

SCHEDULE 7

Collective money purchase benefits: amendments to secondary legislation

Amendments to the Occupational Pension Schemes (Charges and Governance) Regulations 2015

12. After regulation 6 (limits on charges) insert—

“Limits on charges – qualifying collective money purchase schemes

6A.—(1) The limits on charges for the purposes of regulation 4(1ZA)(a) are the limits specified in this regulation and the trustees must choose whether to assess them in accordance with regulation 7A or 8A (but see regulation 8A(7)).

(2) The limit in the case of a collective single charge structure is 0.75% annually of the value of members’ rights under the scheme.

(3) The limit in the case of a collective combination charge structure whose charges fall within regulation 5A(3)(a) is—

- (a) in relation to the collective contribution percentage charge, 2.5% of contributions made by or on behalf of or in respect of members allocated under the scheme—
 - (i) annually, or
 - (ii) where, in relation to a charges year, regulation 4 does not apply in respect of members for the whole of the year, in the period for which that regulation applies; and
- (b) in relation to the collective existing rights charge, the percentage annually of the value of members’ rights under the scheme which is the figure in Column 2 of the following table which corresponds to the collective contribution percentage charge rate in Column 1 of that table which is imposed on the members.

<i>Column 1</i>	<i>Column 2</i>
<i>Collective contribution percentage charge rate (%)</i>	<i>Collective existing rights charge rate (%)</i>
1 or lower	0.6
Higher than 1 but no higher than 2	0.5
Higher than 2 but no higher than 2.5	0.4

(4) The limit in the case of a collective combination charge structure whose charges fall within regulation 5A(3)(b) is—

- (a) in relation to the collective flat fee charge, £25 annually per member; and
- (b) in relation to the collective existing rights charge, the percentage annually of the value of members’ rights under the scheme which is the figure in Column 2 of the following table which corresponds to the annual collective flat fee charge per member in Column 1 of that table which is imposed on the members.

<i>Column 1</i>	<i>Column 2</i>
<i>Collective flat fee charge (£ per member)</i>	<i>Collective existing rights charge rate (%)</i>
10 or less	0.6

Draft Legislation: This is a draft item of legislation and has not yet been made as a UK Statutory Instrument. This draft has been replaced by a new draft, The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022 ISBN 978-0-348-23118-2

<i>Column 1</i>	<i>Column 2</i>
<i>Collective flat fee charge (£ per member)</i>	<i>Collective existing rights charge rate (%)</i>
More than 10 but no more than 20	0.5
More than 20 but no more than 25	0.4”.