Wave 1 Pension Grid

User Guide

Earlier deposits of the Wave 1 ELSA data included all information about private pensions in the main individual-level dataset. While these variables continue to be available in that dataset, they are now also available in a pension-level dataset, which is designed to be easier to use and enables pensions from Wave 1 to be linked more easily to responses about the same pensions at Waves 2 and beyond. This user guide describes how the pensions have been categorised and which variables are included in this separate pensions grid, including some additional derived variables not previously available.

1 Data structure in the pension grid

The excel spreadsheet 'Wave_1_pengrid_var_correspondence.xls' (which is also available as part of the ELSA Wave 1 documentation) shows how the variables in the pension-level dataset relate to those contained in the main individual-level dataset. In most cases two or three variables with the same name stem but different numerical suffixes will have been combined into one single variable. For example, in the individual-level dataset there are three variables with the stem wprec: wprec, wprec2 and wprec3. These relate to pension types 4, 5 and 6 respectively (see Table 2 below for a description of each pension type). Each of these variables would have been not applicable (i.e. took the value -1) for all other pension types (e.g. wprec2 was "not applicable" unless pentype_wave1=5). Therefore, these three variables have been combined into the single variable called wprec in the pension-level dataset. Table 1a shows an example of how some of the data is structured in the individual-level dataset (wave_1_core_data_v2), while table 1b shows how the same data is structured in the pension-level dataset.

1.1 Table1a: Example of data structure in the main individual-level dataset

idauniq	wprec	wprec2	wprec3	wprgh	wprgh2	wprgh3
100001	1	2	2	-1	2	4
100002	2	1	-1	1	-1	-1

Note: "-1" denotes that the question is "not applicable".

1.2 Table 1b: Example of data structure in the pension-level dataset

idauniq	pennum	pentype	wprec	wprgh
100001	1	4	1	-1
100002	2	5	2	2
100002	3	6	2	4
100002	1	4	2	1
100002	2	5	1	-1

2 Identifiers for each observation in the pension grid

The main identifiers in this dataset are:

idauniq – unique individual identifier

penid – unique pension identifier

pennum – pension number within each respondent

pentype_wave1 – type of pension to which the record refers

penid can be used not only to uniquely identify the individual pensions within the Wave 1 pensions grid, but also to link the same pensions across waves. The same penid appears in the Wave 2 pensions grid (Wave_2_pension_grid) if the same pension was recorded again at Wave 2.

For further information on the Wave 2 pension grid and issues arising in linking these data together, please see the 'Wave 2 Pension Grid User Guide' and the document 'Issues in linking pensions across waves of ELSA' respectively.

2.1   Description of pentype_wave1 variable

There are a total of 11,097 pensions included in the Wave 1 pension grid. These are divided into six different categories of pension. The different categories of pensions (pentype_wave1) are described below. The broad distinctions are between:

- Pensions to which an individual is currently contributing (or could currently contribute to) – there are a maximum of three of these (pentype_wave1 = 1,2,3). These will be termed *current pensions*.

- Pensions which an individual was previously a member of but to which they can no longer make contributions – there are also a maximum of three of these (pentype_wave1 = 4,5,6). These will be termed *past pensions*.

Each of the pensions within a particular category was routed through the same series of questions.

In order to identify those individuals who have a pension of a particular type, analysts should refer to certain key routing variables. These are described in detail below for each pension type. In addition some individuals seem to have been erroneously routed into questions about some pension types which, given their response to the routing question, we would not have expected them to be asked. These pensions are still included in the pension grid but a note of all cases affected in this way is given below where applicable.

First current pension (pentype_wave1=1): 1,944 cases

This (employer-provided) pension exists if wpps=1. Variable wpps does not appear in the pension grid but is contained in the main Wave 1 dataset (Wave_1_Core_Data_v2).

Second current pension (pentype_wave1=2): 1,069 cases

This pension exists if wpcps=1 or wpcpsc=1. Variables wpcps and wpcpsc are not included in the pension grid but are in the main Wave 1 dataset. These pensions are predominantly non-employer-provided schemes. However, individuals were able to record employer-provided pensions at this stage if they wanted. Pension types 1 and 2 are mutually exclusive.

Third current pension (pentype_wave1=3): 394 cases

This pension exists if wpcps2=1 or wpcpsc2=1. Variables wpcps2 and wpcpsc2 are not included in the pension grid but are in the main Wave 1 dataset. Pension type 3 only exists for individuals who also have either a pension of type 1 or of type 2.

