

**From: The DALO**

**Level 9  
Causeway Exchange  
1-7 Bedford Street  
Belfast  
BT2 7EG**

Telephone: 028 9082 2114  
Mobile: 078 1268 2767  
e-mail: [assembly.section@communities-ni.gov.uk](mailto:assembly.section@communities-ni.gov.uk)  
Our ref: SUB 0140-2026  
Date: 18 February 2026

Ms Emer Boyle  
Communities Committee Clerk  
Room 430  
Parliament Buildings  
Ballymiscaw  
Stormont  
Belfast  
BT4 3XX

Dear Emer,

## **THE PENSION PROTECTION FUND AND OCCUPATIONAL PENSION SCHEMES (LEVY CEILING) ORDER (NORTHERN IRELAND) 2026**

The Department for Communities proposes to make a Statutory Rule under powers conferred by the Pensions (Northern Ireland) Order 2005. The Statutory Rule is subject to the negative resolution procedure before the Assembly.

### **Purpose of the Statutory Rule**

The Statutory Rule specifies the Pension Protection Fund levy ceiling for the financial year beginning on 1 April 2026.

The Pensions Act 2004 set up the Pension Protection Fund, on a UK-wide basis, to provide compensation for members of eligible occupational pension schemes, where the sponsoring employer is insolvent and the scheme has insufficient assets to pay benefits at Fund compensation levels. The compensation is funded through annual pension protection levies imposed by the Fund and charged to all qualifying defined benefit occupational pension

schemes. The levy ceiling is a control mechanism which ensures the amount raised through the pension protection levies by the Fund does not exceed a prescribed maximum.

Whenever the Secretary of State for Work and Pensions makes a levy ceiling Order under the Pensions Act 2004, the Department is empowered to make a corresponding Order. The Department has no power to set different amounts for Northern Ireland.

The Order sets the amount of the levy ceiling for the 2026-2027 year at £1,473,343,665.61.

Enacting this Order will ensure that parity with GB is maintained on pensions policy and legislation.

### **Previous engagement with the committee**

The statutory rule is a technical Routine Order that is renewed each year so that it remains in line with the corresponding legislation from Great Britain. Therefore, there has been no previous engagement with the Committee regarding the 2026 Order.

### **Financial Implications**

None for the Department.

### **Consultation**

There is no requirement to consult on the proposed Rule.

### **Compliance with Section 24 of the Northern Ireland Act 1998**

The Department is content that the Rule complies with section 24 of the Northern Ireland Act 1998 (Convention rights, etc.) and is compatible with Article 2(1) of the Windsor Framework.

### **Consideration by the Executive**

The Statutory Rule has not been sent for consideration by the Executive as it is a technical Routine Order.

### **Equality Impact**

In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on these legislative proposals and, as they merely discharge the Department's statutory duty to increase the amount of the levy ceiling, has concluded that they do not have significant implications for equality of opportunity. In light of this, the Department considers that an Equality Impact Assessment is not necessary.

### **Regulatory Impact**

The proposed Rule does not require a Regulatory Impact Assessment as it relates to an existing regulatory regime pre-determined formula and has only a negligible impact on costs for business, charities or voluntary bodies.

### **Rural Needs Impact**

A Rural Needs Impact Screening has been undertaken for this Statutory Rule, and the Department is satisfied that the Rule will not have undue impact on rural communities. No negative impacts have been identified, and no mitigation measures are necessary.

### **Data Protection Impact**

A Data Protection Impact Assessment has been undertaken for this Statutory Rule, and the Department is satisfied that there are no causes for concern with regards to the protection of the Department or the public's data. No mitigation measures are necessary.

### **Child Rights Impact**

A Child Rights Impact Assessment has not been deemed necessary for this Statutory Rule as the Rule simply discharges the Department's statutory duty to revalue earnings factors. Therefore, the rule will only affect those of working age and retirement age.

### **Position in Great Britain**

The corresponding GB Statutory Instrument, the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2026, was laid on 2 February 2026 and will come into force on dates from 14 March 2026. The provision being replicated in NI, the updated levy

ceiling, comes into force on 31 March. In line with section 87 of the Northern Ireland Act 1998, the NI Order should maintain parity of substance and timing with the DWP Order.

### **Proposed timing of consideration of the SL1**

This SL1 covers a parity pensions Order. Although pensions are a devolved matter, in general Northern Ireland's pensions policy and legislation operate in line with corresponding pension provision in GB. In effect there is a single pension system and regulatory regime across the UK.

The NI Order was cleared by Departmental Solicitor's Office on 6 February. In order to comply with the 21-day rule and maintain parity, clearance by the Committee is required by the meeting on 5 March.

In light of these circumstances the Minister has made the following statement:

***"I am satisfied that ensuring the orderly making of this parity pensions legislation in line with DWP timeframes gives rise to exceptional circumstances which require deviation from the normal timeframes set out in the Guidance for Departments on Delegated Legislation (SL1 Pre-Introductory Stage) (November 2025).***

***I would be grateful if the Committee would agree to approve the SL1 in the requested shortened timeframe in light of these exceptional circumstances. It is my intention to make the Order to align as closely as possible with the DWP operational date for their corresponding Order".***

### **Proposed operational date**

It is proposed that the Rule will come into operation on 31 March 2026.

When the Rule together with the Explanatory Memorandum has been laid at the Assembly Business Office, the Business Office will submit copies to the Committee. A copy of the current draft Order and Explanatory Memorandum is included.

