

PENSIONS ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 10: Interest on late payment of levies

435. *Schedule 10* provides the Secretary of State with a discretionary power to make regulations allowing for a prescribed rate of interest to be charged on late payment of: the general levy (*paragraph 1*) (charged to cover the costs of running, amongst other things, the Pensions Regulator and the Pensions Ombudsman); the Pension Protection Fund administration levy (*paragraph 3*); the pension protection levy (*paragraph 5*); the fraud compensation levy (*paragraph 7*); and the Pension Protection Fund Ombudsman levy (*paragraph 8*).
436. Interest will be due to the creditor of the debt, which is the Secretary of State except in the cases of the pension protection levy and the fraud compensation levy, where the debts payable in relation to these levies are debts to the Board of the Pension Protection Fund.
437. There is provision for the Regulator to collect interest in respect of all of the levies in the Schedule, on behalf of the Secretary of State or the Board of the Pension Protection Fund.
438. There may be circumstances in which it would be inappropriate to charge interest on late payment of levies. For example, a scheme may have been incorrectly billed and the review of its invoice might lead to a delay. This Schedule therefore includes a power to prescribe in regulations circumstances in which interest may be waived (new section 175A(5)(b) of the PSA 1993, 117A(5)(b), 181A(5)(b) and 189A(5)(b) of the PA 2004).