
STATUTORY INSTRUMENTS

2006 No. 580

**The Pension Protection Fund (General and
Miscellaneous Amendments) Regulations 2006**

PART 5

Pension protection levy

Collection of the pension protection levy by instalments

19. The Board may collect amounts payable by way of a pension protection levy in instalments where—

- (a) the trustees or managers who are liable to pay the levy in respect of an eligible scheme make an application to the Board to pay the amount in respect of the levy by instalments; and
- (b) the Board considers that it is appropriate to do so, having taken into consideration any exceptional circumstances that may exist in relation to that scheme.

[^{F1}Interest for late payment of the pension protection levy

19A.—(1) Subject to paragraph (2), interest is to be charged in the case of late payment of a pension protection levy.

(2) Interest, or any part of interest, is not to be charged where there is a waiver under—

- (a) paragraph (7) in respect of that interest; or
- (b) paragraph (8) in respect of that part of interest.

(3) There is late payment of a pension protection levy where that levy has not been paid within 28 days of the date on which the Board sends the notification under section 181(3)(c) of the Act (calculation, collection and recovery of levies).

(4) The annual rate of interest to be charged is 5% higher than—

- (a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short term liquidity in the money markets; or
- (b) where an order under section 19 of the Bank of England Act 1998 (reserve powers) is in force, any equivalent rate determined by the Treasury under that section.

(5) Interest is to be calculated—

- (a) on a daily basis;
- (b) on the amount of the pension protection levy which has not been paid; and
- (c) from the first day on which there is a late payment of the pension protection levy until the day on which that levy is paid.

(6) Where the interest to be charged includes a fraction of a penny, that fraction is to be ignored.

- (7) The circumstances in which interest may be waived are where the Board is satisfied that—
- (a) any of the circumstances specified in regulation 4 of the Pension Protection Fund (Waiver of Pension Protection Levy and Consequential Amendments) Regulations 2007 (circumstances in which pension protection levy may be waived) apply;
 - (b) charging interest would not be conducive to the prudent management of the Board's financial affairs; or
 - (c) it is reasonable not to charge interest.
- (8) The circumstances in which any part of interest may be waived are where the Board is satisfied that—
- (a) the circumstances mentioned in paragraph (7)(a) apply; or
 - (b) it is reasonable not to charge any part of interest.
- (9) For the purposes of considering whether it is reasonable not to charge interest or any part of interest under paragraphs (7)(c) and (8)(b), the Board must have regard to such matters as the Board considers relevant including (where relevant) the following matters—
- (a) the dates on which any payments of the pension protection levy are made;
 - (b) the dates on which any payments of the pension protection levy were made in previous years;
 - (c) any failure by the person or persons by or on behalf of whom the pension protection levy is payable to—
 - (i) reply to correspondence from the Board about interest or the pension protection levy; or
 - (ii) provide the Board with information it requests about interest or the pension protection levy; and
 - (d) any—
 - (i) review, reconsideration or reference to the PPF Ombudsman under Chapter 6 of Part 2 of the Act; or
 - (ii) appeal against any determination or direction of the PPF Ombudsman; which has been brought by the person or persons by or on behalf of whom the pension protection levy is payable.]

<p>F1 Reg. 19A inserted (1.4.2010) by Pension Protection Fund (Miscellaneous Amendments) Regulations 2010 (S.I. 2010/560), regs. 1(2)(a), 5</p>
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Schemes that are eligible schemes for part of a financial year

20.—^[F2](1) Where a scheme—

- (a) is an eligible scheme on the first day of a financial year; and
- (b) ceases to be an eligible scheme during that financial year,

section 181(5) of the Act (amount of the levy payable in respect of a scheme which is an eligible scheme for only part of the period for which the levy is imposed) does not apply to that scheme and the full amount of the levy is payable.

^[F3](2) Where a scheme—

- (a) is not an eligible scheme on the first day of a financial year; and
- (b) becomes an eligible scheme during that financial year by virtue of—

- (i) regulation 2(1A) of the Pension Protection Fund (Entry Rules) Regulations 2005 (schemes which are not eligible schemes), or
- (ii) regulation 2A of the Pension Protection Fund (Partially Guaranteed Schemes) (Modification) Regulations 2005 (schemes to which paragraph (1) of regulation 2 does not apply),

section 181(5) of the Act does not apply to the scheme and the full amount of the levy is payable.]

- F2** Reg. 20(1): reg. 20 renumbered as reg. 20(1) (8.3.2010) by [The Pension Protection Fund and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 2010 \(S.I. 2010/196\)](#), regs. 1, **8(a)**
- F3** Reg. 20(2) inserted (8.3.2010) by [The Pension Protection Fund and Occupational Pension Schemes \(Miscellaneous Amendments\) Regulations 2010 \(S.I. 2010/196\)](#), regs. 1, **8(b)**

Changes to legislation:

There are currently no known outstanding effects for the The Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006, PART 5.