friendly Society and Trade Union pension income cannot be split (we have no data on amount or receipt of each type separately), it is our recommendation that they be counted as personal pension income. The position of Friendly Society pensions is clear-cut, whilst the position of Trade Union pensions is unclear as to whether they are occupational or personal pension schemes. Either way, neither are investment income, and in any case the effect on the overall means is negligible, as demonstrated by looking at the means and numbers in receipt in Table 3.

Counting them as personal pensions would be consistent with the Government Actuary's Department's *'Survey of Occupational Pensions'* (a survey of occupational pension scheme administrators), which does not count either Friendly Society or Trade Union pensions as types of occupational pension.

Recommendation 3: *Trade Union and Friendly Society pension income should be considered as part of personal pension income (Option 3)*

NB: All further analysis shown in this paper is conducted assuming this recommendation has been carried out.

Section 3: Feasibility of Separately Analysing Personal Pension income

3.1 Introduction

The choices concerning the components of the proposed personal pension income variable have been discussed above. Consultation with users has shown their best case scenario to be presentation of a separate analysis of personal pension income, which is able to be broken down by pensioner type, age, gender and quintile.

To summarise, the recommended components of a potential personal pension income variable are:

- personal pension income;
- income from an annuity purchased using a personal pension;
- Trade Union or Friendly Society pension income

The occupational pension variable would remain unchanged, except for the addition of income from an annuity purchased using an occupational pension. The investment variable would stay as it is, minus personal pension income, income from personal or occupational pension annuities, and Trade Union and Friendly Society pension income.

3.2 Options for personal pensions

1. **To maintain the status quo**
2. **To count personal pensions as part of a new 'private pensions' category - This would mean adding personal pension income, personal pension annuity income and Trade Union and Friendly Society pension income to the existing occupational pension income category**
3. **To count personal pensions as a separate category**

Option 1:

It is clear that personal pension income is more similar to occupational pension income than investment income. This is by virtue of being contributions-based and being a vehicle for saving primarily for retirement. In addition, maintaining the status quo of keeping personal pension income as a part of investment income would become increasingly untenable over time, as more and more pensioners start to draw on personal pensions for income.

Option 2:

The combined private pensions option would perhaps be most useful as a compromise, if sampling error was too great for a separate category. It would have the benefit of a large and growing sample size to improve accuracy. However, as personal pensions become an increasingly important source of income, the need to separate this source from that of occupational pensions would increase.

As a result, this option can perhaps be seen as a temporary stop-gap, until such time as personal pension income forms a significant proportion of this category, with a large enough sample size on its own produce reliable estimates.

However, it would be costly in terms of doubling the amount of work needed to present analysis, as two sets of changes would need to be made to the dataset, possibly within a few years of each other. These changes would require all previous estimates of occupational pension income to be re-estimated twice. In addition, consultation with users has shown that estimates of occupational

pension income are most useful as a separate category. By combining it to create a private pensions income category, we would be obscuring an import source in its own right. As a result, we consider this option as not viable.

Option 3:

A separate personal pensions income category would have the advantage of transparency, and would become more important a source of income as time passes. Conceptually too, it has logical consistency for the same reasons as occupational pension income. In addition, a move to a single measure of personal pension income also has the benefit of being one single 'jump' to a new category, rather than two smaller 'jumps' (i.e. from the status quo to a combined occupational and personal pension measure, then from this to a separate personal pension income measure).

The drawback with this option lies in small sample sizes, at least for the first few years of analysis, and whether possible sampling error means that the results are statistically unreliable. This is especially pertinent when it comes to the various breakdowns by gender, age, status, quintile, where there may not be enough cases to obtain statistically reliable results.

3.3 Analysis of personal pension income sampling errors

All figures in PI are subject to sampling error. This is because they are derived from a sample of pensioner units, using FRS data. This sampling error measures the degree of uncertainty in the figures attributable to random sampling, rather than systematic errors.

There are three methods of presenting sampling errors used below: 'Standard error' uses conventional standard error calculations under simple random sampling, adjusted by a design factor to take account of biases arising from the design of the survey³. 'Relative standard error' is the standard error measure divided by the mean. '95% Confidence Interval' shows the range of deviation we would expect the true estimate to be within on average 95% of the time. Below is a table of summary results for the latest year. Annex A shows these measures of standard error for personal pension income more fully.

