
STATUTORY INSTRUMENTS

1995 No. 524

PENSIONS

**The Occupational and Personal Pension
Schemes (Levy) Regulations 1995**

<i>Made</i>	- - - -	<i>2nd March 1995</i>
<i>Laid before Parliament</i>		<i>9th March 1995</i>
<i>Coming into force</i>	- -	<i>1st April 1995</i>

The Secretary of State for Social Security, in exercise of the powers conferred by sections 175(1), (2) and (4), 181(1) and 182(2) and (3) of the Pension Schemes Act 1993⁽¹⁾, and of all other powers enabling him in that behalf, having referred proposals to make these Regulations to the Occupational Pensions Board, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational and Personal Pension Schemes (Levy) Regulations 1995 and shall come into force on 1st April 1995.

(2) In these Regulations—

“the Act” means the Pension Schemes Act 1993;

“the Register Regulations” means the Register of Occupational and Personal Pension Schemes Regulations 1990⁽²⁾;

“active member” means—

(a) in the case of a registrable scheme which is an occupational pension scheme other than one which is treated as a personal pension scheme—

(i) a member of the scheme who is in employment in the United Kingdom by or in respect of whom contributions are payable (whether or not those contributions are being paid), other than a deferred pensioner, a pensioner or a member who is only entitled under the scheme to benefits payable on death while in that employment;

(ii) a member of the scheme who is in employment in the United Kingdom which qualifies him for benefits under the scheme, other than a deferred pensioner, a pensioner or a member who is only entitled under the scheme to benefits payable on death while in that employment;

(1) 1993 c. 48; section 181(1) is cited because of the meaning ascribed to “prescribe” and “regulations”.

(2) S.I.1990/2278 as amended by S.I. 1992/1531.

- (b) in the case of a registrable scheme which is, or is treated as, a personal pension scheme, any member of the scheme other than—
 - (i) a member who has received a lump sum or is currently in receipt of annuity payments representing all of the benefits to which he is entitled under the scheme; or
 - (ii) a member in respect of whom entitlement under the scheme is only for benefits payable on his death;

“address of the scheme” means the place in the United Kingdom, or if more than one, the principal place, at which the management of the registrable scheme is conducted;

“deferred pensioner” means any member of an occupational pension scheme whose pensionable service terminates before normal pension age and, on the date on which it so terminates, has accrued rights to benefits under the scheme;

“employment in the United Kingdom” has the same meaning as in regulation 1(4) of the Register Regulations;

“member” means—

- (a) in relation to an occupational pension scheme, any person who—
 - (i) is in pensionable service under the scheme;
 - (ii) has rights under the scheme by virtue of such pensionable service; or
 - (iii) has rights under the scheme by virtue of having been allowed transfer credits under the scheme;
- (b) in relation to a personal pension scheme or a scheme treated as such, a member of the scheme;

“number of active members” means—

- (a) in the case of a scheme which has been a registrable scheme for not less than one scheme year, the number of active members at the end of the scheme year immediately preceding the period in respect of which the trustees of the scheme are responsible for providing information to the registrar in accordance with regulation 4(1) of the Register Regulations; and
- (b) in any other case, the number of active members at the date at which the scheme became a registrable scheme;

“paid up or frozen scheme” means a registrable scheme under which benefits continue to be payable to existing members and to which—

- (a) no new members may be admitted;
- (b) no further contributions are payable by or in respect of existing members; and
- (c) no further benefits accrue to existing members although benefits which have already accrued to them may be increased;

“registrable scheme” means an occupational or personal pension scheme—

- (a) which either—
 - (i) is established in the United Kingdom; or
 - (ii) has a place at which its management is conducted in the United Kingdom and has a representative appointed to carry out the functions of a trustee or manager in the United Kingdom;
- (b) which either—

- (i) is a scheme in respect of which a person has applied for, or received, the approval of the Board of Inland Revenue for the purposes of section 590 or section 591 (other than subsection (2)(g)) of the Income and Corporation Taxes Act 1988(3) (conditions for approval of retirement benefit schemes and discretionary approval), or for the purposes of Chapter IV of Part XIV of that Act (personal pensions schemes); or
- (ii) is a scheme which is a public service pension scheme; and
- (b) is not a scheme which—
 - (i) has fewer than 2 members; or
 - (ii) only provides benefits on the death of a member while in employment;and for the purposes of these Regulations an occupational pension scheme which is a retirement benefits scheme approved under section 591(2)(h) of the Income and Corporation Taxes Act 1988 (discretionary approval) shall be treated as a personal pension scheme;

“registration year” means a period of 12 months beginning on 1st April;

“scheme year” in relation to a registrable scheme means—

- (a) a year specified for the purposes of the scheme in any document comprising the scheme or, if none, the registration year or a period of 12 months commencing on such date as the trustees select; or
- (b) such other period (if any) exceeding 6 months but not exceeding 18 months as is selected by the trustees—
 - (i) in respect of the scheme year in which the scheme commences or terminates; or
 - (ii) in connection with a variation of the date on which the scheme year is to commence;

“trustees”, in the case of a public service pension scheme, means the administrator of that scheme and, in the case of a registrable scheme which is not set up under a trust or which is established outside the United Kingdom, means the person who is treated as the administrator of the scheme for the purposes of Chapter I or Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988.

