

Section 1: Introduction & Summary of Main Results

The publication

This is the first edition of the annual Pensioners' Incomes Series (PIS) for Northern Ireland (NI), although it has been produced in Great Britain (GB) for a number of years. The Series contains estimates of the levels and trends of pensioners' incomes based on the Family Resources Survey (FRS) for Northern Ireland, whilst the GB publication also contains historical trends using data from the Family Expenditure Survey (FES).

- Section 1 gives an introduction and summarises the main conclusions.
- Section 2 looks at income for different groups of Pensioners by age; and for singles and couples.
- Section 3 looks in more detail at various sources of income, including the proportion of pensioners who receive income from different sources.
- Section 4 looks at the distribution of pensioners' incomes: both within the pensioner population and within the household population overall.
- Section 5 looks at groups excluded from the main analysis, including couples where the woman is above state pension age and the man below state pension age.
- Finally the Appendices include further details on the methodology behind the publication.

Online access

This publication is available on the internet at:
http://www.dsdni.gov.uk/index/stats_and_research.htm

Related statistical reports (e.g. Households Below Average Income (HBAI) and Family Resources Survey (FRS)) published by the Statistics and Research Branch (SRB) at the Department for Social Development (DSD) can also be found on the DSD web site at www.dsdni.gov.uk by following the links to 'Statistics & Research' and then 'Family Resources Survey'.

Contact points

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Feedback

We would like to receive feedback on what people find most useful about the publication, and any aspects that can be improved. Any comments will be gratefully received.

Definitions and conventions used in the Pensioners' Income Series

1. Results in this edition of Pensioners' Incomes Series are for Northern Ireland. GB results are included in Section 2 (Tables 6a & 6b and Figure 8).
 2. The Pensioners' Income Series analysis is for Pensioner Units, which are defined as either:
 - **Single Pensioners:** people over state pension age (65 for men or 60 for women);
- OR
- **Pensioner Couples:** married or cohabiting pensioners where the man is over state pension age. Couples where the woman is over state pension age but the man under are currently excluded from the main analysis; Section 5 looks at their characteristics in more detail.
3. **Recently retired pensioner units** are those units where the head (the man in a couple) is less than 5 years over state pension age; namely, single women between 60 and 64, single men between 65 and 69, and pensioner couples where the man is between 65 and 69.
 4. All analysis is based on the benefit unit, i.e. single pensioners or pensioner couples. The analysis does not reflect income from others in a household. If a pensioner lives with their adult children for example, the childrens' income is not reflected in this analysis.
 5. This publication presents analysis by different groups of pensioners. The numbers within each different group according to the Family Resources Survey (FRS) are shown in the table below. This shows how, for example, the group of pensioners aged 75 and over comprises mostly single pensioners, and that this group is predominantly female. These figures are from the 2003/04 FRS and are consistent with the results for this year.

Results based upon data from the FRS 2003/04

	Recently Retired	Under 75	75 or over	All
All pensioner units	40,000	100,000	70,000	170,000
of which:				
Pensioner Couples	20,000	40,000	20,000	70,000
Single Pensioners	20,000	50,000	50,000	100,000
Single male pensioners	10,000	10,000	10,000	20,000
Single female pensioners	10,000	40,000	40,000	80,000

Notes:

(1) Numbers rounded to the nearest 50,000

6. The publication is based on data from the FRS, which is a household survey and therefore does not reflect the situation of the 10,000 pensioners (approximately) in care homes.
7. **Gross Income** is income from all sources received by the pensioner unit including income from social security benefits (including housing benefit), earnings from employment or self-employment, any private pension income, and tax credits. **Net income before housing costs** deducts direct taxes whilst **net income after housing costs** also deducts housing costs which include rent, water rates and mortgage interest payments. A detailed description of gross and net income definitions can be found in Appendix A.
8. Throughout the publication figures for incomes are presented in 2003/04 prices and rounded to the nearest pound. Where 2002/03 figures are presented these have been calculated using an inflation factor in order to make them comparable to 2003/04. Totals may not equal their components due to rounding.
9. Income for couples is not broken down between men and women in this publication. Individual income estimates based on the income accruing to men and women in their own right (regardless of subsequent income sharing), are available in the Individual Incomes Series also published by SRB, which is available on the internet at http://www.dsdni.gov.uk/index/stats_and_research.htm
10. For analysis by age, pensioner couples are categorised by the age of the man.
11. Growth rates where they are shown are in real terms (i.e. after inflation), and based on un-rounded data.
12. FRS data is for financial years.
13. Unless otherwise stated averages are means, and net income refers to net income before housing costs.

