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SCHEDULES

SCHEDULE 30

REGISTERED PENSION SCHEMES: EMPLOYER LOANS

Amount of unauthorised payment

Loan does not comply with section 179(1) when made

- 5 (1) If a loan does not comply with section 179 (1) (authorised employer loan) when it is made, there is an unauthorised payment of an amount equal to the largest of such of amounts 1, 2, A, B, and C as arise in relation to the loan.
- (2) Paragraphs 12 to 16 explain amounts 1, 2, A, B and C.

Commencement Information

- II** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Loan ceases to be secured by charge of adequate value

- 6 If at any time after a loan is made the loan ceases to be secured by a charge of adequate value, there is an unauthorised payment equal to amount 2 (see paragraph 13).

Commencement Information

- II** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Further reduction in value of charge which is not of adequate value

- 7 (1) If at any time after a loan is made—
- (a) the loan is secured by a charge which is not of adequate value, and
 - (b) an event mentioned in sub-paragraph (2) occurs,
- there is an unauthorised payment.
- (2) The events are—
- (a) the loan ceasing to be secured by a charge,
 - (b) a charge being given which does not comply with conditions A or C,
 - (c) a reduction in the value of the assets charged which does not comply with condition B, and
 - (d) the charge ceasing to comply with condition C.
- (3) The amount of the unauthorised payment is—

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AAE – ABE

where—

AAE is amount 2 (see paragraph 13) calculated after the event, and

ABE is amount 2 (see paragraph 13) calculated before the event.

(4) Paragraph 1 defines conditions A, B and C.

Commencement Information

I3 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Loan ceases to comply with repayment terms

- 8 (1) If at any time after a loan is made—
- (a) there is an alteration in the repayment terms, and
 - (b) as a result the repayment terms cease to comply with one or more paragraphs of section 179(2) (authorised repayment terms),
- there is an unauthorised payment of an amount equal to the larger of such of amounts A, B, and C (see paragraphs 14 to 16) as arise when that paragraph or those paragraphs are not complied with.

Commencement Information

I4 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Increase in extent to which loan does not comply with repayment terms

- 9 (1) If at any time after a loan is made—
- (a) there is an alteration in the repayment terms, and
 - (b) as a result the deterioration condition is met in relation to one or more paragraphs of section 179(2) (authorised repayment terms) which were not complied with before the alteration,
- there is an unauthorised payment of an amount calculated in accordance with sub-paragraphs (3) and (4).
- (2) The deterioration condition is met in relation to a paragraph if—

$$AAA > ABA$$

(3) For each paragraph in relation to which the deterioration condition is met, calculate—

$$AAA - ABA$$

(4) There is an unauthorised payment of an amount equal to the largest of the amounts calculated under sub-paragraph (3).

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(5) In this paragraph—

AAA, in relation to a paragraph of section 179(2) which was not complied with before the alteration in the repayment terms, is the amount arising when that paragraph is not complied with, calculated after the alteration in the repayment terms, and

ABA, in relation to such a paragraph, is the amount arising when that paragraph is not complied with, calculated before the alteration in the repayment terms.

Commencement Information

I5 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Prevention of double charging

- 10 (1) This paragraph applies if on any date there is an unauthorised payment under more than one of paragraphs 6 to 9.
- (2) There is a single unauthorised payment.
- (3) The amount of the unauthorised payment is an amount equal to the amount of the greater or greatest of the unauthorised payments under those paragraphs.

Commencement Information

I6 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Total unauthorised payments not to exceed amount of loan

- 11 If the aggregate amount of the unauthorised payments in relation to a loan under paragraphs 5 to 10 exceeds the amount of the loan when it was made, the excess is to be treated as not being an unauthorised payment.

Commencement Information

I7 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Amount 1

- 12 (1) Amount 1 arises if paragraph (a) of section 179 (1) (amount of loan must not exceed 50% of pension scheme assets) is not complied with.
- (2) Amount 1 is—
- where—
- AL is the amount of the loan, and
- VA is an amount equal to 50% of the aggregate of the amount of the sums, and the market value of the assets, held for the purposes of the pension scheme before the loan is made.

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I8 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Amount 2

13 (1) Amount 2 arises if paragraph (b) of section 179 (1) (loan must be secured by charge of adequate value) is not complied with.

(2) Amount 2 is—

$$AO - VA$$

where—

AO is the amount owing (including interest) at the relevant time, and

VA is the market value at that time of the assets charged but if the loan is not secured by a charge, or is secured by a charge which does not meet condition C (as defined in paragraph 1), is nil.

Commencement Information

I9 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Amount A

14 (1) Amount A arises if paragraph (a) of section 179(2) (interest rate to be not less than prescribed amount) is not complied with.

(2) Amount A is—

where—

IR is the rate of interest payable at the relevant time,

PIR is the rate of interest prescribed by regulations under that paragraph, and

AO is the amount owing (not including interest) at the relevant time.

Commencement Information

I10 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Amount B

15 (1) Amount B arises if paragraph (b) of section 179(2) (loan repayment date to be within five years unless postponed) is not complied with.

(2) Amount B is—

where—

DLRP is the number of days in the period which begins with the date on which the loan is made and ends with the loan repayment date,

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DFY is the number of days in the period which begins with the date on which the loan is made and ends five years after that date, and

AO is the amount owing (including interest) at the relevant time.

- (3) But if the amount produced by the fraction in sub-paragraph (2) is greater than 1, amount B is the amount owing (including interest) at the relevant time.
- (4) If the loan repayment date has been postponed under section 179(3), sub-paragraph (2) applies as if references to the date on which the loan is made were to the standard loan repayment date on which the loan repayment date was postponed.

Commencement Information

I11 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

Amount C

- 16 (1) Amount C arises if paragraph (c) of section 179(2) (amount payable for a period to be not less than required amount) is not complied with and is calculated as follows.
- (2) In relation to each period beginning with the date on which the loan is made and ending with the last day of a loan year, calculate—

$$RA - AP$$

where—

RA is the required amount in relation to that period, and

AP is the amount payable during that period.

- (3) If an amount calculated under sub-paragraph (2) is negative, treat that amount as nil.
- (4) Amount C is the largest of the amounts calculated under sub-paragraph (2).

Commencement Information

I12 Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)