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**Pensions Committee**

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Iain Fenwick  
Department for Work and Pensions  
First Floor, Caxton House  
6-12 Tothill Street  
London  
SW1H 9NA

18 January 2017

Dear Mr Fenwick

**Consultation on the Occupational and Personal Pension Schemes (General Levy) (Amendment) Regulations 2017**

I am writing on behalf of the Pensions Committee of the 100 Group of Finance Directors with regard to the above-named consultation.

**The 100 Group**

The 100 Group of Finance Directors represents the views of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent around 90% of the market capitalisation of the UK FTSE 100 Index, and in 2015 paid, or generated, taxes equivalent to 14% of total UK Government receipts. Our aim is to contribute positively to the development of UK and international policy and practice on matters that affect our businesses, including pensions, taxation, financial reporting, corporate governance and capital market regulation. The 100 Group represents companies sponsoring defined benefit pension schemes with assets of approximately £500bn and membership of 3.6m.

Whilst this letter expresses the views of The 100 Group of Finance Directors as a whole, those views are not necessarily those of our individual members or their respective employers.

**Response**

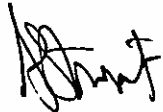
The General Levy tends to be much less significant an expense for pension schemes (and their sponsoring employers) than the Pension Protection Levy. However, we believe that the way in which any levy surplus is shared between levy payers could set a precedent for any future distribution of surplus, arising either from the General Levy or from other levies payable by pension schemes.

We note that the Government's preferred option is to distribute the surplus arising from the General Levy by introducing a new levy band for schemes with more than 500,000 members and passing the surplus only to those schemes. Setting the band at this level would mean that no defined benefit private sector occupational pension scheme in the country would benefit from the elimination of the surplus. If it is felt that there is insufficient differentiation between the larger schemes in the UK in the setting of the levy bands, then the Government should consider introducing bands for schemes with 50,000 plus members and 100,000 plus members, for example, as well 500,000 plus members. However, the Government does not appear to have considered this possibility.

Of the Options under consideration in the consultation paper, we would therefore prefer the Government's Option 2 under which the surplus in the General Levy would be eliminated by reducing the levy rates for all levy payers, thereby following the principle that any levy overpayment should be distributed proportionately to everyone who has contributed.

We hope that you find these comments useful. Please do not hesitate to contact me if you would like to discuss any of the points raised.

Yours sincerely,



**Alan Stewart**  
*Chairman*  
*The 100 Group Pensions Committee*