
DRAFT STATUTORY INSTRUMENTS

2005 No.

The Occupational Pension Schemes (Levies) Regulations 2005

PART 2

ADMINISTRATION AND PPF OMBUDSMAN LEVIES

Meaning of “the levies” in Part 2

3. In this Part “the levies” means the administration levy and the PPF Ombudsman levy.

Liability for the levies

4.—(1) The trustees or managers of each eligible scheme are liable to pay a levy (“the administration levy”) to the Secretary of State in respect of the scheme for the purpose of meeting—

- (a) expenditure of the Secretary of State relating to the establishment of the Board;
- (b) any expenditure of the Secretary of State under section 116 of the 2004 Act.

(2) The trustees or managers of each eligible scheme are liable to pay a levy (“the PPF Ombudsman levy”) to the Secretary of State in respect of the scheme for the purpose of meeting expenditure of the Secretary of State under section 209(6) of the 2004 Act.

(3) Subject to paragraph (4), the levies are payable in respect of each financial year.

(4) The PPF Ombudsman levy is not payable in respect of the financial year ending with 31st March 2006.

(5) The levies in respect of a financial year are payable on the first day of that year, unless paragraph (6) applies.

(6) If a scheme is not an eligible scheme on that day but becomes such a scheme during the financial year, the levies are payable on the day after that on which that year ends.

The reference day

5.—(1) The amount of each of the levies payable for a financial year (“the levy year”) in respect of a scheme is calculated by reference to the number of the scheme’s members on the reference day.

(2) In the case of a scheme established on or before 31st March 2005, for the levy years beginning on 1st April 2005 and 1st April 2006, the reference day is 31st March 2005.

(3) In the case of a scheme established on or after 1st April 2005, for the levy years beginning on 1st April 2005 and 1st April 2006, the reference day is the date on which the scheme becomes a registrable scheme.

(4) For a levy year beginning on or after 1st April 2007 the general rule is that the reference day for a scheme is the last day of the scheme year which ended before the beginning of the previous levy year.

(5) But if the scheme was established too late to have such a scheme year, the reference day is the date on which the scheme becomes a registrable scheme.

(6) In this regulation and regulation 6 “member”, in relation to a scheme, does not include a life member of the scheme, unless he—

- (a) is a pensioner or pension credit member of the scheme, or
- (b) would be a deferred member if he were not an active member.

The amount payable

6.—(1) In the case of the administration levy, the amount payable for a financial year in respect of a scheme with the number of members on the reference day that is specified in column 1 of the table for that levy for that year is—

- (a) the amount specified for such a scheme in column 2 of the table (where M is the number of the scheme’s members on the reference day); or
- (b) if no amount is so specified or an amount which is greater is specified for such a scheme in column 3 of the table, that amount.

(2) This is the table for the administration levy for the financial year ending with 31st March 2006—

<i>Column 1</i> <i>Number of members on the reference day</i>	<i>Column 2</i> <i>Amount of levy calculated by reference to number of members (M)</i>	<i>Column 3</i> <i>Minimum amount of levy</i>
2 to 11		£24
12 to 99	£2.50 x M	
100 to 999	£1.80 x M	£250
1,000 to 4,999	£1.40 x M	£1,800
5,000 to 9,999	£1.06 x M	£7,000
10,000 or more	£0.74 x M	£10,600

(3) If, in any case where the reference day is determined in accordance with regulation 5(2) (31st March 2005), the number of members of the scheme on that day differs from the number according to the register compiled and maintained under regulations made under section 6 of the 1993 Act, the number according to that register is to be taken as the number on that day for the purposes of these Regulations.

(4) For schemes that are eligible schemes for only part of the financial year, see regulation 7.

Schemes eligible for only part of the financial year

7.—(1) This regulation applies if a scheme that is not an eligible scheme at the beginning of a financial year becomes such a scheme during that year.

(2) The amount of each of the levies payable in respect of the scheme for that year is such proportion of the full amount so payable as the period beginning with the date on which it becomes such a scheme and ending with the financial year bears to the whole financial year.