

09

PPF levy 2021/22

This chapter contains information on how much PPF levy was invoiced and how this was distributed between schemes and by employers.

9.1 Summary

Since 2006/07, the PPF has collected a total of £9.1 billion through levies, determined mainly by the risk schemes pose to the PPF. This and other key statistics from this chapter are summarised in the following table:

Asset allocation year	2021/22 ¹	2020/21
Total levy since 2006/07	£9.1bn	£8.6bn
Total levy in year	£476m	£630m
Proportion of total scheme assets	0.03%	0.04%
Number of schemes which contributed to this	5,220	5,331
Amount and proportion of total levy contributed by the top 100 levy payers (by size of levy)	£277m 58%	£347m 55%
Proportion of schemes which paid no risk-based levy	34%	28%
Number of schemes with a capped risk-based levy	173	160
Proportion of total number of schemes	3.3%	3.0%
PPF levy band whose schemes made the largest contribution in the year	3	5
Levy contribution made by these schemes	£95m	£96m
Proportion of total levy contribution	20%	15%
Proportion of total liabilities accounted for by schemes in this category	17%	11%
Proportion of levy being paid by the three top scorecards (as measured by levy paid)	84%	82%

1 Year from 1 April 2021 to 31 March 2022.
Note: the percentages may not match those calculated using financial amounts in the table because of rounding.

Assets and liabilities, and therefore funding ratios, in this chapter are on a smoothed, stressed basis unless otherwise stated and exclude Deficit-Reduction Contributions (DRCs). For more information on these and other terms and definitions used in this chapter, see the 2021/22 Levy Determination, and its associated appendices, available on our website.

9.2 Total levy by year

In this section we compare total levy by levy year, from levy year 2012/13 to 2021/22. We look at the distribution across schemes broken down by levy band, considering the risk-based levy and scheme-based levy separately.

Figure 9.1 | Total levy



Source: PPF
Notes:
a) The figures quoted in this chapter are based on the total levy for the dataset of 5,220 schemes in 2021/22, or from prior years' *Purple Books*.
b) Total levy as a percentage of levy-paying schemes' total assets.
c) Refers to schemes to which the risk-based levy cap applied.

