

Appendix A

Technical report on sampling, fieldwork and weighting

A.1 Introduction

In October 2002, The Department for Work and Pensions (DWP) commissioned BMRB Social Research and the Centre for Research in Social Policy (CRSP) to undertake the Employers' Pension Provision Survey 2002 (EPP), the fifth in a series of biennial surveys dating back to 1994. The survey collected quantitative information on the current nature and extent of non-state pension provision within private-sector employing organisations in Great Britain in 2003.

The study had the following specific aims:

- To provide a snapshot picture of non-state pension provision made by private-sector employing organisations in 2003.
- To provide an up-to-date picture of current provision made by such organisations for comparison with findings from previous EPP surveys.
- To provide an indication of the extent of **non**-provision amongst such organisations and the groups of employees affected by this.
- To provide information on recent changes to the type and extent of provision made, including information on significant changes in pension provision made by such organisations in the last few years.
- To provide information on changes in provision planned by such organisations for the immediate future and the reasons for these changes.
- To provide an indication of the impact the new stakeholder pensions (introduced after the 2002 study) have had on pension provision within such organisations.
- To provide information to build on recommendations arising from the recent Pickering Report and the Sandler Review.

A.2 Method

As with previous surveys in the series, the 2002 survey was conducted using Computer Assisted Telephone Interviewing (CATI), allowing for maximum opportunity to compare the results with those from earlier surveys. The use of CATI for this type of survey had a number of advantages. The telephone research was easily controlled and supervised and allowed for a relatively short fieldwork period, a key consideration for this particular survey where time-sensitive information was collected from organisations. Centralised interviewing permitted careful sample management and maximum control of the interviewing at all stages, allowing both overall response and response amongst certain types of organisations to be monitored on a daily basis. This, therefore, ensured that a wide-range of organisations participated in the survey, providing representative results. The interview was conducted electronically with all questions and routing programmed automatically, meaning interviewers were free to concentrate on the respondent's answers and data was recorded accurately, a prime consideration for this particular survey where complex and detailed information was collected. Finally, telephone fieldwork encouraged participation whilst also allowing the respondent to participate at a time that suited them, an essential requirement of this survey where the respondents – busy professionals – needed some encouragement to take part and the flexibility of being able to take part at a time suited to them. Respondents were able to schedule appointment times for the interviewer to call, ensuring the sample and the interviewer's time was used most efficiently and respondents were more committed to taking part. On some occasions these appointments were broken due to the busy nature of the organisations surveyed. However, a simple electronic process allowed the interviewers to re-schedule an appointment and then move on to the next interview.

A.3 Fieldwork

The survey fieldwork was conducted between January and May 2003 and involved three main stages:

- **Stage One:** Contacting sampled organisations to identify the most appropriate person to interview, an essential stage to ensure the survey was conducted with the person who was most capable of answering the technical questions asked during the interview. This stage also checked that the organisation was in the private sector and was still trading. This stage was conducted between 14 January and 30 January 2003.
- **Stage Two:** Despatching advance letters and a paper 'data sheet' to the person identified at stage one.
- **Stage Three:** The main interview with the person identified at stage one. This stage was conducted between 24 February and 12 May 2003.

A.4 Advance letter, data sheet and website

As in previous years, an advance letter and a 'data sheet' (Appendix B) was sent to the person identified at stage one of the fieldwork before they took part in the main interview at stage three. The letter was despatched on DWP headed notepaper to legitimise the study and therefore encourage response. Organisations in Wales were offered a translation of the letter in the Welsh language but no requests for this were received.

To reduce any confusion that might arise during the interview, the datasheet provided a description of the main types of pension schemes the organisations might provide. The datasheet also contained some of the key questions from the survey and was designed to encourage respondents to refer to

documents or their pension specialists in advance of the main interview so they could gather the more complex and detailed information required. Respondents were asked to record details on the data sheet, such as the types of pension schemes their organisation provided, the number of employees within each scheme and some detailed questions on the nature of any occupational schemes they had in place. To assist them with their answers, respondents were asked to keep the data sheet with them during the main interview.

