This Statutory Instrument is defective and is superseded by S.I. 2023/117.

STATUTORY INSTRUMENTS

2023 No. 116

PENSIONS

The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2023

Made - - - -	*30th January 2023*
Laid before Parliament	*6th February 2023*
Coming into force in accordance with article 1(2) to (4)	

The Secretary of State for Work and Pensions, in exercise of the powers conferred by sections 178(1) and (6) and 315(2) and (5) of the Pensions Act 2004(**1**), makes the following Order.

In accordance with section 178(5) of that Act, the Secretary of State has reviewed the general level of earnings obtaining in Great Britain during the period of 12 months ending with 31st July 2022. It appears to the Secretary of State that the general level of earnings has increased by X% during that period.

Citation, commencement and extent

1.—(1) This Order may be cited as the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2023.

(2) This article and articles 2 and 3 come into force on 14th March 2023.

(3) Article 4 comes into force on 31st March 2023.

(4) Article 5 comes into force on 1st April 2023.

(5) This Order extends to England and Wales Scotland.

Interpretation

2. In this Order, "the Act" means the Pensions Act 2004.

(**1**) 2004 c. 35.

The earnings percentage

3. For the purposes of section 178(3)(a) of the Act (the levy ceiling), the percentage by which it appears to the Secretary of State that the general level of earnings has increased during the review period(**2**) is X%.

The levy ceiling

4. For the purposes of section 177 of the Act (amounts to be raised by the pension protection levies), the levy ceiling for the financial year beginning on 1st April 2023 is £X.

Revocation

5. The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2022 is revoked(**3**).

Signed by authority of the Secretary of State for Work and Pensions

Laura Trott
Parliamentary Under Secretary of State
Department for Work and Pensions

30th January 2023

(**2**) See section 178(4) of the Pensions Act 2004 and regulation 3 of S.I. 2006/2692 which together provide that the review period is the period of 12 months ending with the 31st July in the previous financial year.
(**3**) S.I. 2022/88.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies the earnings percentage used to calculate the levy ceiling (article 3) and the amount of the levy ceiling (article 4) for use in relation to the Pension Protection Fund in the financial year beginning on 1st April 2023.

The Board of the Pension Protection Fund ("the Board") is established by section 107 of the Pensions Act 2004 (c. 35) ("the Act") to provide compensation for members of certain occupational pension schemes which are under-funded at a certain level and whose sponsoring employer has become insolvent.

Section 175 of the Act requires that the Board must impose pension protection levies for each financial year. Section 177(2) of the Act provides that the amount of the levies for a financial year must not exceed the levy ceiling for that financial year. The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2022 (S.I. 2022/88) ("the 2022 Order") specified that the levy ceiling for the financial year beginning on 1st April 2022 was £1,178,605,581. Section 178(3)(a) of the Act provides that the levy ceiling must increase in line with any increase in the general level of earnings obtaining in Great Britain.

Article 3 of this Order specifies that the increase in the general level of earnings for the period from 1st August 2021 to 31st July 2022 is X%. Accordingly, article 4 of this Order specifies that the levy ceiling for the financial year beginning on 1st April 2023 is £X.

Article 5 of this Order revokes the 2022 Order.

This Order amends an existing regulatory regime and the associated administrative costs or savings for the private sector and civil society organisations are negligible. A full impact assessment is not necessary for such an Order.