

2000 No. 2692

PENSIONS

The Personal Pension Schemes (Payments by Employers) Regulations 2000

Made - - - - - 30th September 2000

Laid before Parliament 6th October 2000

Coming into force - - - 6th April 2001

The Secretary of State for Social Security, in exercise of the powers conferred upon him by section 111A(4)(b), (5), (6), (7) and (15)(b), 181(1)(a), 182(2) and (3) and 183(1) of the Pension Schemes Act 1993(b) and of all other powers enabling him in that behalf, after consulting such persons as he considered appropriate(c), hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Personal Pension Schemes (Payments by Employers) Regulations 2000 and shall come into force on 6th April 2001.

(2) In these Regulations—

“the 1993 Act” means the Pension Schemes Act 1993;

“scheme” means a personal pension scheme;

“stakeholder pension scheme” has the meaning given by section 1 of the Welfare Reform and Pensions Act 1999 (meaning of “stakeholder pension scheme”);

“statement year” has the meaning given by regulation 18(3) of the Stakeholder Pension Schemes Regulations 2000(d) (disclosure of information to members);

“trustees or managers”, in relation to a scheme, means—

(a) in the case of a scheme established under a trust, the trustees of the scheme; and

(b) in any other case, the managers of the scheme.

Record of direct payment arrangements

2. For the purposes of section 111A(4)(b) of the 1993 Act (record of direct payment arrangements must satisfy prescribed requirements) the prescribed requirements are that the record contains separate entries for the rates of contributions payable under the direct payment arrangements—

(a) on the employer’s own account in respect of the employee; and

(b) on behalf of the employee out of deductions from the employee’s earnings.

(a) Section 181(1) is cited because of the meaning there given to “prescribed” and “regulations”.

(b) 1993 c. 48. Section 111A is inserted by section 9 of the Welfare Reform and Pensions Act 1999 (c. 30).

(c) See section 185(1) of the Pension Schemes Act 1993 (c. 48) as amended by paragraph 46 of Schedule 3, paragraph 80(a) of Schedule 5, and Part I of Schedule 7 to the Pensions Act 1995 (c. 26).

(d) S.I. 2000/1403.

Prescribed time in which an employer is to make a record of direct payment arrangements available to trustees or managers

3. For the purposes of section 111A(5) of the 1993 Act (employer must within the prescribed period send a copy of the record to the trustees or managers) the prescribed period after the preparation or any revision of the record within which the employer must send a copy of the record or, as the case may be, of the revised record to the trustees or managers of the scheme is such period which is likely to result in the copy of that record being available to the trustees or managers of the scheme no later than the date upon which the first contribution payable by reference to that record falls due for payment.

Time limits for giving notice to the Regulatory Authority and to the employee that any contribution which is payable has not been paid and the circumstances in which such notice need not be given

4.—(1) Subject to paragraph (2), for the purposes of section 111A(6) of the 1993 Act (except in prescribed circumstances notice to be given by the trustees or managers to the Regulatory Authority and to the employee within a prescribed period that any contribution which is payable has not been paid on or before its due date) the prescribed period within which the trustees or managers of the scheme must, where any contribution shown by the record to be payable under the direct payment arrangements has not been paid on or before its due date, give notice of that fact—

- (a) to the Regulatory Authority, is the period of 30 days beginning with the day following that due date; and
- (b) to the employee, is the period of 90 days beginning with the day following that due date, unless payment has been made before the end of the period of 60 days beginning with the day following that due date.

(2) The prescribed circumstances in which the trustees or managers of the scheme need not give notice to the Regulatory Authority or the employee or both the Regulatory Authority and the employee that any contribution referred to in paragraph (1) has not been paid on or before its due date are when the Regulatory Authority have informed the trustees or managers—

- (a) that it or the employee or both it and the employee need not be notified that any future contribution shown by the record to be payable under the direct payment arrangements has not been paid on or before its due date; and
- (b) when, if at all, they must resume giving notice in accordance with section 111A(6) of the 1993 Act to the Regulatory Authority or the employee or both the Regulatory Authority and the employee that any future contribution shown by the record to be payable under the direct payment arrangements has not been paid on or before its due date.

Prescribed period for the purpose of calculating the due date for the payment of any contribution on behalf of an employee

5. For the purposes of section 111A(15)(b) of the 1993 Act (meaning of “due date” where a contribution payable under the direct payment arrangements falls to be paid on behalf of the employee) the prescribed period is the period of 19 days commencing on the day following the last day of the month in which the deduction was made from the employee’s earnings.

►¹The issue of payment statements to an employee

5A.—(1) Where section 111A of the Pension Schemes Act 1993(a) (monitoring of employers’ payments to personal pension schemes) applies the trustees or managers of the scheme must before the end of the interval specified in paragraph (4) or (5), as the case may be, send the employee a statement setting out the amounts and dates of the payments made under the direct payment arrangements during the period specified in paragraph (2) or (3), as the case may be.

(a) Section 111A was inserted by section 9 of the Welfare Reform and Pensions Act 1999 and is amended by section 268 of, and paragraph 16 of Schedule 12 and Schedule 13 to, the Pensions Act 2004.

¹Reg. 5A inserted by reg. 8(2) of S.I. 2006/778 as from 6.4.06.