PPF levy 2021/22 continued

Figure 9.2 | Distribution of levy by largest levy payers in 2021/22

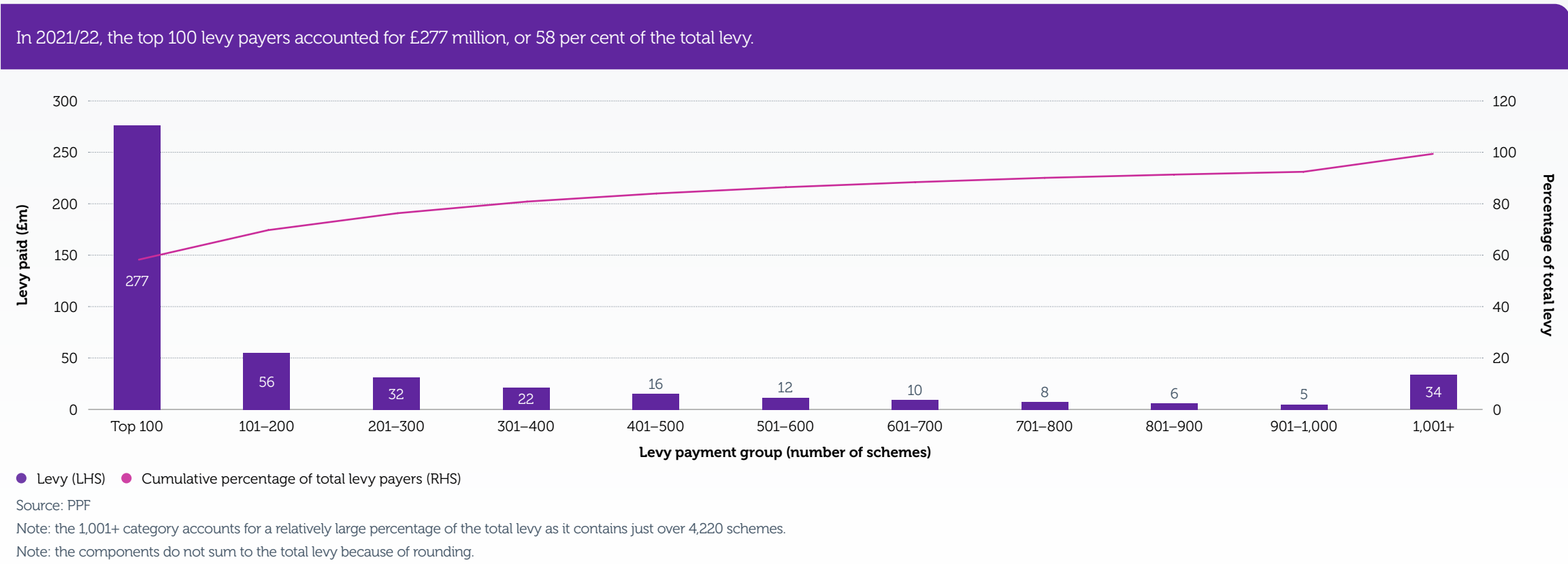


Figure 9.3 | Schemes with no risk-based levy by levy year

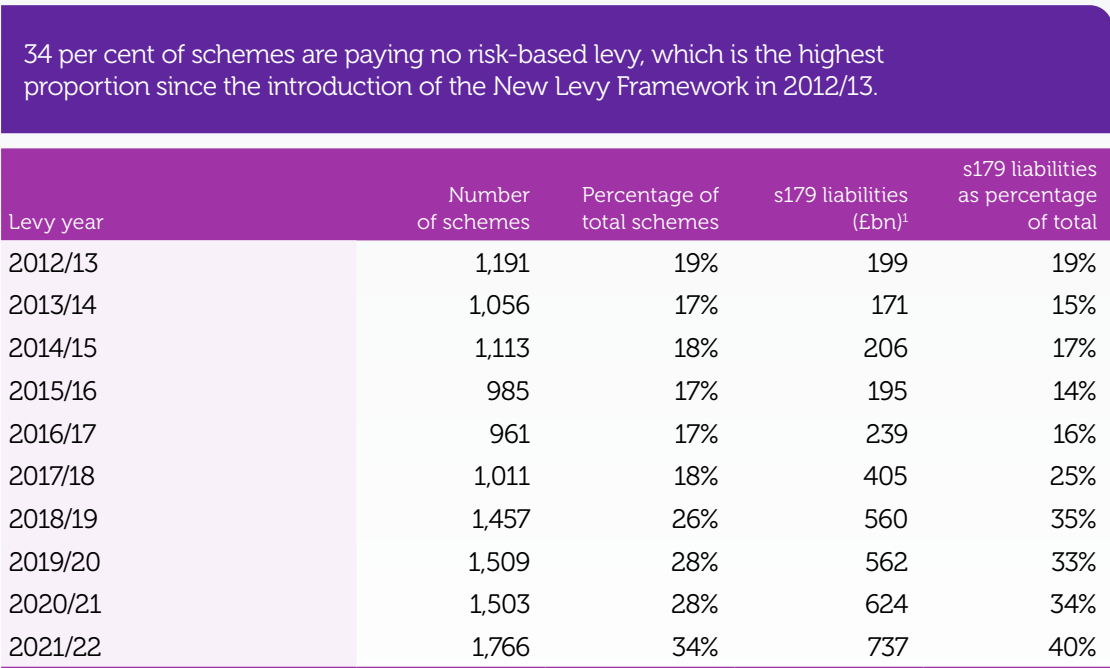