To help encourage response, a website was created for respondents to access: <http://www.surveyofpensions.org>. The website was mentioned in the advance letter and respondents were encouraged to access the site if they wanted more detailed information on the survey. The website also contained some extracts from previous reports so respondents could understand the nature of the survey and how the results would be used. Respondents were also able to download a copy of the letter and the datasheet and contact BMRB via the website if they had any further queries.

A.5 Questionnaire

The questionnaire (Appendix B) consisted of eight main sections:

Section A: About the organisation

This section collected a range of information about the organisation, including the type of organisation and its workforce composition.

Section B: Selection of schemes

This section collected information on the types of pension schemes and arrangements the organisation had in place and also included some questions for non-providers.

Section C: stakeholder pension schemes

This section collected detailed information on any Stakeholder schemes the organisation had in place, including details on contributions.

Section D: Employer contributions to private stakeholder pensions

This section collected information on contributions the organisation made to employees' stakeholder pensions arranged privately.

Section E: Occupational schemes

This section collected information on the type, size and valuation of occupational pension schemes, information on contributions and information on trustees and other topical issues such as pension sharing on divorce.

Section F: Group Personal Pensions

This section collected information on Group Personal Pension arrangements, including contributions.

Section G: Personal pension arrangements

This section collected information on arrangements employers made for contributing to personal pensions (covering only personal pensions to which the employer makes contributions).

Section H: Recent and planned changes

This section collected information about any changes to pension provision the organisation had recently made or any changes planned for the future. This section also explored the impact stakeholder pensions had had on pension provision.

The survey was conducted using CATI software as part of the Quantum package. The same version of the questionnaire was used for all organisations with the relevant routing built into the CATI script. Section C was repeated for each stakeholder pension scheme the organisation had in place, up to a maximum of four times. Sections E and F were repeated for each occupational or Group Personal Pension scheme the organisation had in place. To limit the burden on respondents, only the three largest schemes, based on the number of active members, were asked about in full detail. Where organisations had more than three schemes, they were asked a reduced subset of questions for the remaining schemes up to a maximum of ten times. This subset of questions included key questions to allow classification of the type of provision and the extent of provision made across the workforce. Where organisations had a number of pension schemes in place or a particularly complicated set of arrangements, filtering the questionnaire in this way and asking a reduced set of questions for some provision ensured the burden on respondents was kept to a minimum.

A.6 Piloting

A detailed cognitive piloting exercise took place in early December 2002 to test the questionnaire and the data sheet. This was conducted with a cross-section of private-sector employing organisations. The person responsible for pensions within each contacted organisation was interviewed face to face to explore the questionnaire and the data sheet in detail. Following this exercise, the advance letter, data sheet, contact process and CATI questionnaire were all piloted in mid-January 2003. Interviewers were briefed face to face by researchers from BMRB and detailed interviewer instructions were also issued. BMRB researchers also monitored the telephone interviews as they took place to understand how the questionnaire was working in practice. Fifty-four organisations were interviewed during the pilot, covering a range of size bands and sectors. These were then excluded from the main stage sample. The pilot exercise was split into two phases to allow for changes to be made to the questionnaire between phases.

A.7 Sample design

The survey is intended to provide estimates of pension provision, which were representative of private-sector employers in Great Britain in 2003. For the 2003 survey, as for the 2000 survey, the sample was obtained from the Inter Departmental Business Register (IDBR). The IDBR is a Government database maintained by the Office for National Statistics (ONS), which is based on VAT and PAYE records. It was preferred over alternative sampling frames due to its greater coverage, particularly of smaller companies, and the amount of detail that could be obtained from the frame such as number of employees, legal status, and SIC92 code. The main drawback with the IDBR for this particular survey was that only a small proportion of records had telephone numbers. Therefore, telephone numbers had to be obtained after the sample was drawn through a tracing exercise.

The population for the survey was defined as all private-sector employers in Great Britain including private companies, sole proprietorships, partnerships, and non-profit making organisations. All public-sector employers such as Central Government, local government and other public bodies such as health authorities and universities were excluded from the survey. Since the survey was only

concerned with pension provision for employees, extremely small businesses that consisted only of owner-proprietors or owning partners (i.e. with no employees) were also excluded from the survey.

