
DRAFT STATUTORY INSTRUMENTS

2015 No.

**The Occupational Pension Schemes
(Charges and Governance) Regulations 2015**

PART 2

RESTRICTIONS ON CHARGES

Alternative assessment of charges

8.—(1) If the trustees or managers make the choice under regulation 6(1) to assess charges in accordance with this regulation, the limit of permitted charges under—

- (a) a single charge structure; or
- (b) an existing rights charge in a combination charge structure,

is not exceeded, if on the first day of the charges year, the charges regime to be applied to the member's rights meets the requirement in paragraph (2) and that charges regime is applied to the member's rights throughout that charges year.

(2) The requirement referred to in paragraph (1) is that the charges regime would not result in charges being imposed on the member exceeding the limit of permitted charges when calculated in accordance with regulation 7, if the assumptions in paragraph (3) are made for the purposes of those calculations.

(3) The assumptions to be made for the purposes of paragraph (2) are –

- (a) the value of the member's rights under the default arrangement will not increase or decrease during the charges year when compared to the value on the first day of the charges year, other than as a result of charges imposed on the member; and
- (b) the member may leave the scheme at any time during that charges year.

(4) In this regulation, "charges regime" means—

- (a) the charges to be imposed, and any rebates of charges to be applied, as a percentage of the value of the member's rights in the default arrangement;
- (b) when they are to be deducted from, or added to, the member's rights throughout the charges year;
- (c) how the value of the member's rights will be calculated for the purposes of imposing or rebating charges.

(5) Where the first contribution in relation to a member to the default arrangement is made after the first day of the charges year, paragraphs (1) and (3)(a) are to be read as if "on the first day of the charges year" were "on the date on which the first contribution is made in a charges year".

(6) Where the trustees or managers make the choice under regulation 6(1) to assess charges in accordance with this regulation but, during the charges year the charges regime fails to meet the requirement in paragraph (2), the trustees or managers must assess charges for the whole charges year in accordance with regulation 7.