You will wish to bring this matter to the attention of the Communities Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Laura Coffey', with a long horizontal flourish extending to the right.

**Laura Coffey**

Departmental Assembly Liaison Officer

Private Office

cc NI Human Rights Commission  
Equality Commission for Northern Ireland

## **SL1 – SUMMARY**

### **THE PENSION PROTECTION FUND AND OCCUPATIONAL PENSION SCHEMES (LEVY CEILING) ORDER (NORTHERN IRELAND) 2026**

- The Statutory Rule specifies the Pension Protection Fund levy ceiling for the financial year beginning on 1 April 2026.
- The levy ceiling is a control mechanism which ensures the amount raised through the pension protection levies by the Fund does not exceed a prescribed maximum.
- The Rule sets the amount of the levy ceiling for the 2026-2027 year at £1,473,343,665.61.
- The amount is the same as in Great Britain. The Department has no power to set a different amount for Northern Ireland.

**2026 No. 00**

**PENSIONS**

**The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order (Northern Ireland) 2026**

*Made* - - - - *[XXth March 2026]*

*Coming into operation* *[31st March 2026]*

This Order is made in exercise of the powers conferred by Articles 161 and 287 of the Pensions (Northern Ireland) Order 2005<sup>(1)</sup>.

The Secretary of State for Work and Pensions has made an Order<sup>(2)</sup> under section 178 of the Pensions Act 2004<sup>(3)</sup>.

Accordingly the Department for Communities<sup>(4)</sup> makes the following Order:

**Citation and commencement**

1. This Order may be cited as the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order (Northern Ireland) 2026 and shall come into operation on 31st March 2026.

**The levy ceiling**

2. For the purposes of Article 160 of the Pensions (Northern Ireland) Order 2005 (amounts to be raised by the pension protection levies), the levy ceiling for the financial year beginning on 1st April 2026 is £1,473,343,665.61.

**Revocation**

3. The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order (Northern Ireland) 2025<sup>(5)</sup> is revoked.

Sealed with the Official Seal of the Department for Communities on [\*\*\* 2026]

(L.S.)

---

(1) S.I. 2005/255 (N.I. 1)

(2) S.I. 2026/83

(3) 2004 c. 35

(4) See section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5 (N.I.))

(5) S.R. 2025 No. 38

A senior officer of the Department for Communities

**EXPLANATORY NOTE**

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

This Order, which corresponds to provisions of an Order (S.I. 2026/83) made by the Secretary of State for Work and Pensions under section 178 of the Pensions Act 2004, specifies, for the purposes of Article 160 of the Pensions (Northern Ireland) Order 2005 (“the 2005 Order”), the levy ceiling for the financial year beginning on 1st April 2026.

Article 158 of the 2005 Order 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 Article 157 of the 2005 Order). Article 160 of the 2005 Order provides for the amount to be raised by the pension protection levies, subject to an annual ceiling.

Article 2 of this Order specifies that the levy ceiling for the financial year beginning on 1st April 2026 is £1,473,343,665.61.

Article 3 makes a revocation.

**EXPLANATORY MEMORANDUM TO**  
**THE PENSION PROTECTION FUND AND OCCUPATIONAL PENSION SCHEMES (LEVY**  
**CEILING) ORDER (NORTHERN IRELAND) 2026**

**S.R. 2026 No. [XXX]**

**1. Introduction**

- 1.1 This Explanatory Memorandum has been prepared by the Department for Communities to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under Articles 161 and 287 of the Pensions (Northern Ireland) Order 2005 and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1 This Order specifies the Pension Protection Fund levy ceiling for the financial year beginning on 1st April 2026.

**3. Background**

- 3.1 The Pensions Act 2004 set up the Pension Protection Fund, on a UK-wide basis, to provide compensation for members of eligible occupational pension schemes, where the sponsoring employer is insolvent and the scheme has insufficient assets to pay benefits at Fund compensation levels. The compensation is funded through annual pension protection levies imposed by the Fund and charged to all qualifying defined benefit occupational pension schemes. The levy ceiling is a control mechanism which ensures the amount raised through the pension protection levies by the Fund does not exceed a prescribed maximum.
- 3.2 Whenever the Secretary of State for Work and Pensions makes a levy ceiling order under the Pensions Act 2004, the Department is empowered to make a corresponding order. The Department has no power to set different amounts for Northern Ireland.
- 3.3 This Order sets the amount of the levy ceiling for the 2026-2027 financial year at £1,473,343,665.61.

**4. Consultation**

- 4.1 There is no requirement to consult on this Order.

**5. Equality Impact**

- 5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on the legislative proposals for this Order and, as they merely discharge the Department's statutory duty to increase the amount of the levy ceiling, has concluded that they do not have significant implications for equality of opportunity. In light of this, the Department considers that an Equality Impact Assessment is not necessary.

## **6. Regulatory Impact**

- 6.1 This Order does not require a Regulatory Impact Assessment as it relates to an existing regulatory regime by a pre-determined formula and has only a negligible impact on costs for business, charities or voluntary bodies.

## **7. Financial Implications**

- 7.1 None for the Department.

## **8. Section 24 of the Northern Ireland Act 1998**

- 8.1 The Department is content that this Order complies with section 24 of the Northern Ireland Act 1998 (Convention rights, etc.).

## **9. EU Implications**

- 9.1 Not applicable.

## **10. Parity or Replicatory Measure**

- 10.1 The corresponding Great Britain Order is the Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2026 (S.I. 2026/83) which comes into force from 14 March 2026. Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions in line with section 87 of the Northern Ireland Act 1998.