Figure 9.4 | Number of schemes with capped risk-based levies by levy band

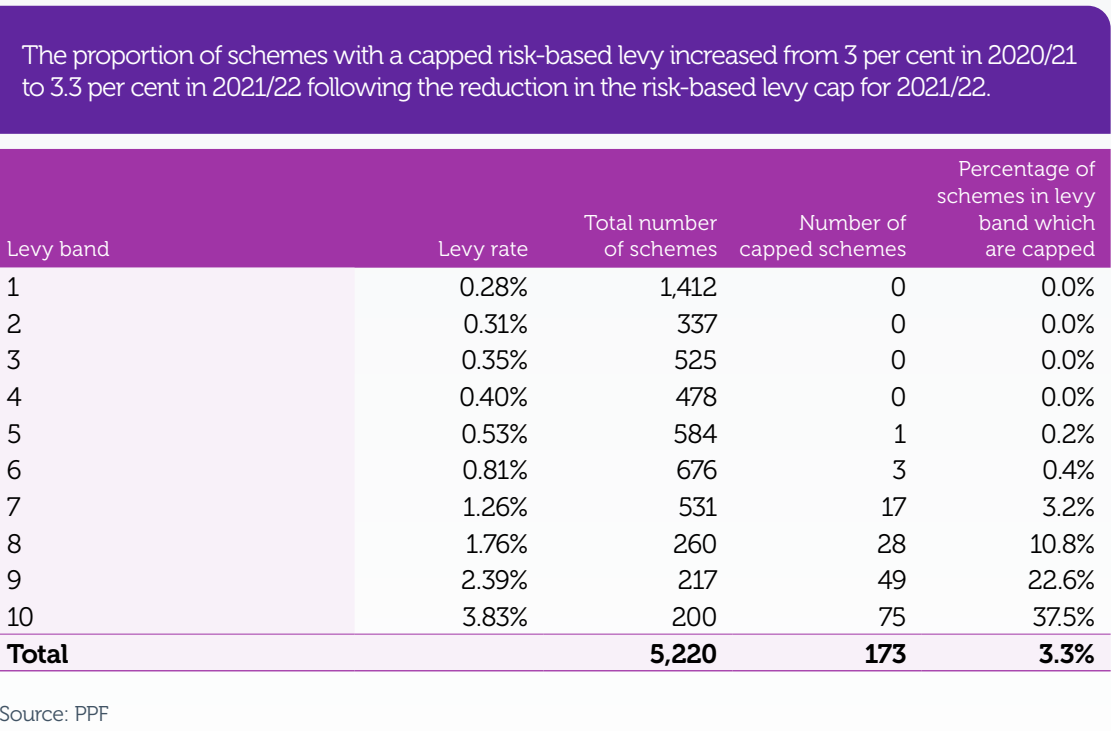
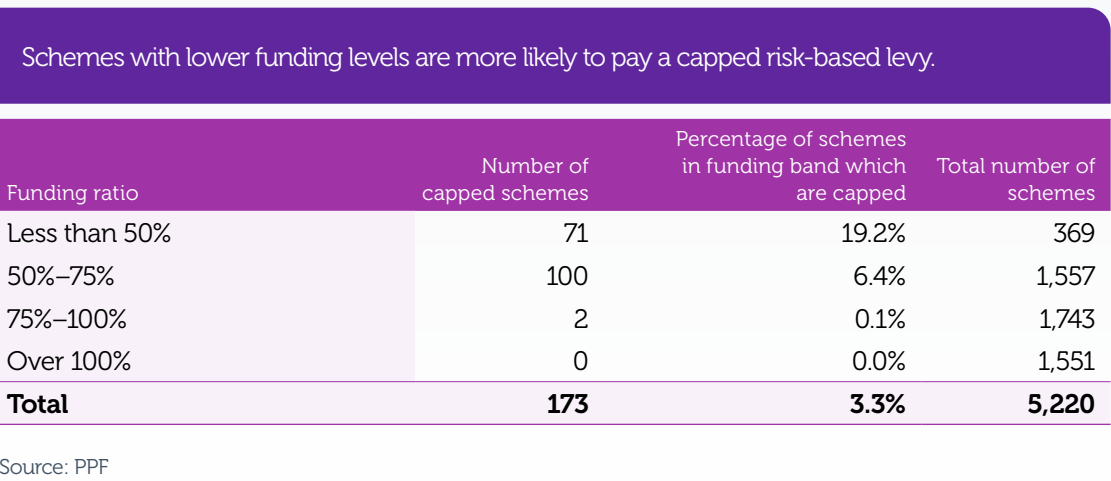


Figure 9.5 | Number of schemes with capped risk-based levies by funding ratio (on a stressed and smoothed basis)



