



Pension Protection Fund - Changes to the Levy for the Financial Year 2025/26

A quick refresh

In January 2025, the Pension Protection Fund (PPF) published their Levy rules for 2025/26, in which it was estimated that a levy of £45m would be collected (a 50% reduction on the levy in 2024/25).

However, the PPF also signalled moving to charge no conventional levy for the 2025/26 year. It advised it would publish mean scores as normal, but would put invoicing on hold whilst monitoring the progress of the Pension Schemes Bill before making a final decision on the 2025/26 levy.

No conventional levy for 2025/26

In September 2025 the PPF confirmed that no conventional levy will be charged for the 2025/26 year for the following reasons:

- **Funding position of the PPF**

The funding position of the PPF has improved over the years and it is currently in a strong financial position. Therefore, the PPF is less reliant on collecting levies than it used to be and is in a position to be able to reduce the amount it collects and still be able to protect members' benefits should a scheme get into financial difficulties.

- **Progress of the Pensions Schemes Bill**

The Pension Schemes Bill, include provisions to remove the levy cap restrictions that prevented the PPF from reducing the annual PPF levy it collects when a levy is not required, and also enables the levy to be reduced to nil one year, but then collected the following year.

This gives the PPF more flexibility in setting the levy in the future.

Consultation for the levy 2026/27

The PPF is now consulting on its plans for the 2026/27 levy, proposing to maintain a zero levy for conventional schemes, pending the final passage of the Pension Schemes Bill. On 17 November 2025 it announced that if there was enough certainty that the Bill would become law, it would confirm a zero charge for 2026/27. If not, it will use last year's estimate and rules as a fall back.



This approach would still allow the levy to be recalculated to zero at a later date, if the legislation progresses.

We will keep you updated on the outcome.

If you would like to discuss this matter further, please get in touch with your usual contact at Cartwright.

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