The levy on registrable schemes

2.—(1) For the purpose of meeting some or all of the expenditure under section 6, Part X and section 174 of the Act, the trustees of every registrable scheme with at least 2 active members, other than a paid up or frozen scheme, shall be liable to pay a levy to the Secretary of State.

(2) The levy shall be payable in respect of each registration year.

(3) Any person who is responsible for the funding or management of a registrable scheme may discharge any liability which is imposed on the trustees of that scheme under paragraph (1) of this regulation by paying, in the manner and at the time required by these Regulations, the amount for which those trustees are liable.

- (4) Where, during a registration year, a scheme—
 - (a) becomes a registrable scheme;
 - (b) ceases to be a registrable scheme;
 - (c) becomes a paid up or frozen scheme; or
 - (d) is wound up,

the levy shall nevertheless be payable in full for that year.

Amount of the levy

3. The levy shall be of the following amounts in respect of each registration year—
- (a) where the number of active members of a registrable scheme is at least 2 but not greater than 6, 5;
 - (b) where the number of active members of a registrable scheme is at least 7 but not greater than 99, 12;
 - (c) where the number of active members of a registrable scheme is at least 100 but not greater than 999, the greater of—
 - (i) the amount calculated by multiplying 10p by the number of active members of that scheme, or
 - (ii) £12;
 - (d) where the number of active members of a registrable scheme is at least 1,000 but not greater than 4,999, the greater of—
 - (i) the amount calculated by multiplying 8p by the number of active members of that scheme, or
 - (ii) £100;
 - (e) where the number of active members of a registrable scheme is at least 5,000 but not greater than 9,999, the greater of—
 - (i) the amount calculated by multiplying 6p by the number of active members of that scheme, or
 - (ii) £400;
 - (f) where the number of active members of a registrable scheme is at least 10,000, the greater of—
 - (i) the amount calculated by multiplying 4p by the number of active members of that scheme, or
 - (ii) £600.

Payment of the levy

4.—(1) The levy shall be remitted to the registrar of occupational and personal pension schemes who shall collect the same on behalf of the Secretary of State.

(2) Subject to paragraph (3) of this regulation and to regulation 6 of these Regulations, the levy shall be payable in advance at the beginning of each registration year and no additional levy or refund shall be payable in respect of any change taking place within that year.

(3) In the case of a scheme to which regulation 2(4)(a) of these Regulations applies, the levy shall be payable at the time the trustees are required to supply the information to the registrar in accordance with regulation 4 of the Register Regulations.

Avoidance of duplication of payments

5. Where, but for this regulation, a levy would be payable in respect of the same registrable scheme under both these Regulations and any equivalent provision which has effect in Northern Ireland, the levy shall only be payable under these Regulations where the address of the scheme is in Great Britain.

Payment for more than one year

6.—(1) Subject to paragraph (2) of this regulation where a levy is payable under these Regulations in respect of the registration year beginning on 1st April 1995, it shall be payable in advance in respect of both that and the following registration year and no additional levy or refund shall be payable in respect of any change taking place within those years.

(2) Where, under regulation 4(2) of the Occupational and Personal Pension Schemes (Levy) Regulations 1990⁽⁴⁾ a payment of the levy has been made in respect of a period of 3 registration years ending on 31st March 1996 or, as the case may be, 31st March 1997, no levy shall be payable under these Regulations in respect of that period.

Revocation

7. The Occupational and Personal Pension Schemes (Levy) Regulations 1990 are hereby revoked.

Signed by authority of the Secretary of State for Social Security.

2nd March 1995

James Arbuthnot
Parliamentary Under-Secretary of State,
Department of Social Security

(4) S.I. [1990/2277](#); the relevant amending instrument is S.I. [1992/1531](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and replace the Occupational and Personal Pension Schemes (Levy) Regulations 1990 (“the previous Regulations”). They make provision for the levy towards meeting the cost of the Pensions Ombudsman, the register of occupational and personal pension schemes and certain grants made to advisory bodies by the Occupational Pensions Board to be paid in future on a yearly rather than a three yearly basis.

Regulation 2 requires the trustees or administrators of a registrable scheme with at least 2 active members to pay the levy. Under the previous Regulations, the levy was payable in accordance with a three-year payment cycle. These Regulations provide for that three year cycle to cease to have effect beyond 31st March 1997. Regulation 3 sets out how the amount of the levy is to be determined. The yearly rates are the same as those which applied under the previous Regulations. Regulation 4 makes provision, subject to certain exceptions, for the levy to be payable to the registrar of occupational and personal pension schemes in advance at the beginning of each registration year. Regulation 5 makes provision to avoid duplication of payments where a levy is payable under equivalent provisions which have effect in Northern Ireland. Regulation 6 makes provision for the payment together, in certain cases, of the levy for the registration years commencing 1st April 1995 and 1st April 1996 and for schemes which, under the previous Regulations, have already paid a levy in respect of those years. Regulation 7 revokes the previous Regulations.

The Report of the Occupational Pensions Board on the draft of these Regulations is contained in Command Paper Cm. 2779, published by Her Majesty’s Stationery Office.

These Regulations do not impose any costs on business.