

2007 No. 994

PENSIONS

The Occupational Pension Schemes (Levies) (Amendment) Regulations 2007

Made - - - - 23rd March 2007

Coming into force in accordance with regulation 1(2) and (3)

These Regulations are made in exercise of the powers conferred by sections 117(1), (3) and (7)(b), 209(7) and (8), 315(2) and (5) and 318(1) of the Pensions Act 2004(a).

In accordance with section 117(4) of that Act the Secretary of State for Work and Pensions has consulted the Board of the Pension Protection Fund(b).

In accordance with section 317(1) of that Act the Secretary of State for Work and Pensions has consulted such persons as he considers appropriate.

In accordance with section 316(2)(a) and (g) of that Act a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Accordingly the Secretary of State for Work and Pensions makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Levies) (Amendment) Regulations 2007.

(2) This regulation and regulation 4 shall come into force on 30th March 2007.

(3) Regulations 2, 3 and 5 shall come into force on 1st April 2007.

(4) In these Regulations “the Levies Regulations” means the Occupational Pension Schemes (Levies) Regulations 2005(c).

[Regulation 2 amends regulations 2, 3, 4, 5, 7, 13 and 18 of S.I. 2005/842.]

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[Regulation 4 amends regulation 7 of S.I. 2005/842.]

Reg. 3 is revoked by
reg. 2(2) of S.I. 2015/
84 as from 1.4.15.

Revocations

5. Paragraphs (2), (4) and (8)(a) of regulation 2 of the Occupational Pension Schemes (Levies) (Amendment) Regulations 2006(d) (amendment of the Levies Regulations) are revoked.

(a) 2004 c. 35. Section 318(1) is cited because of the meaning there given to “prescribed” and “regulations”.

(b) The Board of the Pension Protection Fund is established by section 107 of the Pensions Act 2004.

(c) S.I. 2005/842, amended by S.I. 2006/935.

(d) S.I. 2006/935.

Signed by authority of the Secretary of State for Work and Pensions.

23rd March 2007

James Purnell
Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Occupational Pension Schemes (Levies) Regulations 2005 (S.I. 2005/842) (“the Levies Regulations”).

Regulation 2 removes from the Levies Regulations all references to the PPF Ombudsman levy. This is the levy for the purpose of meeting expenditure of the Secretary of State under section 209(6) of the Pensions Act 2004 (“the 2004 Act”) (expenditure relating to the Ombudsman for the Board of the Pension Protection Fund) (“the Board”).

Regulation 3 substitutes regulation 6(2) of the Levies Regulations. This specifies the rate at which the administration levy is payable. This is the levy for the purpose of meeting expenditure of the Secretary of State under section 117(1) of the 2004 Act (expenditure relating to establishment of the Board its administration costs). For the financial year ending with 31st March 2008, there is an increase to the basis of the calculation of the levy in the range of 47% to 49% (see column 2 of the table inserted by regulation 3). The increase to the level of the minimum amount payable is in the range of 45% to 49% (see column 3 of that table). The increases are based on costs incurred in establishing the Board, the Board’s estimate of its administration costs requirement for 2007/2008 and changes in scheme membership data.

Regulation 4 inserts a new regulation 7A into the Levies Regulations. This sets out the circumstances of a waiver of the administration levy payable in respect of an eligible scheme. If any pension protection levy payable in respect of the scheme has been waived for a financial year, the administration levy for that year is also waived.

Regulation 5 revokes regulation 2(2), (4) and (8)(a) of the Occupational Pension Schemes (Levies) (Amendment) Regulations 2006 (S.I. 2006/935). These provisions contain amendments to the Levies Regulations which are superseded by amendments made by regulations 2 and 3 of these Regulations.

These Regulations have only a negligible impact on the cost of business, charities or the voluntary sector. Publication of a full Regulatory Impact Assessment is not necessary for such legislation.