Table 4: Selected Personal Pension Income Data, 1997/8

		Mean (£pw)	Standard error	Relative Standard Error	95% confidence interval amounts (£pw)
Whole sample	All units	3	0.40	12%	± £0.78
	Pensioner couples	7	0.98	14%	± £1.91
	Single Pensioner	1	0.20	18%	± £0.38
Those in receipt only	All units	71	7.46	10%	± £14.09
	Pensioner couples	80	10.00	13%	± £14.62
	Single Pensioner	50	7.19	14%	± £19.60

This analysis of the proposed personal pension income variable shows that sampling error is high. For instance, the whole sample pensioner couples figure could vary by almost £2 either side of £7. (i.e. between £5 and £9). In fact, there is a 5% chance the estimate could be more than £2 out. We recommend that variations of this kind are too great to give reliable and robust estimates. The recommendation not to present personal pension income details this year is also influenced by

³ In the absence of more detailed information at the time of writing, these estimates use a generalised design factor not specific to pensioners' incomes. Therefore all standard errors should be treated as rough estimates.

criteria used by HBAI when evaluating the sampling error of estimates (see *Households Below Average Income 1994/5 – 1998/9*, Appendix 5).

In addition, the standard errors presented here are for the largest subsets of analysis, all pensioner units, pensioner couples and single pensioners. We would almost certainly expect the accuracy of our estimates to decline as we looked at smaller subsets, such as by quintile, by age or by gender.

When looking at comparator values (presented in Annex A Table A3), it is even more apparent that the standard errors for personal pension income are high. Compared to the categories with large sample sizes, such as benefit income or occupational pension income, estimates of personal pension income contain a far greater degree of uncertainty. For those with smaller sample sizes, such as earnings income, the similarity in standard error is greater. Estimates of earnings income for 1997/8 had relative standard errors of 6% and 11% (whole sample and those in receipt respectively). This is compared to personal pension income, which had relative standard errors of 18% and 14% during the same period. This reinforces the points made above about the level of uncertainty in personal pension income estimates being too large.

Recommendation 4: *Sampling errors for a separate personal pensions variable are too great to consider publishing separate estimates in PI 1998/9 (Option 1). However we recommend that the situation be monitored each year, in order to publish estimates when sampling errors are low enough (Option 3)*

3.4 Implications of Recommendations for PI 1998/9

Given the recommendations in the paper so far, we suggest maintaining the status quo in all areas. Given the current situation with standard errors, the changes outlined in this paper so far will **NOT** occur in PI 1998/9. To avoid making two sets of changes, this includes the recommendations for splitting annuity income. Annuity income will be treated identically in PI 1998/9 to previous years.

As a result, by temporarily maintaining the status quo:

- Personal pension income;
- Trade Union & Friendly Society pension income;
- Income from trusts or covenants;
- Annuity income

will all remain within investment income until a separate personal pension income estimate becomes more feasible.

The occupational pension income estimates will not contain income from annuities purchased using occupational pensions. However, the amount this would alter the estimates by is negligible, so on balance, this is not a major problem. However, it proposed that we continue to monitor these amounts each year until reliable personal pension income estimates can be published.

Section 4: Prospects for the Future

4.1 Introduction

This section seeks to address some of the potential problems that analysing personal pension income separately may raise in future editions of PI. We look at issues concerning the treatment of historical trends, and possibilities for adjusting the data for high income cases using the ‘Survey of Personal Incomes’.

4.2 Historical data and the Family Expenditure Survey

Currently, PI uses FES data to show trends over time. This is because we do not have enough years of FRS data to give accurate estimates of growth over time. In PI we show FES growth between 1979 and 1996/7, alongside FRS analysis for more recent years (see PI Table 1 for example). We also publish more detailed FES-based estimates in an appendix. So, there is a need to consider how a separate analysis of personal pension income will be conducted in future years (at least until there are sufficient FRS data).

The FES questionnaire asks whether a respondent receives any:

- Personal pension income
- Trade Union or Friendly Society pension income
- Annuity income
- Trust & covenant income

Income from these sources is not listed separately. They constitute a unified source of income, and the amount is recorded for the sum of these types. It is not possible to split these up. It would be desirable to have a consistent definition of personal pension income across both the FES and FRS, (although the actual amounts or growth values should not be compared). However, given the nature of the questionnaire, it is not possible to do this. Any FES-based definition of personal pension income would also carry with it:

- Annuity income from occupational pensions and the ‘neither’ category;
- Trust & covenant income

which were not part of our FRS-based definition (discussed previously in Section 2).

