

PPF levy 2026/27: Zero levy proposed again for DB schemes



What you need to know

- The Pension Protection Fund (PPF) is consulting on its proposal to not charge a conventional levy again for almost all schemes in 2026/27, following the zero levy for all schemes in 2025/26.
- A risk-based levy is still proposed for Alternative Covenant Schemes, for example superfunds, as the PPF considers these arrangements to pose different risks.
- All eligible defined benefit schemes will still need to complete a Section 179 valuation in line with legislative timings and requirements. They will also need to complete a 2026 scheme return with the usual data including Tiered asset information. The PPF has hinted that it may lighten the requirements for 2026 via adjustments to the helptext and will look into the longer-term requirements for future years.
- If the PPF does not have full confidence in the progress of the Pension Schemes Bill prior to 31 March 2026 it may revert to charging a levy and would re-use the 2025/26 levy rules. There is a heavy implication within the consultation that a zero levy would still be set even in those circumstances.
- No invoices will be issued in the event of a zero levy.
- From January 2027, the government will introduce CPI-linked increases (capped at 2.5% annually) on pre-1997 PPF and Financial Assistance Scheme pension accruals where schemes originally provided this benefit.
- The government has confirmed that it will abolish the PPF administration levy (a different levy collected by The Pensions Regulator on behalf of the Department for Work and Pensions) as part of the upcoming Pension Schemes Bill.



Actions you can take

- Work with your advisors to submit the 2026 scheme return as usual
- Keep your eyes peeled for confirmation on the zero levy, expected Q1 2026
- Keep track on the Pension Schemes Bill progress, with Royal Assent expected spring 2026
- Have your say! We will be responding to the PPF consultation so if you would like to share your thoughts for inclusion do let us know. The consultation closes at 5pm on Monday 5 January 2026.

Key dates

5pm, 5 January 2026 - consultation closes

31 March 2026 - scheme return completion

Spring 2026 - Pension Schemes Bill expected to get Royal Assent

Find out more

For further information, please get in touch with **Rebecca White** or speak to your usual XPS Group contact.



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