First past pension (pentype_wave1=4): 6,019 cases

This pension ought to exist if wpprpe=1 or wppepr=1 and wpnosc>0. Variables wpprpe, wppepr and wpnosc are not included in the pension grid but are in the main Wave 1 dataset. There are seven cases where neither wpprpe nor wppepr were answered in the affirmative and yet the follow-

up question (wprec) was still (incorrectly) asked. The individuals affected are: idauniq = 111779, 111803, 112185, 112330, 112523, 117195 and 118270.

Second past pension (pentype_wave1=5): 1,308 cases

This pension ought to exist if wpprpe=1 or wppepr=1 and wpnosc>1. Variables wpprpe, wppepr and wpnosc are not included in the pension grid but are in the main Wave 1 dataset. There are three cases where neither wpprpe nor wppepr were answered in the affirmative and yet the follow-up question (wprec2) was still (incorrectly) asked. The individuals affected are: idauniq = 111742, 112523, 120205. There are a further 4 cases where the individual initially said he/she had only 1 past pension (wpnosc=1) and yet the second follow-up (wprec2) was still asked. The individuals affected by this are: idauniq = 106939, 108347, 118653, 121080.

A second past pension (i.e. pentype_wave1=5) will not normally exist unless a first one has also been recorded (i.e. pentype_wave1=4 exists for the same individual). The exceptions to this result from the misrouting described above. As a result the following individuals have a second (but no first) past pension: idauniq=111742, 120205.

Third past pension (pentype_wave1=6): 363 cases

This pension ought to exist if wpprpe=1 or wppepr=1 and wpnosc>2. Variables wpprpe, wppepr and wpnosc are not included in the pension grid but are in the main Wave 1 dataset. There are six cases where neither wpprpe nor wppepr were answered in the affirmative and yet the follow-up question (wprec3) was still (incorrectly) asked. The individuals affected are: idauniq = 104496, 104807, 112523, 118710, 119505, 120707. There are a further 3 cases where the individual initially said he/she had only one or two past pensions (wpnosc=1 or wpnosc=2) and yet the third follow-up (wprec3) was still asked. The individuals affected by this are: idauniq = 108347, 119469, 121080.

A third past pension (i.e. pentype_wave1=6) will not normally exist unless a first and a second one have also been recorded (i.e. pentype_wave1=4 and pentype_wave1=5 exist for the same individual). The exceptions to this result from the misrouting described above. As a result the following individuals have a third (but no first or second) past pension: idauniq=104496, 104807, 118710, 119505, 120707; meanwhile the following individual has a first and a third (but no second) past pension: idauniq=119469.

3   Derived variables

In addition to the variables which also appear in the Wave 1 core data (described above), three derived variables are included in the Wave 1 pension grid to summarise the status of each pension. The Stata syntax for creating these variables can be found in the annex to this document. These variables also appear in the Wave 2 pensions grid (updated to reflect status as of Wave 2) and are as follows:

demppen
"Is/was this pension provided by your employer?"
This variable identifies whether or not the pension is or was operated by the individual's employer. It is derived from various raw variables depending on the particular pension type – for further details please refer to the syntax provided in the annex.

ddbdc
"Is/was this pension defined benefit or defined contribution?"

This variable identifies whether the pension is defined benefit or defined contribution in nature. Defined benefit pensions are ones in which the pension received is based on a formula involving age, years of service and salary. Defined contribution pensions are ones in which the pension contributions are put into a fund which grows over time and from which the pension received will depend on the size of the fund at the point of retirement. This variable is derived from various raw variables depending on the particular pension type – for further details please refer to the syntax provided in the annex.

In Wave 1, if an individual had a past pension which had been provided by an employer, they were not asked if this particular pension was defined benefit or defined contribution. Therefore, it is not possible in Wave 1 to distinguish these cases, as such as special answer category (-6) has been included for this variable to identify those cases where the information is unavailable due to the survey design in Wave 1. This information (i.e. DB/DC) was collected at Wave 2 for some pensions if the individual mentioned the same pensions again. It is therefore possible to use the Wave 2 grid to ascertain the nature of many of these Wave 1 pensions.

dcurpen

"Status of pension scheme membership"

This variable indicates whether the individual was currently contributing to the pension, receiving an income from it, or had retained rights to it in Wave 1. This variable identifies those pensions we would expect to have been followed up at Wave 2 (all those for which dcurpen takes the values 1, 2 or 3). Other pensions (in particular those from which the individual had received a lump-sum refund of contributions or from which he had transferred the funds to a different pension scheme) were not followed up at Wave 2.

