
STATUTORY INSTRUMENTS

2014 No. 2939

PENSIONS

**The Payment of Pension Levies
for Past Periods Regulations 2014**

Made - - - - 10th November 2014
Laid before Parliament 17th November 2014
Coming into force - - 8th December 2014

The Secretary of State for Work and Pensions, in exercise of the powers conferred by section 45(1) and (2)(b) and section 54(5) and (6) of the Pensions Act 2014⁽¹⁾, makes the following Regulations.

Citation and commencement

1. These Regulations may be cited as the Payment of Pension Levies for Past Periods Regulations 2014 and shall come into force on 8th December 2014.

Requirement to pay pension levies in respect of past periods

2. So far as relating to the requirement to pay pension levy, the Pensions Act 2004⁽²⁾, and regulations made under it, shall have effect as if the amendments made by the 2010 regulations had always had effect⁽³⁾.

Interest

3. (1) This regulation applies to any amount of pension levy which becomes payable as a consequence of the coming into force of regulation 2.

(2) Any amount to which this regulation applies carries interest for the period beginning with the date on which that amount would have become due if the amendments made by the 2010 regulations had always had effect (“interest start date”) and ending on the date on which payment of that amount is made.

(3) Interest to be added to any amount to which this regulation applies shall be compound interest calculated at the rates specified in paragraphs (4) to (7) with yearly rests.

(1) 2014 c.19.

(2) 2004 c.35.

(3) “Pension levy” and “the 2010 regulations” are defined in section 45(3) of the Pensions Act 2014.

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(4) The rate of interest to be applied for the period beginning with the interest start date for the first year is that set out in column (c) of Table 1 next to the period as set out in columns (a) and (b) within which the interest start date falls.

(5) On each anniversary of the interest start date, where any anniversary of the interest start date falls on or before 31st October 2014, the rate of interest to be applied for the year from that anniversary date is that set out in column (c) of Table 1 next to the period as set out in columns (a) and (b) within which the anniversary date falls.

(6) Where any anniversary of the interest start date falls after 31st October 2014, the interest rate to be applied during the year from that anniversary date is the EU recovery interest rate.

(7) For the purposes of paragraph (6), “EU recovery interest rate” means the rate referred to in Article 9 of [Commission Regulation \(EC\) No 794/2004](#)(4).

Table 1

<i>Column (a)</i>	<i>Column (b)</i>	<i>Column(c)</i>
<i>From</i>	<i>To</i>	<i>Interest Rate%</i>
1st January 2005	31st December 2005	5.81
1st January 2006	31st December 2006	5.33
1st January 2007	30th September 2007	5.90
1st October 2007	31st December 2007	6.83
1st January 2008	13th April 2008	6.29
14th April 2008	30th June 2008	6.60
1st July 2008	31st December 2008	6.66
1st January 2009	31st January 2009	6.70
1st February 2009	28th February 2009	5.81
1st March 2009	31st March 2009	4.58
1st April 2009	31st May 2009	3.84
1st June 2009	31st July 2009	3.20
1st August 2009	30th September 2009	2.85
1st October 2009	30th November 2009	2.53
1st December 2009	31st December 2009	2.20
1st January 2010	30th June 2010	2.16
1st July 2010	31st December 2010	2.35
1st January 2011	31st December 2011	2.48
1st January 2012	31st October 2012	2.74
1st November 2012	31st December 2012	2.46

(4) OJ No L140, 30.4.2004, p1. Article 9 was amended by Commission Regulation [\(EC\) 271/2008](#) (OJ No L82, 25.3.2008, p1). In accordance with Article 10 of Commission Regulation [\(EC\) 794/2004](#) the rates are published by the European Commission and the rates are calculated in accordance with the Communication from the European Commission dated 19th January 2008 (OJ C14 19.01.2008, p6).

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<i>Column (a)</i>	<i>Column (b)</i>	<i>Column(c)</i>
<i>From</i>	<i>To</i>	<i>Interest Rate%</i>
1st January 2013	31st March 2013	2.19
1st April 2013	31st December 2013	1.99
1st January 2014	30th September 2014	1.88
1st October 2014	31st October 2014	2.04

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

10th November 2014

Steve Webb
Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement, in respect of payments of the pension levies under the Pensions Act 2004 and the regulations made under it, in respect of periods before the coming into force of the 2010 regulations ([S.I. 2010/196](#) and [S.I. 2010/1930](#)), the Decision of the European Commission [55/2007/EC](#) of 11th February 2009 (O.J. L242, 15.9.09) that the exemption from the payment of a levy to the Pension Protection Fund corresponding to the pension liabilities covered by a Crown guarantee constitutes State aid that is incompatible with the common market within the meaning of Article 107 of the Treaty on the Functioning of the European Union.

Regulation 2 modifies the effect of the Pensions Act 2004 and regulations made under it so that the requirement to pay pension levies applies as if the amendments made by the 2010 regulations had always had effect including in respect of past periods before the coming into force of the 2010 regulations.

Regulation 3 provides for interest to be calculated in accordance with Article 2 of the Decision of the European Commission [55/2007/EC](#) which requires any interest to be recovered as a result of unlawful State aid to be calculated pursuant to Chapter V of Commission Regulation ([EC](#)) [794/2004](#) of 21st April 2004 (O.J. L140, 30.4.2004). Commission Regulation [794/2004](#) implements Council Regulation ([EC](#)) [659/1999](#) (O.J. L83, 27.3.1999) which provides that State aid to be recovered shall include interest at a rate fixed by the European Commission. Commission Regulation ([EC](#)) [794/2004](#) provides for the method for fixing the interest rate, provides for publication of the rate and specifies in Article 11 that interest shall be applied on a compound basis, added at yearly intervals. The base rates are calculated in accordance with the Communication from the European Commission on the revision of the method for setting the reference and discount dated 19th January 2008 (O.J. C14 19.01.2008).