Introduction

Overview

Executive summary

The data

Scheme demographics

Scheme funding

Funding sensitivities

Insolvency risk

Asset allocation

Risk reduction

PPF levy 2021/22

Claims and schemes in assessment

PPF compensation 2021/22

PPF risk developments

Appendix

Glossary

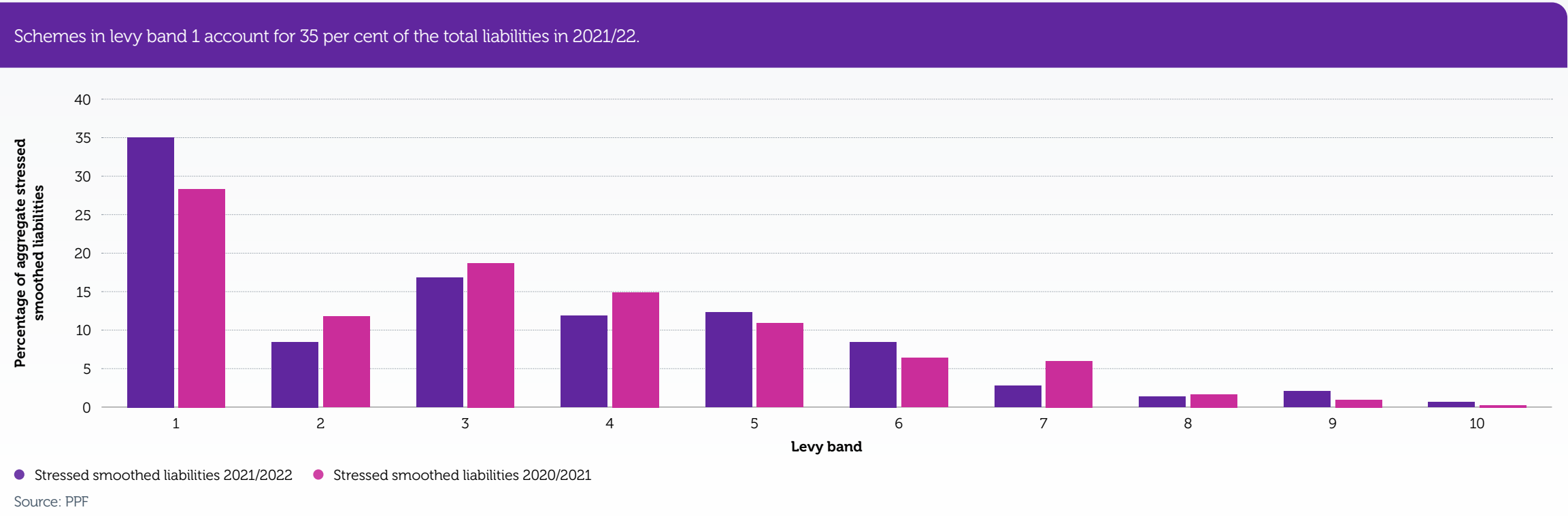
Charts and tables

PPF levy 2021/22 continued

Figure 9.6 | Levy distribution by levy band



Figure 9.7 | s179 aggregate stressed smoothed liabilities by levy band



Introduction
Overview
Executive summary
The data
Scheme demographics
Scheme funding
Funding sensitivities
Insolvency risk
Asset allocation
Risk reduction
PPF levy 2021/22
Claims and schemes in assessment
PPF compensation 2021/22
PPF risk developments
Appendix
Glossary
Charts and tables