- (2) Where the scheme is not a stakeholder pension scheme the period is—
- (a) in the case of the first statement referred to in paragraph (1), the period of not more than 12 months beginning with the date the employee joined the scheme and ending with the date of the last payment which appears on that statement; and
 - (b) in the case of the second or any subsequent statement (“the relevant statement”), a period of not more than 12 months beginning with the day following the date of the last payment which appeared on the statement immediately preceding the relevant statement.
- (3) Where the scheme is a stakeholder pension scheme the period is the period which is the statement year in relation to that scheme.
- (4) Where the scheme is not a stakeholder pension scheme the interval is—
- (a) in the case of the first statement referred to in paragraph (1) the period of 12 months beginning with the date the employee joined the scheme; and
 - (b) in the case of—
 - (i) the second statement, the period of 12 months beginning with the next anniversary of the date the employee joined the scheme following the date the trustees or managers sent the employee the first statement; and
 - (ii) the third or any subsequent statement, the period of 12 months beginning with the anniversary of the date the employee joined the scheme.
- (5) Where the scheme is a stakeholder pension scheme the interval is three months after the end of the statement year to which that statement relates. ◀

The issue of payment statements to an employee

6.—(1) For the purposes of section 111A(7) of the 1993 Act (trustees or managers to send the employee a statement of payments made during a prescribed period before the end of prescribed intervals) the prescribed period for which the statement must set out the amounts and dates of the payments made under the direct payment arrangements is the period specified in paragraph (2) or (3), as the case may be.

- (2) Where the scheme is not a stakeholder pension scheme the prescribed period is—
- (a) in the case of the first statement referred to in paragraph (1), the period beginning with—
 - (i) 6th April 2001, or the date the employee joins the scheme, whichever is the later, in the case of an employee who is or becomes a member of a scheme during the period from 6th April 2001 to 5th April 2002; or
 - (ii) the date the employee joins the scheme, in the case of an employee who becomes a member of a scheme on or after 6th April 2002,and ending with the date of the last payment which appears on that statement; and
 - (b) in the case of the second or any subsequent statement (the relevant statement), a period of not more than 12 months beginning with the day following the date of the last payment which appeared on the statement immediately preceding the relevant statement.
- (3) Where the scheme is a stakeholder pension scheme the prescribed period is the period which is, in accordance with regulation 18(3) of the Stakeholder Pension Schemes Regulations 2000, the statement year in relation to that scheme.
- (4) For the purposes of paragraph (2)(a) the date of the last payment referred to in that paragraph must be no later than—
- (a) 5th April 2003, where paragraph (2)(a)(i) applies; or
 - (b) 12 months after the date the employee joined the scheme, where paragraph (2)(a)(ii) applies.

(5) The prescribed intervals before the end of which the trustees or managers must send the employee the statement referred to in paragraph (1) are those specified in paragraph (6) or (7), as the case may be.

(6) Where the scheme is not a stakeholder pension scheme the prescribed intervals are—

- (a) in the case of the first statement referred to in paragraph (1)—
 - (i) the period beginning with 6th April 2001 and ending with 5th April 2003, where paragraph (2)(a)(i) applies; or
 - (ii) the period of 12 months beginning with the date the employee joined the scheme, where paragraph (2)(a)(ii) applies; and
- (b) in the case of—
 - (i) the second statement, the period of 12 months beginning with the next anniversary of the date the employee joined the scheme following the date the trustees or managers sent the employee the first statement; and
 - (ii) the third or any subsequent statement, the period of 12 months beginning with the anniversary of the date the employee joined the scheme.

(7) Where the scheme is a stakeholder pension scheme the prescribed interval is 3 months after the end of the statement year to which that statement relates.

Revocation

7. Regulation 5A of the Personal Pension Schemes (Disclosure of Information) Regulations 1987(a) (member to be informed when contributions not received) is revoked.

Signed by authority of the Secretary of State for Social Security

30th September 2000

P. Hollis
Parliamentary Under-Secretary of State
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision concerning the monitoring of employers' payments to personal pension schemes under section 111A of the Pension Schemes Act 1993 (c. 48).

Regulation 1 provides for citation, commencement and interpretation.

Regulation 2 sets out the prescribed requirements for the contents of the record of direct payment arrangements.

Regulation 3 specifies the period within which the employer must send a copy of the record of direct payment arrangements to the trustees or managers of the personal pension scheme.

(a) S.I. 1987/1110. Regulation 5A was inserted by S.I. 1995/3067.

Regulation 4 specifies the time limits within which the trustees or managers of the personal pension scheme must give notice to the Occupational Pensions Regulatory Authority and to the employee that any contribution which is payable by the employer under the direct payment arrangements has not been paid and the circumstances in which such notice need not be given.

Regulation 5 specifies the period to be used for the purpose of calculating the due date for the payment by the employer of any contribution paid on behalf of an employee.

Regulation 6 provides for the period which a payment statement sent to an employee by the trustees or managers of a personal pension scheme or a stakeholder pension scheme must cover, and the frequency with which such statements must be sent to the employee.

Regulation 7 revokes regulation 5A of the Personal Pension Schemes (Disclosure of Information) Regulations 1987.

The impact on business of these Regulations was included in the Regulatory Impact Assessment for the Welfare Reform and Pensions Act 1999 (c. 30), by virtue of which, these Regulations are made. A copy of that Assessment has been placed in the libraries of both Houses of Parliament and can be obtained from the Department of Social Security, Regulatory Impact Unit, 3rd Floor, The Adelphi, 1-11 John Adam Street, London WC2N 6HT.

