
DRAFT STATUTORY INSTRUMENTS

2005 No.

The Occupational Pension Schemes (Levies) Regulations 2005

PART 3

THE INITIAL LEVY

The initial period

8. For the purposes of section 174(1) of the 2004 Act the period for which the initial levy is imposed begins with 6th April 2005; and accordingly the initial period begins with that date and ends with 31st March 2006.

Liability for the initial levy

9.—(1) The trustees or managers of each eligible scheme are liable to pay the initial levy to the Board in respect of the scheme for the initial period.

(2) The initial levy is payable on 6th April 2005.

(3) Paragraph (2) is subject to paragraphs (4) to (7).

(4) If the amount of the initial levy in respect of a scheme is not notified under section 181(3)(c) of the 2004 Act to the person liable to pay it before the day on which it would (apart from this paragraph) be payable, the levy is payable within the period of 28 days beginning with the date on which the notification is given or, if earlier, on 31st March 2006.

(5) If, on an application to the Board by trustees or managers who are liable to pay the initial levy to the Board in respect of a scheme, the Board considers that it is appropriate to do so in view of any exceptional circumstances that apply in relation to the scheme, it may agree to accept payment of the initial levy by instalments and, if it does so—

(a) the first instalment is payable as mentioned in paragraph (2) or, as the case may be, paragraph (4); and

(b) any subsequent instalment is payable at such later time or times during the initial period as are notified under section 181(3)(c) of the 2004 Act to the person liable to pay the levy.

(6) If the Board requires the Regulator to discharge its functions under section 181(3)(c) on the Board's behalf, the reference to the Board in paragraph (5) is to be taken as a reference to the Regulator.

(7) If—

(a) on 6th April 2005 a scheme is not an eligible scheme; but

(b) it becomes such a scheme during the initial period,

then, subject to paragraphs (4) and (5), the initial levy in respect of the scheme is payable on 31st March 2006.

The amount of the initial levy

10.—(1) The amount of the initial levy payable in respect of a scheme is calculated by reference to the number of persons appearing to the Board or, if the Board requires the Regulator to discharge its functions under section 181(3)(b) on the Board’s behalf, to the Regulator, to fall within paragraphs (3), (4) and (5) on the reference day.

(2) In paragraph (1) “the reference day” means—

- (a) in the case of a scheme that was established on or before 31st March 2005, that day; and
- (b) otherwise, the date on which the scheme becomes a registrable scheme.

(3) For each active member of the scheme, £15 is payable.

(4) For—

- (a) each pensioner member of the scheme;
- (b) each pension credit member who by reason of rights under the scheme attributable (directly or indirectly) to a pension credit is entitled to the present payment of pension; and
- (c) each other person who is entitled to the present payment of pension by reason of rights under the scheme in respect of a deceased member,

£15 is payable.

(5) For—

- (a) each deferred member of the scheme; and
- (b) each pension credit member who is not entitled to present payment of a pension as a result of his pension credit rights,

£5 is payable.

(6) If a person falls within more than one paragraph in this regulation or within more than one sub-paragraph in a paragraph, a separate amount is payable under this regulation in respect of that person as a result of his falling within each of those paragraphs or, as the case may be, sub-paragraphs.

(7) For the purposes of this regulation, a person is not regarded as an active member of a scheme if he is a life member of the scheme; and such a person is not excluded from being a deferred member by reason only of being an active member.

Supplementary provisions relating to the calculation of the initial levy

11.—(1) If, in the case of a scheme that was established on or before 31st March 2005, the Board is unable on or before 6th April 2005 to determine the number of persons falling within paragraphs (3) to (5) of regulation 10 on the reference day (as defined in regulation 10(2)(a)), it is to be assumed for the purposes of regulation 10 that on that day—

- (a) all the members of the scheme were active members; and
- (b) there were no persons falling within paragraph (4)(c) of that regulation.

(2) If the Board requires the Regulator to discharge its functions under section 181(3)(b) on the Board’s behalf, the reference in paragraph (1) to the Board includes a reference to the Regulator.

(3) In the case of a scheme that was established on or after 1st April 2005, it is to be assumed for the purposes of regulation 10 that on the reference day—

- (a) all the members of the scheme were active members; and
- (b) there were no persons falling within paragraph (4)(c) of that regulation.

(4) If by virtue of paragraph (7) of that regulation a person is not regarded as either an active or deferred member of the scheme for the purposes of that regulation, he is not regarded as a member of it for the purposes of paragraph (1)(a) or (3)(a) of this regulation.

(5) Nothing in paragraph (1) or (3) prevents a determination of the amount of the initial levy payable in respect of a scheme that is made on the basis of the assumption mentioned in that paragraph from being reviewed by virtue of Chapter 6 of Part 2 of the Act of 2004 (reviews, appeals and maladministration) on the ground that the assumption is in fact incorrect.

Schemes eligible for only part of the levy period

12.—(1) This regulation applies where a scheme is an eligible scheme for only part of the period in respect of which the initial levy is payable.

(2) Section 181(5) of the 2004 Act (by virtue of which only a proportionate part of the levy is payable by such schemes) does not apply if the scheme ceases to be an eligible scheme during the period in question (and so the full amount of the initial levy is payable).