
STATUTORY INSTRUMENTS

2015 No. 879

**The Occupational Pension Schemes
(Charges and Governance) Regulations 2015**

PART 2

RESTRICTIONS ON CHARGES

[^{F1}CHAPTER 1

**DEFAULT ARRANGEMENTS, [^{F1}qualifying collective money purchase schemes,]
NON-CONTRIBUTING MEMBERS AND PAYMENTS TO ADVISERS**

[^{F1}Limits on charges [^{F2}- default arrangements]

6.—(1) [^{F3}Subject to regulation 13C(6)] the limits on charges for the purposes of regulation 4(1) (a) are the limits specified in this regulation and the trustees or managers must choose whether to assess them in accordance with regulation 7 or 8 (but see regulation 8(6)).

(2) The limit in relation to a single charge structure is 0.75% annually of the value of the member's rights under the default arrangement.

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

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

<i>Column 1 Contribution percentage charge rate (%)</i>	<i>Column 2 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 combination charge structure whose charges fall within regulation 5(3)(b) is—

- (a) [^{F4}subject to paragraphs (5) to (7),] in relation to the flat fee charge, £25 annually; and

- (b) in relation to the existing rights charge, the percentage annually of the value of the member's rights under the default arrangement which is the figure in Column 2 of the following table which corresponds to the annual flat fee charge in Column 1 of that table which is imposed on the member.

Column 1 Flat fee charge (£)	Column 2 Existing rights charge rate (%)
10 or less	0.6
More than 10 but no more than 20	0.5
More than 20 but no more than 25	0.4

[
^{F5}(5) Subject to paragraph (6), the flat fee charge under paragraph (4)(a) may be imposed where the value of the member's rights under the default arrangement is more than £100.

(6) The flat fee charge under paragraph (4)(a) may only be imposed to the extent that it does not reduce the value of the member's rights under the default arrangement to less than £100.

(7) The value of the member's rights under the default arrangement for the purposes of paragraphs (5) and (6) includes the value of any rebate or refund which falls to be applied by virtue of regulation 6ZA.]]

Textual Amendments

- F1** Ch. 1: reg. 4-13 renumbered as Ch. 1 (1.10.2017) by The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2017 (S.I. 2017/774), regs. 1, **4**
- F2** Words in reg. 6 heading inserted (1.8.2022) by The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations 2022 (S.I. 2022/255), reg. 1(3), **Sch. 7 para. 11**
- F3** Words in reg. 6(1) inserted (1.10.2017) by The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2017 (S.I. 2017/774), regs. 1, **6**
- F4** Words in reg. 6(4)(a) inserted (6.4.2022) by The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2022 (S.I. 2022/10), regs. 1(1), **2(2)(a)** (with reg. 1(3))
- F5** Reg. 6(5)-(7) inserted (6.4.2022) by The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2022 (S.I. 2022/10), regs. 1(1), **2(2)(b)** (with reg. 1(3))

Changes to legislation:

There are currently no known outstanding effects for the The Occupational Pension Schemes (Charges and Governance) Regulations 2015, Section 6.