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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order specifies, for the purposes of section 177 of the Pensions Act 2004 (c.35) (“the Act”), the levy ceiling for the financial year beginning on 1st April 2008.

Section 175 of the Act provides that the Board of the Pension Protection Fund must impose pension protection levies for each financial year falling after the initial period (as defined by section 174 of the Act). Section 177 of the Act provides for the amount to be raised by the pension protection levies. By virtue of section 177(2) of the Act, the amount of the levies for a financial year must not exceed the levy ceiling for that financial year.

The Occupational Pension Schemes (Levy Ceiling) Order 2007 (S.I. 2007/1012) (“the 2007/2008 Order”) specifies that the levy ceiling for the financial year beginning on 1st April 2007 is £804,450,000. 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. The Occupational Pension Schemes (Levy Ceiling - Earnings Percentage Increase) Order 2008 (S.I. 2008/217) specifies that the increase in the general level of earnings for the period of 12 months ending with 31st July 2007 is 3.6 per cent. Accordingly, article 2 of this Order specifies that the levy ceiling for the financial year beginning on 1st April 2008 is £833,410,200.

Article 3 revokes the 2007/2008 Order.

This Order amends an existing regulatory regime by a pre-determined formula and has only a negligible impact on business, charities and the voluntary sector. A full Impact Assessment is not necessary for such an Order.