A further consideration is that FES data is only available from 1988 onwards. This is because personal pensions (in their current form) first became available at this time. All years prior to this would have to be labelled to reflect the fact no data is available.

Indeed, estimates from 1988 to 1996/7 would be very unreliable, owing to even smaller sample sizes than FRS-based estimates.

It is our recommendation that standards of accuracy would be best maintained by not publishing separate FES analysis of personal pension income. When reliable FRS-based estimates become available, the FES growth column within the FRS based tables would be marked ‘n/a’. We also recommend that no separate analysis of personal pensions be included in the FES tables in the Annex. We suggest a footnote explaining that personal pension income is counted as part of investment income for FES analyses.

Recommendation 5: *That no separate estimates of personal pension income be included in the FES-based tables. Instead a footnote should explain that personal pensions income is included within investment income*

Recommendation 6: *That the FES growth figure for personal pensions income within the FRS tables be marked 'n/a'*

4.3 Survey of Personal Incomes

As mentioned earlier in section 1.3, normal PI methodology is to adjust the incomes of 'rich'⁴ pensioners using Inland Revenue's 'Survey of Personal Incomes'. This uses tax records to provide additional data as to the breakdown of 'rich' pensioners incomes. In order to bring personal pensions analysis into line with the rest of PI, a separate request must be placed with Inland Revenue to provide us with the relevant data. As noted above, the data are available and Inland Revenue would be willing to conduct the analyses involved.

⁴ Individuals with gross incomes above £50, 000 per year for PI 1997/8 and £75,000 per year for PI 1998/9

Section 5: Summary of Recommendations

Recommendation 1: *To split annuity income according to source (when the time comes to produce personal pension income estimates)*

Recommendation 2: *Keep trust and covenant income as part of investment income*

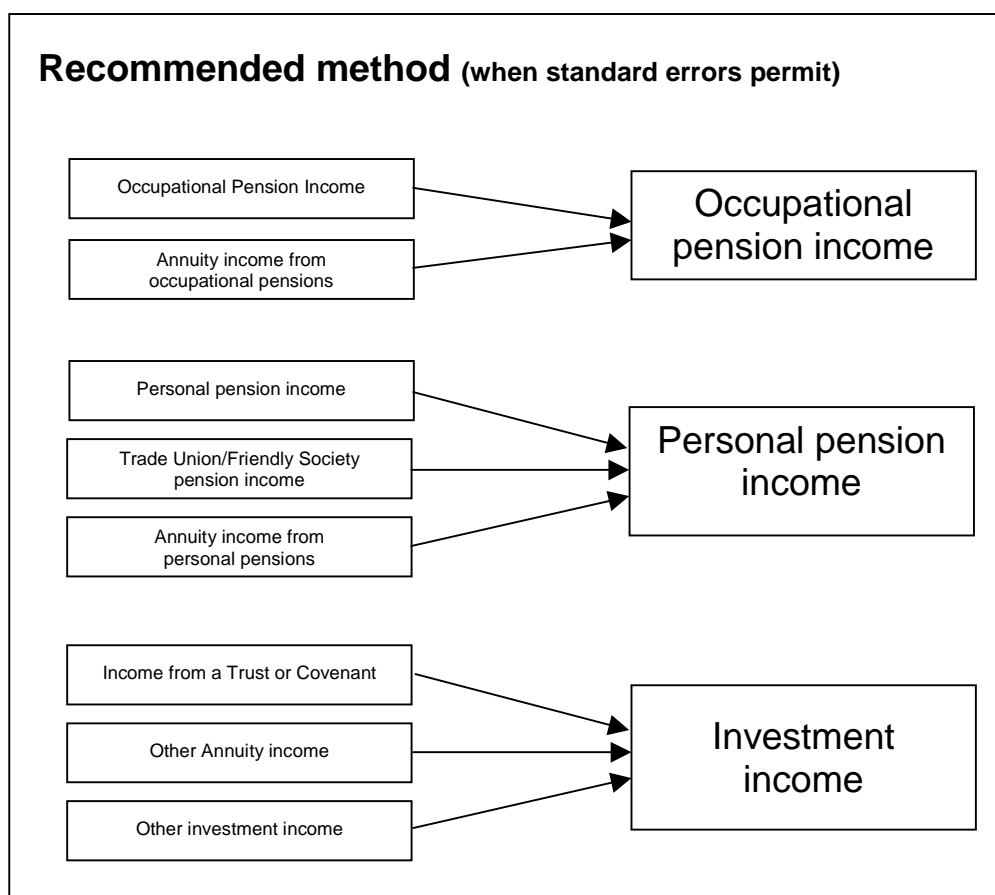
Recommendation 3: *Trade Union and Friendly Society pension income should be considered as part of personal pension income*

