STATUTORY RULES OF NORTHERN IRELAND

2005 No. 147

PENSIONS

The Occupational Pension Schemes (Levies) Regulations (Northern Ireland) 2005

Made - - - -	*21st March 2005*
Coming into operation	*1st April 2005*

The Department for Social Development, in exercise of the powers conferred on it by Articles 103(1), (3) and (7)(a), 110(1)(b), 157(1) and (2), 164(5) and (8)(a), 171(11)(a), 191(3) and (4) and 287(2) and (3) of the Pensions (Northern Ireland) Order 2005(**1**) and of all other powers enabling it in that behalf, having consulted with the Board of the Pension Protection Fund(**2**) and with the approval of the Department of Finance and Personnel(**3**) in so far as regulations 8 to 11 are concerned, hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Occupational Pension Schemes (Levies) Regulations (Northern Ireland) 2005 and shall come into operation on 1st April 2005.

Interpretation

2. In these Regulations –

"the 2004 Act" means the Pensions Act 2004(**4**);

"the 2005 Order" means the Pensions (Northern Ireland) Order 2005;

"active member", in relation to a scheme, has the meaning given by Article 2(2) of the 2005 Order (but subject to regulation 10(7));

(**1**) S.I.2005/255 (N.I. 1)
(**2**) *See* Article 103(4) of the Pensions (Northern Ireland) Order 2005
(**3**) *See* Article 157(3) of the Pensions (Northern Ireland) Order 2005
(**4**) 2004 c. 35

"the administration levy" means the levy under Article 103 of the 2005 Order imposed by regulation 4(1);

"deferred member" has the meaning given by Article 121(1) of the 1995 Order (but subject to regulation 10(7));

"eligible scheme" has the meaning given by Article 110 of the 2005 Order (but subject to regulations 15 to 18);

"fraud compensation levy" means a levy imposed by regulations under Article 171 of the 2005 Order;

"the initial levy" means the levy under Article 157 of the 2005 Order imposed by regulation 9;

"the initial period" means the period provided for by regulation 8;

"life member", in relation to a scheme, means a person who is an active member but whose service under the scheme is only pensionable service by virtue of qualifying him for death benefits;

"member", in relation to a scheme, has the meaning given by Article 2(2) of the 2005 Order (but subject to regulations 5(5) and 11(4));

"the PPF Ombudsman levy" means the levy under Article 191(3) of the 2005 Order imposed by regulation 4(2);

"pension credit member" has the meaning given by Article 121(1) of the 1995 Order(**5**);

"pension credit rights" has the meaning given by Article 121(1) of the 1995 Order(**6**);

"pension protection levy" means a levy imposed in accordance with Article 158 of the 2005 Order;

"pensionable service" has the meaning given by Article 121(1) of the 1995 Order;

"pensioner member" has the meaning given by Article 121(1) of the 1995 Order(**7**);

"registrable scheme" has the meaning given by Article 55(5) of the 2005 Order and regulations made under that Article;

"scheme year", in relation to a scheme, means –

(a) a year specified for the purpose of the scheme in any document comprising the scheme or, if none, a period of 12 months beginning on 1st April or on such other date as the trustees or managers select; or

(b) such other period (if any) exceeding 6 months but not exceeding 18 months as is selected by the trustees or managers –

  (i) in connection with the commencement or termination of the scheme, or

  (ii) in connection with a variation of the date on which the year or period referred to in paragraph (a) is to begin.

(**5**) The definition of "pension credit member" was inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11))

(**6**) The definition of "pension credit rights" was inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

(**7**) The definition of "pensioner member" was amended by paragraph 5(3) of Schedule 5 to the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.))

PART II

ADMINISTRATION AND PPF OMBUDSMAN LEVIES

Meaning of "the levies" in Part II

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 Department in respect of the scheme for the purpose of meeting –

(a) expenditure relating to the establishment of the Board;

(b) any expenditure of the Department under Article 102 of the 2005 Order or 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 Department in respect of the scheme for the purpose of meeting expenditure of the Department under Article 191(2) of the 2005 Order or 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; 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.

(5) 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 member 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 in column 2 or an amount which is greater is specified for such a scheme in column 3 of the Table, the amount specified for such a scheme in column 3.

(2) The Table for the administration levy for the financial year ending with 31st March 2006 is as follows –

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		£24
12 to 99	£2·50 × M	
100 to 999	£1·80 × M	£250
1,000 to 4,999	£1·40 × M	£1,800
5,000 to 9,999	£1·06 × M	£7,000
10,000 or more	£0·74 × M	£10,600

(3) If, in any case where the reference day is determined in accordance with regulation 5(2), 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 Pension Schemes Act 1993(**8**), the number according to that register is to be taken as the number on that day for the purposes of these Regulations.

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 end of the financial year bears to the whole financial year.

(**8**) 1993 c. 48; section 6 was amended by paragraph 23 of Schedule 3 to, and paragraph 20 of Schedule 5 to, the Pensions Act 1995 (c. 26)

PART III

THE INITIAL LEVY

The initial period

8. For the purposes of Article 157(1) of the 2005 Order, 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 on 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) Subject to paragraphs (3) to (6), the initial levy is payable on 6th April 2005.

(3) If the amount of the initial levy in respect of a scheme is not notified under Article 164(3)(c) of the 2005 Order 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.

(4) If, on an application to the Board by the trustees or managers who are liable to pay the initial levy 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 (3); and

(b) any subsequent instalment is payable at such later time or times during the initial period as are notified under Article 164(3)(c) of the 2005 Order to the person liable to pay the levy.

(5) If the Board requires the Regulator to discharge its functions under Article 164(3)(c) of the 2005 Order on the Board's behalf, the references to the Board in paragraph (4) are to be taken as references to the Regulator.

(6) 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 (3) and (4), 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 Article 164(3)(b) of the Order on the Board's behalf, to the Regulator, to fall within paragraphs (3) to (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;