

2024 No. 101

PENSIONS

**The Pension Protection Fund and Occupational Pension Schemes
(Levy Ceiling) Order 2024**

Made - - - - - *30th January 2024*
Laid before Parliament *1st February 2024*
Coming into force in accordance with article 1(2) to (4)

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

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 2023, and it appears to the Secretary of State that the general level of earnings has increased 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 2024.
- (2) This article and articles 2 and 3 come into force on 14th March 2024.
- (3) Article 4 comes into force on 31st March 2024.
- (4) Article 5 comes into force on 1st April 2024.
- (5) This Order extends to England and Wales and Scotland.

Interpretation

- 2.** In this Order, “the Act” means the Pensions Act 2004.

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(b) is 8.2%.

(a) 2004 c. 35.

(b) In accordance with section 178(4) of the Pensions Act 2004 and regulation 3 of S.I. 2006/2692, the review period is the period from 1st August 2022 to 31st July 2023.

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 2024 is £1,349,215,811.

Revocation

5. The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) (No. 2) Order 2023(a) is revoked.

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

30th January 2024

Paul Maynard
Parliamentary Under Secretary of State
Department for Work and Pensions

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 2024.

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 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) (No. 2) Order 2023 (S.I. 2023/117) specified that the levy ceiling for the financial year beginning on 1st April 2023 was £1,246,964,705. 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 2022 to 31st July 2023 is 8.2%. Accordingly, article 4 of this Order specifies that the levy ceiling for the financial year beginning on 1st April 2024 is £1,349,215,811.

Article 5 of this Order revokes the previous Order.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

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