Recommendation 4: *Sampling errors for a separate personal pensions variable are too great to consider publishing separate estimates in PI 1998/9. However we recommend that the situation be monitored each year, in order to publish estimates when sampling errors are low enough.*

Recommendation 5: *That no separate estimates of personal pension income be included in the FES-based tables. Instead a footnote should explain that personal pensions income is included within investment income*

Recommendation 6: *That the FES growth figure for personal pensions income within the FRS tables be marked 'n/a'*

Figure 3: *Summary diagram of recommendations (to be undertaken when standard errors permit)*



Annex: Standard Errors

Table A1: Personal Pension Income Standard Errors (Whole Sample)

		Mean (£pw)	Standard error	Relative Standard Error	95% confidence interval amounts (£pw)
1994/5	All units	3	0.33	13%	± £0.65
	Pensioner Couples	6	0.83	15%	± £1.62
	Single Pensioner	1	0.15	22%	± £0.30
1995/6	All units	2	0.25	12%	± £0.48
	Pensioner Couples	4	0.55	12%	± £1.08
	Single Pensioner	1	0.21	32%	± £0.40
1996/7	All units	2	0.30	12%	± £0.60
	Pensioner Couples	5	0.73	14%	± £1.42
	Single Pensioner	1	0.19	24%	± £0.37
1997/8	All units	3	0.40	12%	± £0.78
	Pensioner Couples	7	0.98	14%	± £1.91
	Single Pensioner	1	0.20	18%	± £0.38

Note: In the absence of more detailed information at the time of writing, these estimates use a generalised design factor not specific to pensioners' incomes. Therefore all standard errors should be treated as rough estimates.

Table A2: Personal Pension Income Standard Errors (Those in receipt only)

		Mean for those in receipt (£pw)	N in receipt ungrossed (grossed)	Standard error	Relative standard error	95% confidence interval amounts (£pw)
1994/5	All units	69	290 (258,556)	8.06	12%	± £15.79
	Pensioner Couples	80	205 (187,651)	10.71	13%	± £21.00
	Single Pensioner	42	85 (70,905)	7.91	19%	± £15.50
1995/6	All units	54	310 (266,357)	5.50	10%	± £10.78
	Pensioner Couples	62	212 (188,066)	6.41	10%	± £12.57
	Single Pensioner	35	98 (78,291)	10.34	30%	± £20.26
1996/7	All units	60	313 (275,881)	6.56	11%	± £12.86
	Pensioner Couples	68	220 (198,141)	8.44	12%	± £16.55
	Single Pensioner	42	93 (77,740)	8.93	21%	± £17.51
1997/8	All units	71	329 (302,607)	7.46	10%	± £14.62
	Pensioner Couples	80	234 (229,294)	10.00	13%	± £19.60
	Single Pensioner	50	95 (91,313)	7.19	14%	± £14.09

Note: In the absence of more detailed information at the time of writing, these estimates use a generalised design factor not specific to pensioners' incomes. Therefore all standard errors should be treated as rough estimates.

Table A3: Personal Pension Income Standard Errors (Comparator values), 1997/8

	Gross Variable	Mean (£pw)		Standard error		Relative standard error		95% confidence interval amounts (£pw)	
		Whole sample	Those in receipt only	Whole sample	Those in receipt only	Whole sample	Those in receipt only	Whole sample	Those in receipt only
All units	Benefit income	110	110	1.30	1.87	5%	5%	± £2.56	± £3.66
All units	Occupational pension income	55	92	1.22	2.01	2%	6%	± £2.39	± £3.95
All units	Investment income	27	40	0.58	1.30	1%	5%	± £1.14	± £2.55
All units	Earnings income	16	181	0.97	11.98	6%	11%	± £1.91	± £23.49

Note: In the absence of more detailed information at the time of writing, these estimates use a generalised design factor not specific to pensioners' incomes. Therefore all standard errors should be treated as rough estimates.