4   Appendix – Stata code for derived variables

```
generate demppen = .
generate ddbdc = .
generate dcurpen = .

replace demppen =  1 if pentype_wave1==1
replace demppen =  1 if (pentype_wave1==2|pentype_wave1==3) & wpkp==1
replace demppen =  0 if (pentype_wave1==2|pentype_wave1==3) & wpkp~=1 & wpkp>-1
replace demppen = -8 if (pentype_wave1==2|pentype_wave1==3) & wpkp==-8
replace demppen = -9 if (pentype_wave1==2|pentype_wave1==3) & wpkp==-9
replace demppen =  1 if (pentype_wave1==4|pentype_wave1==5|pentype=6) & wpmsc==1
replace demppen =  0 if (pentype_wave1==4|pentype_wave1==5|pentype=6) & wpmsc~=1
& wpmsc>-1
replace demppen = -8 if (pentype_wave1==4|pentype_wave1==5|pentype=6) & wpmsc==-
8
replace demppen = -9 if (pentype_wave1==4|pentype_wave1==5|pentype=6) & wpmsc==-
9
label define demppen -9 "Refused" -8 "Don't know" 0 "No" 1 "Yes"
label values demppen demppen
label variable demppen "Is/was this pension provided by your employer?"

replace ddbdc =  1 if pentype_wave1==1 & wpdps==1
replace ddbdc =  2 if pentype_wave1==1 & wpdps==2
replace ddbdc = -8 if pentype_wave1==1 & wpdps==3
replace ddbdc = -8 if pentype_wave1==1 & wpdps==-8
replace ddbdc = -9 if pentype_wave1==1 & wpdps==-9
```

```
replace ddbdc =  1 if (pentype_wave1==2|pentype_wave1==3) & demppen==1 &
wppdes==1
replace ddbdc =  2 if (pentype_wave1==2|pentype_wave1==3) & demppen==1 &
wppdes==2
replace ddbdc = -8 if (pentype_wave1==2|pentype_wave1==3) & demppen==1 &
wppdes==3
replace ddbdc = -8 if (pentype_wave1==2|pentype_wave1==3) & demppen==1 &
wppdes==-8
replace ddbdc = -8 if (pentype_wave1==2|pentype_wave1==3) & demppen==1 &
wppdes==-1    replace ddbdc = -9 if (pentype_wave1==2|pentype_wave1==3) &
demppen==1 & wppdes==-9
replace ddbdc =  1 if (pentype_wave1==2|pentype_wave1==3) & wpkp>1
replace ddbdc = -8 if (pentype_wave1==2|pentype_wave1==3) & wpkp==-8
replace ddbdc = -9 if (pentype_wave1==2|pentype_wave1==3) & wpkp==-9
replace ddbdc = -6 if (pentype_wave1==4|pentype_wave1==5|pentype==6) & demppen==1
replace ddbdc =  1 if (pentype_wave1==4|pentype_wave1==5|pentype==6) & wpmsc>1
replace ddbdc = -8 if (pentype_wave1==4|pentype_wave1==5|pentype==6) & wpmsc==-8
replace ddbdc = -9 if (pentype_wave1==4|pentype_wave1==5|pentype==6) & wpmsc==-9
label define ddbdc -9 "Refused" -8 "Don't know" -6 "Info unavailable" 1 "DC" 2
"DB"
label values ddbdc ddbdc
label variable ddbdc "Is/was this pension defined benefit or defined
contribution?"

replace dcurpen =  1 if pentype_wave1<4
replace dcurpen =  2 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==1
replace dcurpen =  3 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==1
replace dcurpen =  4 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==2
replace dcurpen =  5 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==3
replace dcurpen =  6 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==4
replace dcurpen = -8 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==-8
replace dcurpen = -9 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==-9
replace dcurpen = -8 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==-8
replace dcurpen = -9 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==-9
replace dcurpen = -8 if (pentype_wave1==4|pentype_wave1==5|pentype_wave1==6) &
wprec==2 & wprgh==-1
label define dcurpen -9 "Refused"
                     -8 "Don't know"
                      1 "Currently contributing"
                      2 "Receiving pension income"
                      3 "Retained rights"
                      4 "Transferred rights to another scheme"
                      5 "Received lump sum refund of contributions"
                      6 "Has stopped receiving pension from this scheme"
label values dcurpen dcurpen
label variable dcurpen "Status of pension membership"
```