PPF levy 2021/22 continued

Figure 9.8 | Levy as a proportion of assets by levy band

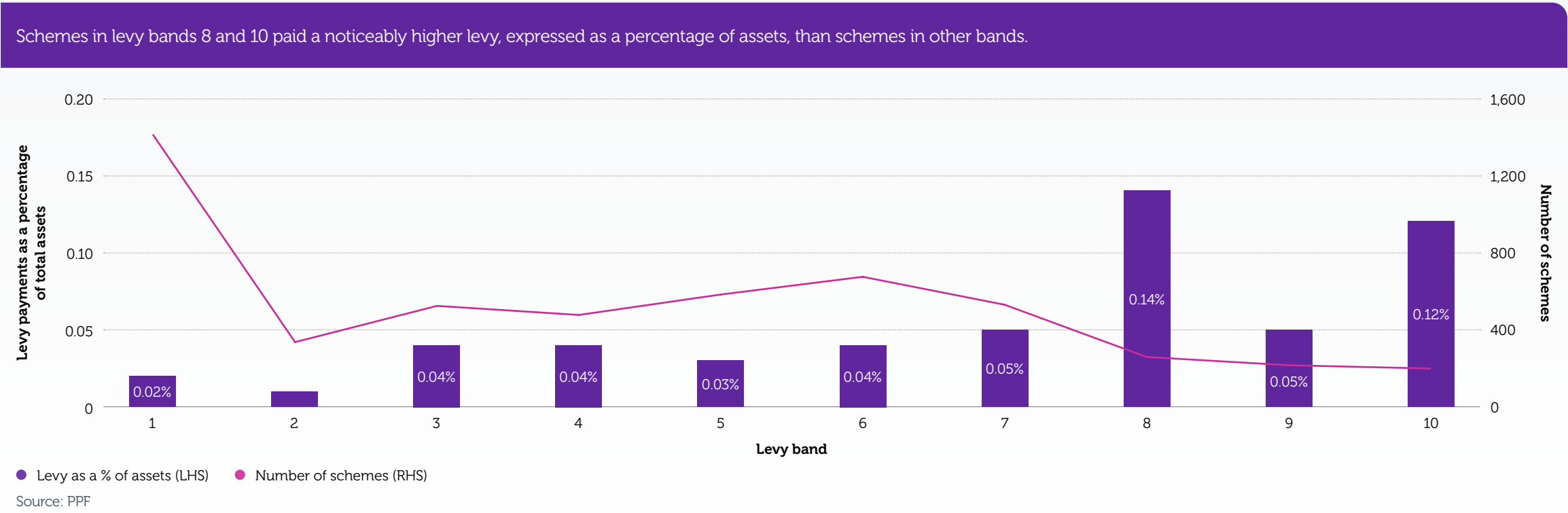