As in previous years, the sample design placed a great emphasis on large organisations. Although such organisations are relatively few in number, they account for a large proportion of the total labour force and so are important in terms of providing estimates for pension provision among private-sector employees. In order to achieve a degree of over sampling among larger organisations the IDBR was first stratified by size band. Within each size band the file was further stratified by number of employees, SIC92 division, legal status and alphabetically by postcode.

The total population counts taken from the IDBR in December 2002 by size band. In order to achieve the required initial sample in each size band a different sampling fraction was applied to each band.

Table A.1 shows how the initial sample of 9,792 was broken down by size band both pre- and post-tracing for telephone numbers.

Telephone numbers were obtained for 82 per cent of the original sample. This was slightly higher than had been anticipated and was achieved through using a variety of methods and sources. These included both electronic tracing and, where this failed to generate a number, manual tracing of numbers. Additionally, where a telephone number already existed from the IDBR this was used if the tracing process failed to generate a number. Finally, once the tracing process was exhausted, researchers working on the survey re-examined the small number of large companies (1000+) where a number had not already been obtained and tried to obtain a contact number through company websites.

Overall, there seemed to be no biases in the tracing process. Although the success rate in obtaining numbers for small employers was lower than for larger employers, this had been anticipated in advance and had been taken into account when specifying the initial sample sizes by size band.

Table A.1 Pre- and post-trace sample by size band

Size band	Initial sample from IDBR		Final sample after telephone matching	
	Number of units	%	Number of units	%
1-4	1400	14.3	650	8.1
5	600	6.1	377	4.7
6-12	800	8.2	606	7.6
13-19	800	8.2	687	8.6
20-49	1000	10.2	895	11.1
50-99	900	9.2	822	10.2
100-249	900	9.2	850	10.6
250-499	900	9.2	830	10.3
500-999	900	9.2	836	10.4
1000-4999	1000	10.2	928	11.6
5000-9999	347	3.5	319	4.0
10000-14999	111	1.1	105	1.3
15000-24999	58	0.6	52	0.6
Over 25000	76	0.8	69	0.9
<i>Total</i>	<i>9792</i>	<i>100.0</i>	<i>8026</i>	<i>100</i>

After tracing, a number of records were excluded from the sample. As in the 2000 survey, there were a number of SIC92 categories where it was felt the majority of employees would be covered by a public-sector pension scheme. These were mainly in the education sector. Thus, all organisations with SIC codes 80100, 80210, 80220, 80301, 80302, or 80303 were excluded from the sample at this stage. This represented a total of 330 organisations.

Additionally, a comprehensive check for duplicate records was done. This was initially based on full postcode and telephone number. Where duplicate postcodes or duplicate telephone numbers were identified, all the records were manually checked. Where it was established that duplicate records did exist in the sample, they were removed.

Once the process of eliminating ineligible and duplicate records was completed a final sample for the initial screening stage was drawn. This was done by applying a selection probability specific to each size band so that the profile of the screening sample by size band matched the profile of the initial sample shown in Table A.2.

At the initial screening stage a number of businesses were identified as being out of scope either because they had gone out of business, they were a public-sector organisation, they had no employees, or the telephone number was unobtainable or incorrect. Of the remaining records in scope, contact names were obtained and contact details confirmed for 91 per cent of the sample. Of the small number of non-responders at this stage, four per cent were due to non-contact in the fieldwork period and five per cent refused to give any details.

The result of the initial screening process was a sample of 3,238 employers who were mailed a letter and a data sheet. Table A.2 shows the distribution of the sample of employers who were mailed a letter and data sheet by size band.

