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Contributions and Qualifying Years 1978/79 to 2000/01

This release contains estimates of the number of people who have paid National Insurance contributions between 6th April 1978 and 5th April 2001 in the United Kingdom. It analyses the types of contribution paid and gives a broad indication of the number of people accruing a qualifying year for State Pension through those contributions.

General Trends

- In 1978/79 there were 24,091 thousand people paying National Insurance contributions including employees, the self employed and people paying voluntary contributions. After dipping slightly during the early 1980s the number of contributors increased steadily reaching 26,177 thousand by 1989/90. The increase during this time was largely due to the increase in the number of women paying contributions, while the profile of male contributors remained reasonably steady.
- From 1990/91 to 1994/95 there was a decline in contributors, particularly in the male population, while the number of women making contributions declined only slightly. In 1994/95 the overall number of contributors started to increase again, largely due to more women making contributions, while male contributors experienced a much smaller increase.
- By 1999/00 there were 26,585 thousand people making National Insurance contributions, the highest level in this series. In 2000/01 the figures had dropped slightly to 25,884 thousand.
- There has been a steady increase in the number of people paying contributions at the not contracted out rate, increasing from 9,334 thousand in 1978/79 to 14,542 thousand by 2000/01. During the same period there has been a drop in the number paying contracted out contributions, dropping from 8,754 thousand in 1978/79 to 7,199 thousand by 2000/01.
- The number of people paying Class 2 self employed contributions has increased, rising from 1,362 thousand in 1978/79 to 2,432 thousand by 2000/01. The proportion of male self employed contributors was 98 per cent in 1978/79 reducing to 77 per cent by 2000/01.
- The contribution profile of women has changed over the period largely due to the number of women ceasing to contribute under the married woman's reduced rate authority. The reduction from 3,068 thousand in 1978/79 to just 131 thousand by 2000/01 is largely due to those women with a reduced rate authority reaching State Pension age or transferring to paying full rate contributions, while no new reduced rate authorities were granted after April 1978. The effect of this shows that there has been an increase in the proportion of female Class 1 contributors over time as the proportion with a reduced rate authority declined.

Notes to editors

- This release provides the latest estimates on people who have paid National Insurance contributions since 1978/79. The figures show all the contribution types that a person has paid during the year. Therefore the figures are not mutually exclusive and will include an element of double counting if a person has paid a number of contribution types, for example, self employed and employed earner contributions. A person may pay a number of types of contribution at any one time, particularly if the person has a number of employments in the year, either running consecutively or concurrently.
- Figures in this release will be subject to revision in future years. Although this will have a negligible effect before 1998/99, figures for the latest 2 years will be subject to larger revisions as some employers submit information late. The information for Class 2 contributors is likely to be severely under estimated for the latest years, as the self employed have longer to make their contributions. The figures for Class 2 contributors exclude those people who are self employed but who are exempt from making contributions due to the Small Earnings Exception.
- Figures in this publication replace those previously published in 1997. Comparisons with the previous publication may not be appropriate as this release reflects the most up to date picture of a persons' contribution record.