Figure 9.9 | Percentage of total levy that is scheme-based¹ by levy band

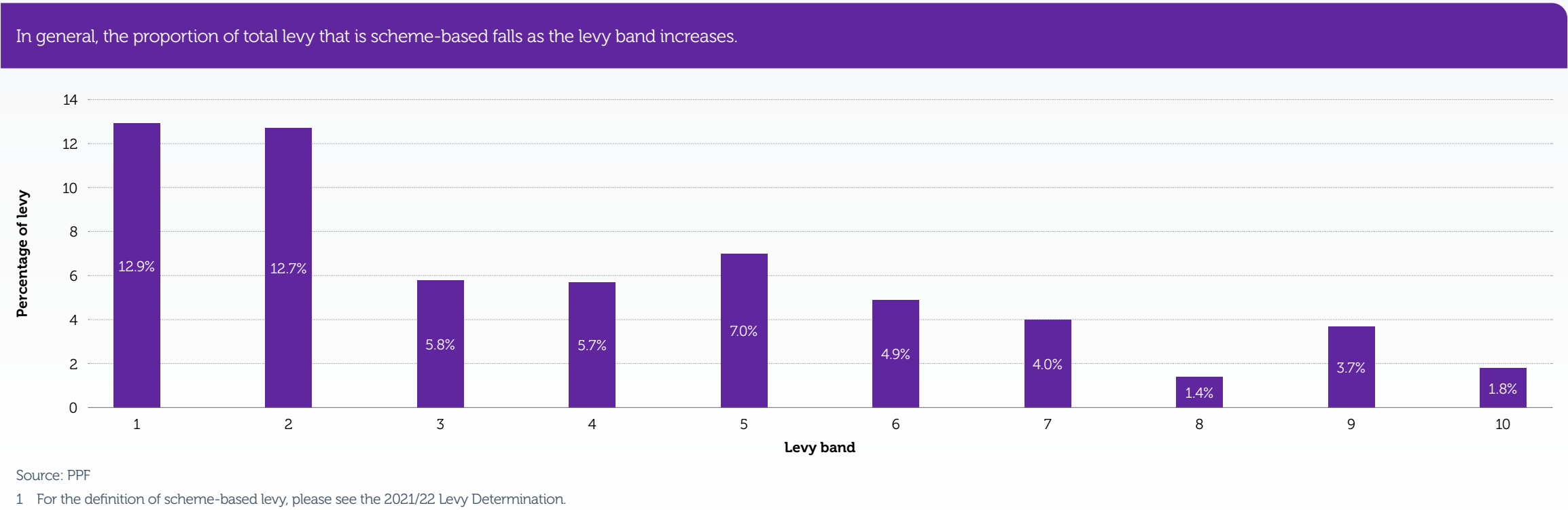
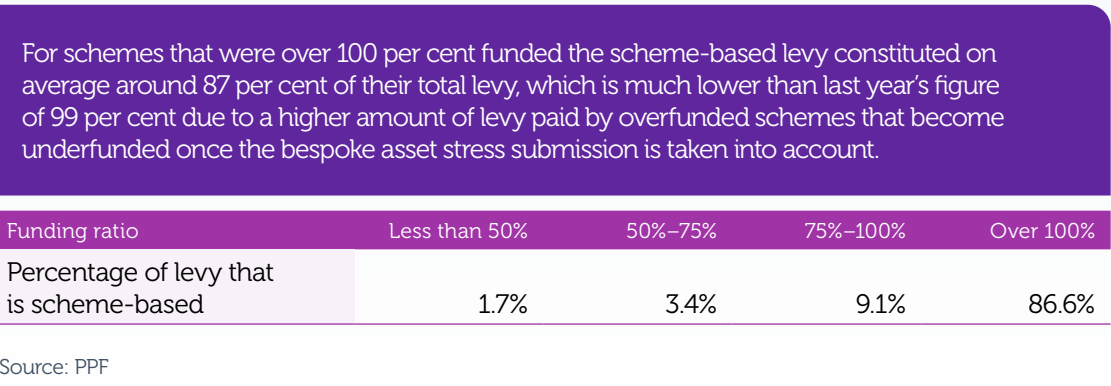