Table A.2 Screened sample by size band

Size band (no. of employees)	Screened sample	
	Number of employers	% of employers contacted
1-4	252	7.8
5	146	4.5
6-12	262	8.1
13-19	266	8.2
20-49	373	11.5
50-99	342	10.6
100-249	345	10.7
250-499	328	10.1
500-999	340	10.5
1000-4999	375	11.6
5000-9999	119	3.7
10000-14999	40	1.2
15000-24999	19	.6
Over 25000	31	1.0
<i>Total</i>	<i>3238</i>	<i>100.0</i>

A.8 Response rate

After the initial letter was sent out to employers a total of 25 organisations contacted either DWP or BMRB to opt out of the survey before the start of the main stage fieldwork. These respondents were removed from the sample and the remainder of this section focuses on the 3,213 cases (the 'issued sample') remaining in the sample at the start of the main telephone interviewing stage.

Table A.3 shows that from the initial issued sample of 3,213 a total of 206 cases (6.4 per cent) were established as being out of scope for various reasons. From the remaining sample a total of 2,002 interviews were achieved, representing a response rate of 67 per cent. The main reasons for non-response were refusal (19 per cent), general call backs that never resulted in an interview (six per cent), and abandoned or incomplete interviews (five per cent). In fact, there were 154 partial interviews that were abandoned or stopped at the request of the respondent. These 'partial' interviews have not been included in any of the analysis.

Table A.3 Response rate for main stage sample

	N	%
Total Issued sample	3,213	100
Out of scope		
Number incorrect/unobtainable	22	0.7
Fax/computer line	6	0.2
Duplicate record	30	0.9
Ineligible company ¹	62	1.9
No reply after at least 10 calls	45	1.4
No answer/answering machine	41	1.3
<i>Total out of scope</i>	<i>206</i>	<i>6.4</i>
Total Eligible sample	3,007	100
Unproductive outcomes		
Abandoned/incomplete interviews	154	5.1
Refused	582	19.3
Away during fieldwork period	82	2.7
Broken appointment	8	0.3
General call back	179	5.6
<i>Total unproductive</i>	<i>1,005</i>	<i>33.4</i>
<i>Total complete interviews</i>	<i>2,002</i>	<i>66.6</i>

¹ Reasons for ineligibility included companies with no employees, companies that had closed down or moved, and companies that categorised themselves as being in the public sector.

Table A.4 shows response rate broken down by size band. This shows that there were few obvious biases. Among smaller companies the main reasons for companies being ineligible were primarily because it was established they had no employees, the company had gone out of business, or the telephone number proved to be incorrect or unobtainable. For larger companies the reasons for being out of scope were more likely to be because they were established as a public sector organisation or because duplicate records were uncovered during the interview process. The overall response rate among the census companies (i.e. those with over 5000 employees) was exactly the same as the overall response, namely 67 per cent.

Table A.4 Main stage response rates by size band

Size band	Issued	Out of		Total in	Total non-	Achieved	Response
	sample	scope	scope	scope	effective	interviews ¹	rate
	n	n	%	n	n	n	%
1-4	251	31	12	220	86	134	61
5	145	7	5	138	46	92	67
6-12	258	19	7	239	90	149	62
13-19	265	14	5	251	71	180	72
20-49	370	21	6	349	126	223	64
50-99	340	13	4	327	115	212	65
100-249	344	21	6	323	116	207	64
250-499	324	16	5	308	96	212	69
500-999	336	21	6	315	111	204	65
1000-4999	371	26	7	345	84	261	76
5000-9999	119	9	8	110	36	74	67
10000-14999	40	2	5	38	14	24	63
15000-24999	19	3	16	16	8	8	50
Over 25000	31	3	10	28	6	22	79
<i>Total</i>	<i>3213</i>	<i>206</i>	<i>6</i>	<i>3007</i>	<i>1005</i>	<i>2002</i>	<i>67</i>

¹ It should be noted that the response analysis has been done on the basis of the number of employees as taken from the IDBR. Since the analysis in the rest of the report uses the number of employees given in the interview the number of interviews achieved in each size band will not match the tables in the main part of the report.

A.9 Data preparation and data output

The CATI questionnaire incorporated a number of checks to try and resolve any discrepancies during the interview. For this reason post-interview edits were kept to a minimum.

All verbatim answers at 'other – specify' and open-ended questions were inspected by coders. This resulted in some additional codes being added to the code frames of some questions. In all questions, the aim was to reduce the proportion of answers left in 'other' to below ten per cent.

