STATUTORY INSTRUMENTS

2025 No. 103

PENSIONS

The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2025

Made - - - -	*30th January 2025*
Laid before Parliament	*3rd February 2025*
Coming into force in accordance with article 1(2) to (4)	

The Secretary of State makes this 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 2024, 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 2025.

(2) This article and articles 2 and 3 come into force on 14th March 2025.

(3) Article 4 comes into force on 31st March 2025.

(4) Article 5 comes into force on 1st April 2025.

(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 4%.

(**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 2023 to 31st July 2024.

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 2025 is £1,403,184,443.44.

Revocation

5. The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2024(**a**) is revoked.

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

Torsten Bell
Parliamentary Under Secretary of State
Department for Work and Pensions

30th January 2025

(**a**) S.I. 2024/101.

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 2025.

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) Order 2024 (S.I. 2024/101) ("the 2024 Order") specified that the levy ceiling for the financial year beginning on 1st April 2024 was £1,349,215,811. 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 during the review period.

Article 3 of this Order specifies that the increase in the general level of earnings for the period from 1st August 2023 to 31st July 2024 is 4%. Accordingly, article 4 of this Order specifies that the levy ceiling for the financial year beginning on 1st April 2025 is £1,403,184,443.44.

Article 5 of this Order revokes the 2024 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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