

First Briefing, July 2020 – PPF levy 2020/21 and Covid-19 Easement



The Pension Protection Fund (PPF) has published the latest updates for the 2020/21 levy year and a Covid-19 Easement plan to help employers who are struggling to pay.

This briefing sets out what actions you could take to spread your levy payments and make sure your levy is correct.

PPF Levy Year 2020/21

Mean Score

The Mean Score is the average of your monthly PPF insolvency scores over the year to 31 March 2020.

The latest Mean Scores for all schemes have now been published. These will be used to calculate the 2020/21 PPF levy bill, which will be issued this Autumn. You can check Mean Score(s) for your company (or companies) via the [Experian PPF portal](#).

(Please note that the mean scores for the 2020/21 PPF levy are those assessed by Experian. From 1 April 2020, D&B replaced Experian and the mean scores assessed by D&B from this date will be used to determine the PPF levy for 2021/22 and beyond.)

Covid-19 easement – helping you pay

COVID-19 has had a significant impact on many businesses and schemes. The PPF are offering assistance to those who have been negatively impacted and as a result are struggling to pay the levy.

They have introduced an easement that allows schemes, or sponsoring employers of those schemes, to request an extension to the payment terms of their invoice of up to 90 days. If approved, interest on late payments will be waived for the first 90 days from the invoice date.

An online [COVID-19 impact notification form](#) must be submitted within 28 days after receipt of your invoice.

Payment plan

Furthermore, if schemes are struggling to settle the payment within 28 days, the PPF continues to offer levy payment via a payment plan by spreading the levy in monthly payments over a period for over 90 days. You will need to fill in an online [payment plan request form](#), and you will need evidence of financial hardship.

More information with relevant guidance can be found on the [help paying your levy page](#) of the PPF website.

GMP Adjustment to Mean Score

A one-off adjustment for the cost of GMP equalisation may have been included in pension scheme employers' annual accounts for periods ending on or after the end of October 2018. This adjustment may lead to a higher insolvency risk score.

The PPF recognise that this might have unintended consequences for a small number of employers. Therefore, an adjustment to the Mean Score can be requested by completing an online [GMP equalisation adjustment form](#) by 4 August 2020, provided the following criteria are met:

- a specific amount, solely relating to a GMP equalisation adjustment, can be identified in the accounts;
- allowing the amount of that adjustment to be disregarded would result in the company being viewed as reporting a pre-tax profit rather than a loss; and
- allowing the adjustment would result in a change of Mean Score to a levy band with a lower levy rate.

Further information on the criteria and the form can be found on the [2020/21 Levy year](#) page of the PPF website.

Paperless invoicing

The PPF are introducing electronic levy invoicing to help you keep track of your levy invoices more efficiently. Electronic invoices will be sent to the 'scheme contact' listed on The Pensions Regulator's Exchange database.

To sign up to paperless invoicing, scheme trustees (or authorised scheme managers) must complete a simple online consent form. Trustees can submit their consent directly on the [receiving your invoice electronically](#) page of the PPF website.

Future years' levy

The PPF previously intended to hold a summer consultation for the 2021/22 levy year.

However, the PPF recognise that employers are likely to have other priorities during the pandemic. In line with other public bodies' approach, including The Pensions Regulator, the PPF have decided to hold a single consultation in the Autumn.

They will also provide a longer period to respond to the consultation, therefore, there will be a slight delay in publishing the rules next year.

What actions should I take?

- Check your published 2020/21 Mean Score via the Experian PPF portal to ensure it is correct.
- If you have concerns on settling the levy invoice within 28 days, consider whether the COVID-19 easement or a payment plan would be beneficial to you.
- Check if you meet the criteria for GMP Adjustment to your Mean Score. The deadline for applying for the Adjustment is **4 August 2020**. This must be submitted online via the PPF website.
First Actuarial can help by calculating if this adjustment is material.
- Provide consent to obtain paperless invoicing.
You can do this directly or your FA consultants can do it on your behalf.
- Ensure the 'scheme contact' listed on the Exchange is correct.

If you need help with any of these courses of action, please get in touch with your usual First Actuarial contact, or a member of our experienced PPF Consultancy team below:

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If you are having problems accessing the **PPF/Experian** portal, then you can reset your password on 'Forgotten your password' link on the [login](#) page, or by clicking: –
<https://www.ppfscore.co.uk/Account/ResetPasswordRequest>

You can also reset your password to the **PPF/D&B** portal using the 'Forgot password' link on their [login](#) page, or by clicking: –
<https://levy.ppf.co.uk/forgotPassword>