Four separate SPSS files were created. The main file was at the level of the company or organisation and consisted of 2,002 records. Additionally, three hierarchical SPSS files were created for occupational pension schemes, GPP schemes, and stakeholder pension schemes. In these files, each record represented a particular pension scheme, rather than a company or organisation.

A.10 Weighting

The aim of weighting is to compensate for differences in the probability of selection of each organisation and to ensure that the survey estimates are representative of the population as a whole.

The weights were derived in two stages. First, a design weight was applied to compensate for differences in the probability of selection within different size bands. This weight applied was simply the inverse of the selection fraction shown in Table A.1 above. Second, once these differences in the probability of selection had been compensated for, the achieved sample was weighted to the IDBR population by means of a cell weighting procedure.

The matrices that were used to derive the cell weights were based on the known distribution of the IDBR population by size of organisation and SIC92 division, for each of private companies, sole proprietors and partnerships. In deriving the cell weights, where cells were empty or contained very few cases, adjacent cells were merged.

Once the cell weights had been derived the final organisational weight (w_{org}) was computed simply by multiplying the design weight by the cell weight. The weights were then re-scaled to ensure that the weighted sample size was the same as the unweighted sample size ($n=2002$).

The weight for employees (w_{emp}) was derived by multiplying the organisational weight by the number of employees. This weight was also re-scaled to ensure that the weighted sample size was the same as the unweighted sample size ($n=2002$).

Finally, both scaled weights were multiplied by 100. The default output in SPSS shows percentages and absolute numbers rounded to the nearest whole number. Given the range of weights on the data file, this can have the effect of showing empty cells in SPSS output, when there are actually data in the cells. Multiplying the scaled weights by 100 is simply a means to remedy this problem.

Appendix B

Re-run of tables from main report excluding smaller companies or outlying cases

Table B.1 SERPS status of occupational schemes by type of scheme¹

Column percentages

Is the scheme:	Type of occupational scheme						All
	Open schemes			Closed schemes			
	Salary-related	Money purchase	Other	Salary-related	Money purchase	Other	
Contracted out of SERPS?	75	13	69	52	8	2	30
Not contracted out?	25	84	13	22	89	87	63
Part contracted in, part contracted out?	0	0	3	*	3	*	1
Do not know	0	3	16	25	*	11	6
<i>Weighted base</i>	<i>24</i>	<i>47</i>	<i>15</i>	<i>15</i>	<i>48</i>	<i>6</i>	<i>162</i>
<i>Unweighted base</i>	<i>361</i>	<i>285</i>	<i>161</i>	<i>344</i>	<i>102</i>	<i>24</i>	<i>1277</i>

Base is all open and closed occupational schemes.

Notes: ¹ Statistics after removing case(s) with high weight.

* = Less than 0.5 per cent, but more than zero.

Table B.2 Membership profile of occupational schemes by type of scheme¹

Column percentages

Membership profile	Type of occupational scheme						All
	Open schemes			Closed schemes			
	Salary-related	Money purchase	Other	Salary-related	Money purchase	Other	
Average percentage of total members that are:							
Active members	77	78	77	66	89	[52]	82
Deferred pensioners	13	20	15	22	5	[33]	12
Current pensioners	9	1	8	12	6	[11]	7
Average percentage of active members that are:							
Full-time employees	68	95	62	90	99	[97]	88
Part-time employees	32	5	38	10	1	[3]	12
Men	56	75	43	74	50	[96]	61
Women	44	25	57	26	50	[4]	39
<i>Weighted base</i>	<i>34</i>	<i>25</i>	<i>13</i>	<i>12</i>	<i>41</i>	<i>5</i>	<i>139</i>
<i>Unweighted base</i>	<i>334</i>	<i>264</i>	<i>96</i>	<i>307</i>	<i>95</i>	<i>19</i>	<i>1115</i>

¹ Statistics after removing case(s) with high weight.

Base is open and closed occupational schemes (not frozen). This information was only collected for the first three occupational schemes per organisation and is therefore missing for 15 schemes overall. Figures in [] are average percentages based on unweighted data.