Figure 9.10 | Percentage of total levy that is scheme-based by funding ratio (on a stressed and smoothed basis, excluding bespoke asset stress submissions)



Introduction
Overview
Executive summary
The data
Scheme demographics
Scheme funding
Funding sensitivities
Insolvency risk
Asset allocation
Risk reduction
PPF levy 2021/22
Claims and schemes in assessment
PPF compensation 2021/22
PPF risk developments
Appendix
Glossary
Charts and tables

PPF levy 2021/22 continued

9.3 D&B scorecards

For the 2021/22 levy year, we used the PPF and Dun & Bradstreet’s (D&B’s) bespoke model for assessing insolvency risk of schemes in the universe.

The charts in this section show how many sponsoring employers in the PPF universe are assigned to each scorecard, and how much of the total 2021/22 PPF levy was collected in respect of schemes sponsored by the employers in these categories.¹

Figure 9.11 | Number of sponsoring employers in each D&B scorecard

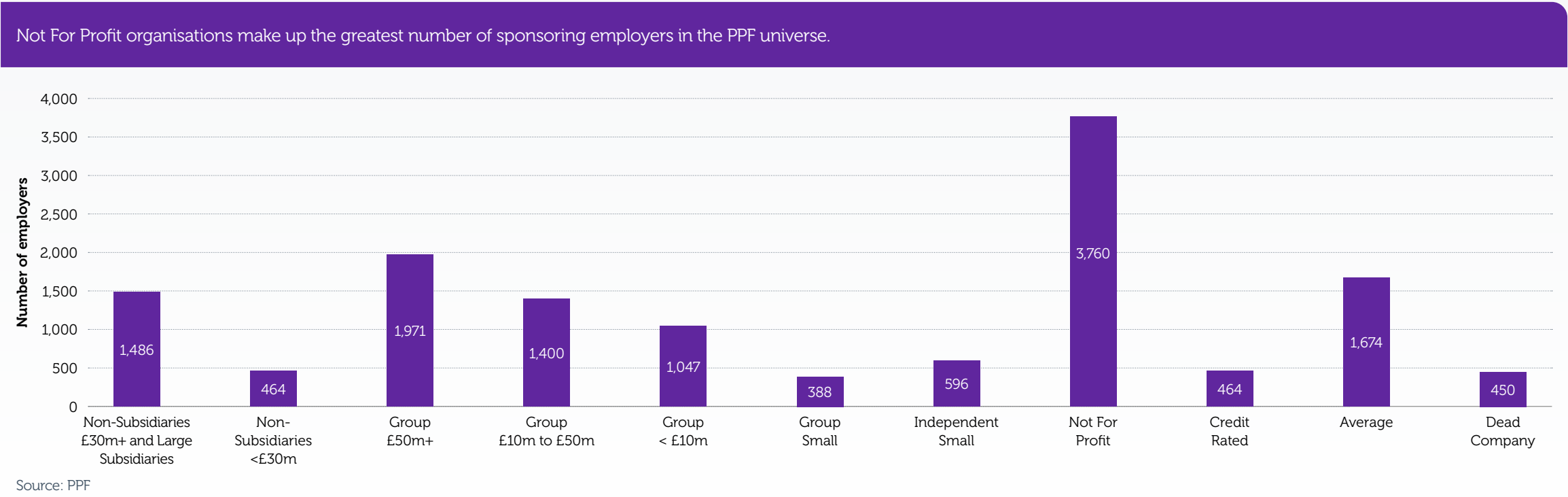
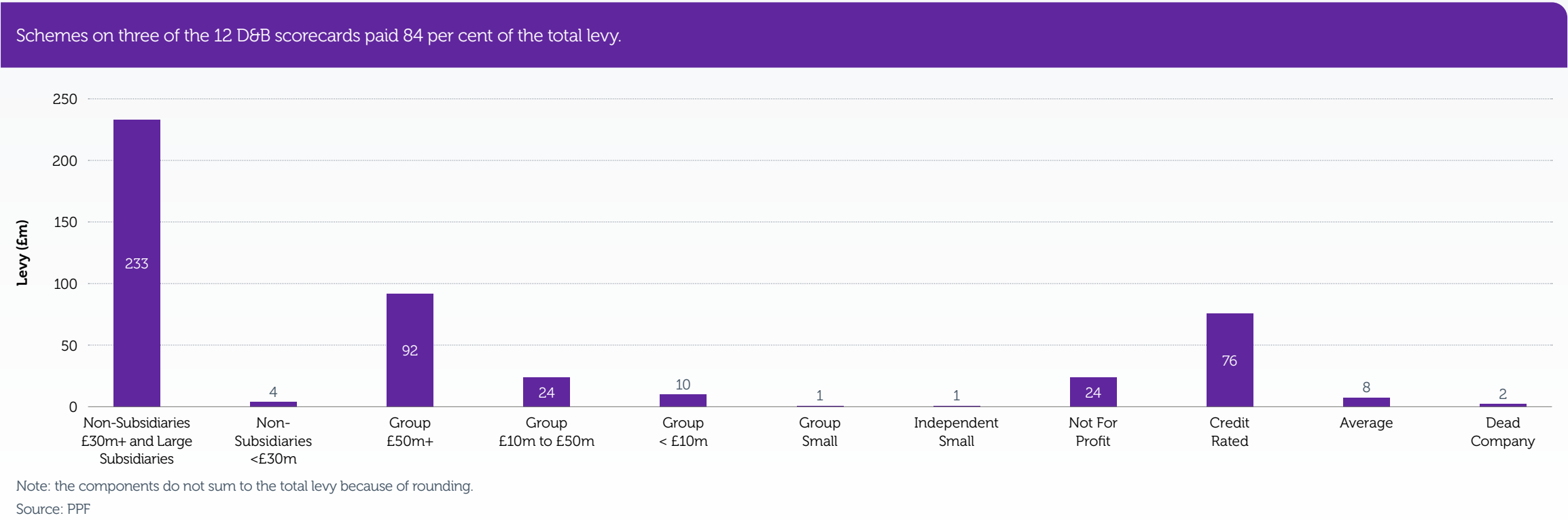


Figure 9.12 | Levy invoiced in respect of schemes with sponsoring employers in each D&B scorecard



1 For multi-employer schemes (with employers on different scorecards), the levy was split proportionately by membership numbers.

Introduction
Overview
Executive summary
The data
Scheme demographics
Scheme funding
Funding sensitivities
Insolvency risk
Asset allocation
Risk reduction
PPF levy 2021/22
Claims and schemes in assessment
PPF compensation 2021/22
PPF risk developments
Appendix
Glossary
Charts and tables

