

2021 No. 93

PENSIONS

**The Pension Protection Fund and Occupational Pension
Schemes (Levy Ceiling) Order 2021**

Made - - - - - *27th January 2021*

Laid before Parliament *1st February 2021*

Coming into force in accordance with article 1(2) and (3)

The Secretary of State for Work and Pensions makes the following Order in exercise of the powers conferred by sections 178(1) and (3)(b) 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 2020. It appears to the Secretary of State that the general level of earnings has decreased during that period.

Citation and commencement

1.—(1) This Order may be cited as the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2021.

(2) This article and article 2 come into force on 31st March 2021.

(3) Article 3 comes into force on 1st April 2021.

The levy ceiling

2. For the purposes of section 177 of the Pensions Act 2004 (amounts to be raised by the pension protection levies), the levy ceiling for the financial year beginning on 1st April 2021 is £1,099,445,505.

Revocation

3. Articles 2 and 3 of the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling and Compensation Cap) Order 2020(b) are revoked.

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

27th January 2021

Stedman-Scott
Parliamentary Under Secretary of State
Department for Work and Pensions

(a) 2004 c. 35.
(b) S.I. 2020/101.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies the amount of the levy ceiling (article 2) for use in relation to the Pension Protection Fund in the financial year beginning on 1st April 2021.

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) provides that the amount of the levies for a financial year must not exceed the levy ceiling for that financial year.

Section 178(5) of the Act requires the Secretary of State to review the general level of earnings obtaining in Great Britain during the review period (as defined in section 178(4)) for the purpose of specifying the levy ceiling under section 178). The review period for the purposes of this Order is the period of 12 months ending with 31st July 2020; the review period for the previous financial year ended with 31st July 2019 (*see* the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling and Compensation Cap) Order 2020 (S.I. 2020/101) (“the 2020 Order”). It appears to the Secretary of State that the general level of earnings obtaining in Great Britain has decreased in the review period.

Section 178(3)(b) has the effect that where it appears to the Secretary of State that the general level of earnings obtaining in Great Britain has not increased in the review period, the amount which is to be the levy ceiling for the financial year is the amount specified in an order made under section 178(1) of the Act for the previous financial year. The 2020 Order specified that the levy ceiling for the previous financial year beginning on 1st April 2020 was £1,099,445,505. Accordingly, article 2 specifies that the levy ceiling for the financial year beginning on 1st April 2021 remains at £1,099,445,505.

Article 3 revokes articles 2 and 3 of the 2020 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.

© Crown copyright 2021

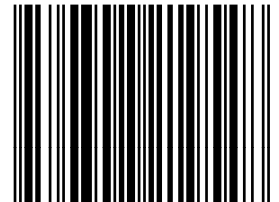
Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty’s Stationery Office and Queen’s Printer of Acts of Parliament.

£4.90

UK202101281006 02/2021 19585

<http://www.legislation.gov.uk/id/uksi/2021/93>

ISBN 978-0-34-821954-8



9 780348 219548