

Chapter 11

Pensions guidance providers' levy



11.1 Application, purpose and background

Application

11.1.1 **R** This chapter applies to a *designated guidance provider*.

Purpose

11.1.2 **G** This chapter sets out *rules* governing the amounts payable by *designated guidance providers* to the *FCA* to fund the *FCA's* pensions' guidance costs (see **■** FEES 11.1.4G).

Background

11.1.3 **G** The *FCA's* pensions guidance costs are defined in section 333Q(4) (Funding of *FCA's* pensions guidance costs) of the *Act* as the expenses incurred, or expected to be incurred, by the *FCA* in connection with carrying out the functions conferred on it in Part 20A of the *Act* (other than the functions specified in 333R of the *Act*).

11.1.4 **G**

- (1) Section 333Q(1) of the *Act* requires the *FCA* to make *rules* requiring *designated guidance providers*, or any specified class of *designated guidance provider* to pay to the *FCA* specified amounts or amounts calculated in a specified way.
- (2) Section 333Q(3) of the *Act* sets out that such amounts may include a component to cover the expenses of the *FCA* in collecting the payments and to enable the *FCA* to maintain an adequate reserve.



11.2 Pensions guidance providers' levy

Obligation to pay pensions guidance providers' levy

- 11.2.1 **R** A *designated guidance provider* in column (B) of the table in **■ FEES 11 Annex 1R** must pay the *pensions guidance providers' levy* applicable to it in column (C) of that table:
- (1) in full and without deduction; and
 - (2) in accordance with this chapter.

Time of payment

- 11.2.2 **R** A *designated guidance provider* must pay the *pensions guidance providers' levy* applicable to it within 30 days of the date of the invoice to which that sum relates.

Method of payment

- 11.2.3 **G** A *designated guidance provider* should pay its levy by electronic credit transfer and should notify the *FCA* if it intends to pay in another way.

Late payments

- 11.2.4 **R** If a *designated guidance provider* does not pay the total amount of the *pensions guidance providers' levy* applicable to it before the end of the date on which it is due, it must pay:
- (1) an administrative fee of £250; plus
 - (2) interest on any unpaid part of the levy at an annual rate of 5% above the Official Bank Rate from time to time in force, accruing daily from the date on which the amount concerned became due.

Reduction, remission and repayment of levy

- 11.2.5 **G** The *FCA* may reduce or remit all or part of the *pensions guidance providers' levy* applicable to a *designated guidance provider* if it appears to the *FCA* that in the exceptional circumstances of a particular case paying all or part of it would be inequitable.
- 11.2.6 **G** The *FCA* may refund all or part of the *pensions guidance providers' levy* applicable to a *designated guidance provider* if it appears to the *FCA* that in

the exceptional circumstances of a particular case the *FCA* retaining all or part of it would be inequitable.

11.2.7 **G** The *FCA* may not consider a claim to refund a *pensions guidance providers' levy* due to a mistake of fact or law by the *designated guidance provider* if the claim is made more than two years after the beginning of the fee year to which the levy relates.

Recovery of levies

11.2.8 **G**

- (1) The *FCA* may recover the *pensions guidance providers' levy* from a *designated guidance provider* as a debt owed by it to the *FCA* under paragraph 23(8) of Schedule 1ZA of the *Act*.
- (2) The *FCA* will consider taking action for recovery (including interest) through the civil courts.

Revocation of designation as pensions' guidance provider

11.2.9 **G** The *FCA* will not relieve or refund the *pensions guidance providers' levy* paid by a *designated guidance provider* if the Secretary of State revokes that provider's designation under section 333E(3) of the *Act* after the start of that fee year.

Becoming a designated guidance provider

11.2.10 **R** If the Secretary of State designates a *person* as a *designated guidance provider* under section 333E(1)(e) of the *Act* in the course of a *fee year*, the following formula must be used to calculate the *pensions guidance providers' levy* to be paid by that provider for that *fee year*:

- (1) calculate the number of *months* between and including:
 - (i) the *month* in which the *person* became a *designated guidance provider*; and
 - (ii) the last month of the relevant *fee year*;
- (2) divide the number of *months* calculated in (1) by 12; and
- (3) multiply the *pension guidance providers' levy* set out in column (C) of row 5 of the table at FEES 11 Annex 1R by the number calculated in (2).

VAT

11.2.11 **R**

- (1) All *pensions guidance providers' levies* payable under ■ FEES 11 are stated net of value-added tax (VAT).
- (2) Where VAT is applicable, this must also be included.

Pensions guidance providers' levy for the period 1 April 2018 to 31 March 2019

The table below shows the *pensions' guidance providers levy* applicable to the *designated guidance providers* for the *fee year* 1 April 2018 to 31 March 2019.

| (A) Row | (B) Name of designated guidance provider | (C) Pensions guidance providers' levy payable (£) |
|---------|--|---|
| 1 | The Pensions Advisory Service Limited | 11,250 |
| 2 | The National Association of Citizens Advice Bureaux | 11,250 |
| 3 | The Scottish Association of Citizens Advice Bureaux | 11,250 |
| 4 | The Northern Ireland Association of Citizens Advice Bureaux | 11,250 |
| 5 | Any other person designated as a <i>designated guidance provider</i> between 1 April 2018 to 31 March 2019 | 11,250 adjusted in accordance with the formula at FEES 11.2.10R |