Table B.3 Normal pension ages of occupational schemes by type of scheme¹

Column percentages

Normal pension age	Type of occupational scheme						All
	Open schemes			Closed schemes			
	Salary-related	Money purchase	Other	Salary-related	Money purchase	Other	
Men							
50-55	2	*	0	0	6	[1]	2
56-59	*	0	0	0	0	[0]	*
60	55	34	73	24	22	[6]	37
61-64	1	1	1	9	*	[0]	2
65	42	65	26	67	72	[12]	59
Women							
50-55	3	*	0	*	6	[1]	3
56-59	*	0	0	0	0	0	*
60	76	53	87	45	80	[8]	71
61-64	1	2	1	11	8	[0]	4
65	19	45	12	44	7	[10]	22

Continued

Table B.3 Continued

<i>Column percentages</i>							
Normal pension age	Type of occupational scheme						All
	Open schemes			Closed schemes			
	Salary-related	Money purchase	Other	Salary-related	Money purchase	Other	
Percentage with equal pension ages for men and women	74	85	86	68	36	[17]	63
<i>Weighted base</i>	34	25	13	12	41	5	130
<i>Unweighted base</i>	334	264	96	307	95	19	1115

Base is open and closed occupational schemes (not frozen). This information was only collected for the first three occupational schemes per organisation and is therefore missing for 15 schemes overall.

Notes: ¹ Statistics after removing case(s) with high weight.

* = Less than 0.5 per cent, but more than zero.

Figures in [] have a base of less than 50 cases and report absolute frequencies.

Table B.4 Normal pension ages of occupational schemes by size of scheme¹

<i>Column percentages</i>								
Normal pension age	Size of scheme (number of active members)							
	1-19	20-49	50-99	100-249	250-499	500-999	1000-4999	5000+
Men								
50-55	3	*	0	2	1	0	0	0
56-59	0	0	1	0	0	0	0	0
60	32	43	13	18	11	19	12	41
61-64	1	1	5	5	6	12	14	4
65	64	57	81	75	82	69	74	56
66-69	0	0	0	0	0	0	0	0
Women								
50-55	4	*	*	3	1	0	0	0
56-59	0	0	1	0	0	0	0	0
60	78	53	24	19	12	19	12	41
61-64	5	1	4	5	6	12	14	4
65	13	46	70	74	81	69	74	56
66-69	0	0	0	0	0	0	0	0
Percentage with equal pension ages for men and women	48	90	89	98	100	99	100	100
<i>Weighted base</i>	101	14	5	4	2	1	2	1
<i>Unweighted base</i>	265	113	99	161	158	130	189	62

Base is open and closed occupational schemes with at least one member. This information was only collected for the first three occupational schemes per organisation and is therefore missing for 15 schemes overall.

Notes: ¹ Statistics after removing case(s) with high weight.

* = Less than 0.5 per cent, but more than zero.

Table B.5 Trustee arrangements for occupational schemes by type of scheme¹

Trustee arrangements	Type of occupational scheme				All
	Open schemes			Closed schemes	
	Salary-related	Money purchase	Other		
Board of individual trustees	62	54	71	42	53
Sole corporate trustee	16	40	16	23	24
No trustees or directors/don't know which	22	6	13	36	23
<i>Weighted base</i>	<i>29</i>	<i>24</i>	<i>13</i>	<i>47</i>	<i>112</i>
<i>Unweighted base</i>	<i>315</i>	<i>244</i>	<i>91</i>	<i>408</i>	<i>1130</i>
Number of trustees (excl. zeros and 'don't know' responses)					
1	6	21	2	41	22
2	2	41	86	27	32
3 – 4	67	24	3	21	31
5 – 6	14	12	5	8	10
7 +	10	2	4	4	5
<i>Weighted base</i>	<i>17</i>	<i>19</i>	<i>9</i>	<i>27</i>	<i>74</i>
<i>Unweighted base</i>	<i>295</i>	<i>226</i>	<i>85</i>	<i>387</i>	<i>1130</i>

¹ Statistics after removing case(s) with high weight.

Base is open and closed occupational schemes that are tax-approved.