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*Status: This version of this Instrument contains provisions that are prospective.*  
*Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) (No. 2) Order 2023. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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*This Statutory Instrument has been made in consequence of defects in S.I. 2023/116 and is being issued free of charge to all known recipients of that Statutory Instrument.*

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## STATUTORY INSTRUMENTS

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**2023 No. 117**

### **PENSIONS**

#### **The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) (No. 2) Order 2023**

*Made* - - - - *at 3.08 p.m. on 6th*  
*February 2023*  
*Laid before Parliament* *at 5.15 p.m. on 6th*  
*February 2023*  
*Coming into force in accordance with article 1(2) to (5)*

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<sup>(1)</sup>, 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 5.8% during that period.

PROSPECTIVE

#### **Citation, commencement and extent**

**1.**—(1) This Order may be cited as the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) (No. 2) Order 2023.

- (2) 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 article and article 6 come into force on 13th March 2023.
- (6) This Order extends to England and Wales and Scotland.

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(1) 2004 c. 35.

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### Commencement Information

**I1** Art. 1 in force at 13.3.2023, see [art. 1\(5\)](#)

### Interpretation

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

### Commencement Information

**I2** Art. 2 in force at 14.3.2023, see [art. 1\(2\)](#)

### 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<sup>(2)</sup> is 5.8%.

### Commencement Information

**I3** Art. 3 in force at 14.3.2023, see [art. 1\(2\)](#)

### 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 £1,246,964,705.

### Commencement Information

**I4** Art. 4 in force at 31.3.2023, see [art. 1\(3\)](#)

### Revocations

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

**6.** The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2023 is revoked<sup>(4)</sup>.

### Commencement Information

**I5** Art. 5 in force at 1.4.2023, see [art. 1\(4\)](#)

**I6** Art. 6 in force at 13.3.2023, see [art. 1\(5\)](#)

<sup>(2)</sup> See 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 2021 to 31st July 2022.

<sup>(3)</sup> [S.I. 2022/88](#).

<sup>(4)</sup> [S.I. 2023/116](#), which is defective.

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

At 3.08 p.m. on 6th February 2023

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

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PROSPECTIVE

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## 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 5.8%. Accordingly, article 4 of this Order specifies that the levy ceiling for the financial year beginning on 1st April 2023 is £1,246,964,705.

Article 5 of this Order revokes the 2022 Order.

Article 6 of this Order revokes the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2023 (S.I. 2023/116) which contained errors.

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.

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**Changes and effects yet to be applied to :**

- art. 1 coming into force by [S.I. 2023/117 art. 1\(5\)](#)
- art. 2 coming into force by [S.I. 2023/117 art. 1\(2\)](#)
- art. 3 coming into force by [S.I. 2023/117 art. 1\(2\)](#)
- art. 4 coming into force by [S.I. 2023/117 art. 1\(3\)](#)
- art. 5 coming into force by [S.I. 2023/117 art. 1\(4\)](#)
- art. 6 coming into force by [S.I. 2023/117 art. 1\(5\)](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

- Order revoked by [S.I. 2024/101 art. 5](#)