PPF levy 2021/22 continued

Figure 9.13 | Number of schemes with sponsoring employers in each D&B scorecard

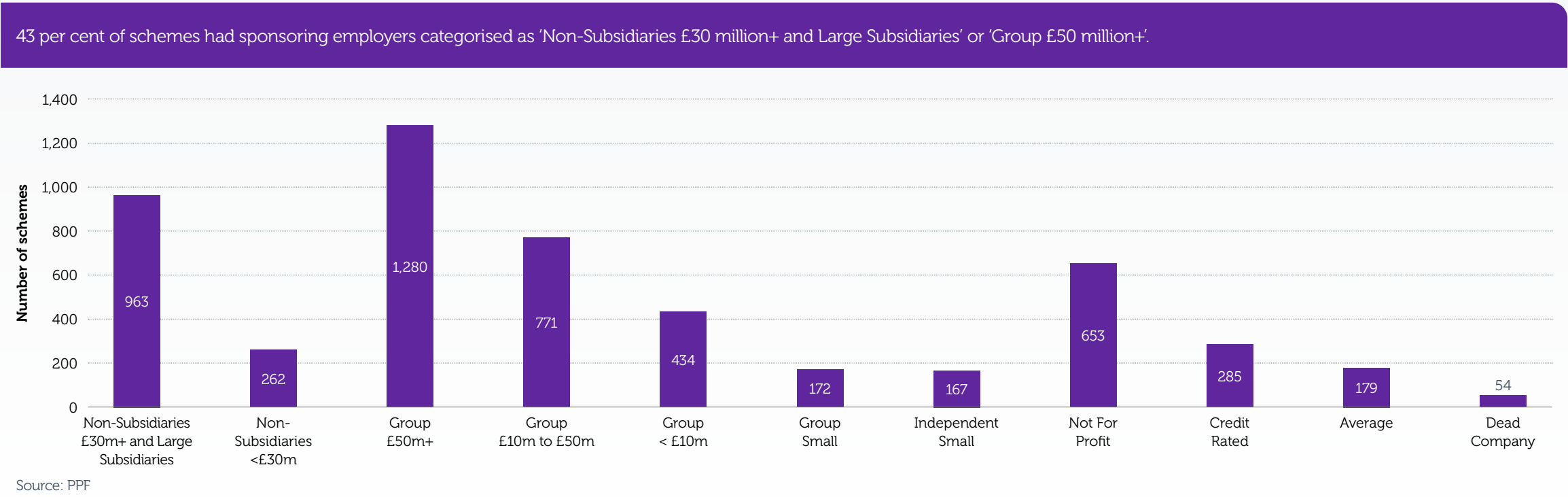
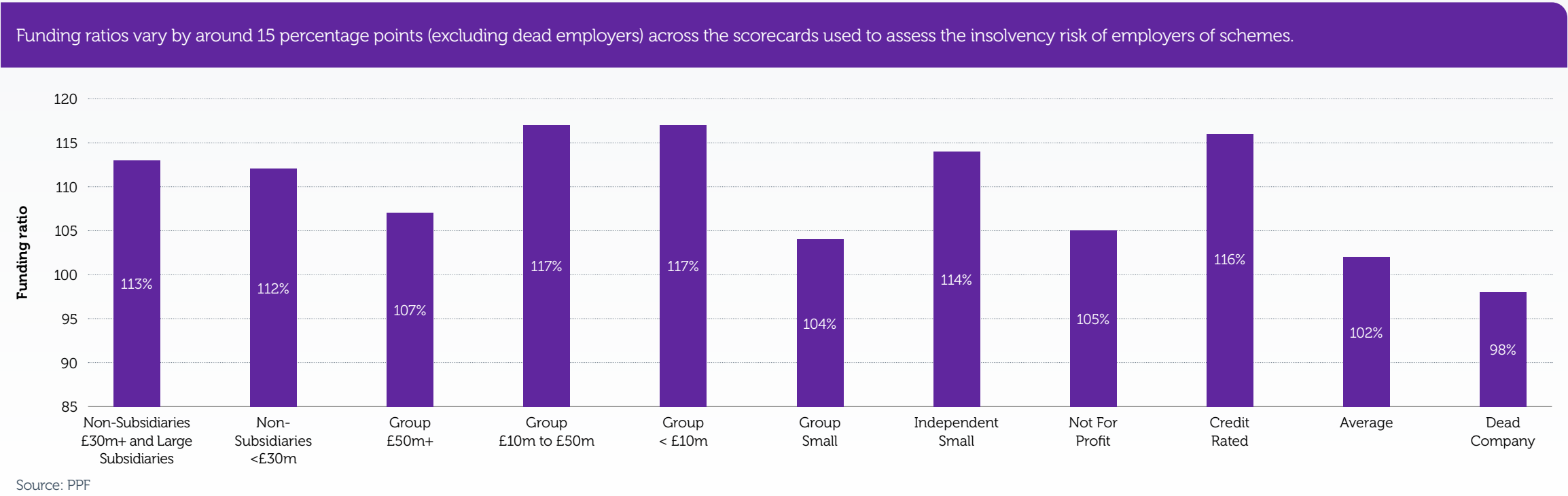


Figure 9.14 | Aggregate funding ratio (unstressed and unsmoothed) of schemes with sponsoring employers in each D&B scorecard



Introduction
Overview
Executive summary
The data
Scheme demographics
Scheme funding
Funding sensitivities
Insolvency risk
Asset allocation
Risk reduction
PPF levy 2021/22
Claims and schemes in assessment
PPF compensation 2021/22
PPF risk developments
Appendix
Glossary
Charts and tables