Draft Regulations laid before Parliament under section 316(2)(a) of the Pensions Act 2004, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2008 No.

PENSIONS

The Occupational Pension Schemes (Levies) (Amendment) Regulations 2008

Made - - - -

Coming into force - - 31st March 2008

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 117(1) and (3), 315(2) and 318(1) of the Pensions Act 2004(**a**).

In accordance with section 117(4) of that Act, he has consulted the Board of the Pension Protection Fund(**b**).

In accordance with section 317(1) of that Act, he has consulted such persons as he considers appropriate.

A draft of this Order has been laid before Parliament in accordance with section 316(2)(a) of that Act and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Occupational Pension Schemes (Levies) (Amendment) Regulations 2008 and shall come into force on 31st March 2008.

Amendment of the Occupational Pension Schemes (Levies) Regulations 2005

2. For regulation 6(2) of the Occupational Pension Schemes (Levies) Regulations 2005(**c**) (the amount of the administration levy payable), substitute—

"(2) This is the table for the administration levy for the financial year ending with 31st March 2009 and for each financial year after that—

(**a**) 2004 c.35. Section 318(1) is cited for the meaning it gives to the words "prescribed" and "regulations".
(**b**) The Board of the Pension Protection Fund is established under section 107 of the Pensions Act 2004.
(**c**) S.I. 2005/842, as amended by S.I. 2006/935. Regulation 6(2) was substituted by S.I. 2007/994.

Column 1 *Number of members on the reference day*	*Column 2* *Amount of levy calculated by reference to number of members (M)*	*Column 3* *Minimum amount of levy*
2 to 11		£42
12 to 99	£4.33 x M	
100 to 999	£3.12 x M	£430
1,000 to 4,999	£2.43 x M	£3,120
5,000 to 9,999	£1.84 x M	£12,150
10,000 or more	£1.29 x M	£18,400.”.

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

Minister of State,
Date Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

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

Regulation 2 substitutes regulation 6(2) of the Levies Regulations. This specifies the new figures to be used in calculating the rate at which the administration levy is payable. The new figures apply for each financial year starting with the one which begins on 1st April 2008. The purpose of the administration levy is to meet the expenditure of the Secretary of State mentioned in section 117(1) of the Pensions Act 2004 (c.35).

The figures used to calculate the rate of the levy have increased by between 17 per cent and 20 per cent. These increases are based on a change in the scheme membership profile, the Board of the Pension Protection Fund’s estimate of their expenses for 2008/2009 and the recovery of a £2.7million deficit from 2007/2008.

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

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