Further details regarding the data sources used by, and the methods used within the Pensioners' Incomes Series 2003/04 can be found in Appendix A, together with a summary guide to interpreting the results.

Summary of Main Results

(See page 6 for definitions).

Growth in incomes

Section 2

- From 2002/03 to 2003/04, gross income for all pensioner units grew by 4% for gross income, whilst net income before housing costs rose by 5% and net income after housing costs rose by 6%.
- Occupational pensions and personal pensions were the fastest growing sources of pensioners' incomes between 2002/03 and 2003/04, whilst income from benefits increased slightly over this period.
- The average amount of pensioners' earnings, investment income and other income decreased over the same period.

Differences between pensioner units

Section 2

There were substantial variations in income within all groups of pensioners. However:

- In 2003/04, pensioner couples on average had approximately twice the level of gross income that single pensioners had.
- Pensioner couples also averaged approximately three times the amount of occupational pension income and almost four times the amount of investment income; and more than seven times the income from earnings as single pensioners.
- On average, older pensioners had lower incomes. In 2003/04, pensioner couples who were recently retired had an average weekly gross income of £423, compared to those pensioner couples whose head of household was under 75, at £388; and those aged 75 or over, at £328.
- On average, single male pensioners had a lower net income before housing costs than single female pensioners.
- On average, pensioner units in Northern Ireland (both singles and couples) had lower gross incomes, but higher income from benefits than their counterparts in Great Britain, and in the United Kingdom as a whole.

Sources of income

Section 3

- In 2003/04, almost all pensioner units (97%) received income from the State Pension or other National Insurance benefits in 2003/4, at an average of £113 per week (£88 per week for singles and £148 per week for couples).
- Two-thirds of all pensioner units had some private income on top of state benefits however this comprised of four in five pensioner couples and almost three in five single pensioners.

- Approximately a fifth of pensioner units (21%) derived more than half of their gross income from private sources. The proportion for pensioner couples was twice that of single pensioners (31% and 14% respectively); and it was also considerably higher amongst the recently retired (38%).
- Almost half of pensioner units (49%) had some investment income, although seven in ten pensioners in this group received only a maximum of £10 per week from it.
- Two in five pensioner units had income from an occupational pension at an average amount of £151 per week, whilst only 6% of pensioner units had personal pension income in 2003/04.
- Just over a third (35%) of pensioner units received at least one income related benefit in 2003/04, such as the Minimum Income Guarantee (MIG) / Pension Credit, or Housing Benefit, however this is likely to be an underestimate due to the possibility that respondents regard MIG as a part of their pension.
- Two-fifths of pensioner units were in receipt of disability benefits, at an average of £61 per week.

Distribution of pensioners' incomes

Section 4

- The median net income of pensioner couples falling into the bottom fifth of the income distribution decreased by only £4 between 2002/03 and 2003/04, whilst that of those in the top fifth fell by £20.
- Half of pensioner couples in the top income bracket had a net income of £505 per week or less in 2003/04.
- Older pensioner couples were less likely to be in the top fifth of the income distribution than younger pensioners: 10% of pensioner couples aged 75 or over were in the top fifth BHC compared with 26% of recently retired pensioner couples and 26% of those where the head of household was aged under 75.
- Single female pensioners were more likely to be in the top fifth of the income distribution than single male pensioners: at 21% and 17% respectively.
- 30% of all pensioners were in the bottom fifth of the income distribution before housing costs compared to only 7% in the top fifth.
- Over a third of pensioners were in the top half of the overall population income distribution before housing costs; 34% of individuals in pensioner couples and 31% of single pensioners.