

## FUNDING AND SOLVENCY CERTIFICATE

### LGIAsuper

- 1 This Certificate is provided for the purposes of Regulation 9.09 of the Superannuation Industry (Supervision) Regulations 1994 (the SIS Regulations) and has been prepared in accordance with Professional Standard 407 issued by the Institute of Actuaries of Australia.
- 2 This Certificate takes effect from 1 July 2021 and applies until 30 June 2026, unless one of the following events occurs:
  - a an amount is paid from LGIAsuper (the Scheme) to an employer under Section 117 of the Superannuation Industry (Supervision) Act 1993;
  - b this Certificate is replaced by another Funding and Solvency Certificate;
  - c a notifiable event, as specified in the Appendix, occurs;
  - d an employer fails to pay the minimum contributions certified in paragraph 4; or
  - e this Certificate is withdrawn.

This Certificate replaces the previous certificate dated 20 July 2021.

This Certificate must be replaced by 30 June 2025.

- 3 Under Regulation 9.06(2) of the SIS Regulations, the Scheme is "*solvent*" if the net realisable value of the assets of the Scheme exceeds the Minimum Requisite Benefits (MRB) of all members of the Scheme. The MRB for a member is that part of a benefit being used to meet part or all of an employer's Superannuation Guarantee (SG) obligation and is defined in the Benefit Certificate dated 12 August 2021 which expires on 30 June 2026.
- 4 In my opinion:
  - a at 1 July 2021, the Scheme was solvent as defined under Regulation 9.06(2) and 9.15 of the SIS Regulations; and
  - b based on reasonable assumptions about the future of the Scheme adopted at the latest LGIAsuper actuarial valuation as at 1 July 2018 and the Energy Super actuarial valuation as at 1 July 2019, both of which target the funding of Vested Benefits which are equal to or greater than the MRB, the Scheme is likely to remain solvent to the expiry of this Certificate provided each employer pays at least the certified minimum employer contributions as appropriate for their employees as follows:
    - i **For Regional Defined Benefit Fund (DBF) members –**
      - Contributions of 11% or 12% of superannuation salary for members who are 5% or 6% contributors respectively; or

**plus**

    - additional employer contributions at the relevant SG Charge rate, as shown in the table in section 4c below, on the excess of Ordinary Time Earnings over superannuation salary.

- ii **For Regional Accumulation members -**
    - Contributions equal to the greater of:
      - o SG Charge Rate (as shown in the table in section 4c below) of Ordinary Time Earnings
      - and**
      - o 11% or 12% of superannuation salary for eligible members who are 5% or 6% contributors respectively
  - iii **For City DBF members – nil.**
  - iv **For City Accumulation members -**
    - Contributions of the greater of:
      - o SG Charge Rate (as shown in the table in section 4c below) of Ordinary Time Earnings
      - and**
      - o 14% of superannuation salary.
  - v **For Energy Super DBF members – nil.**
  - vi **For Energy Super Accumulation members –** The amount required to meet the ES Employer’s obligation under the Superannuation Guarantee Legislation less any contributions paid to other superannuation funds.
  - vii **For all DBF members -** Defined Benefit Member contributions (including salary sacrifice contributions) in accordance with the Trust Deed.
  - viii **For all Accumulation members employed by LG, CS and ES Employers –** member salary sacrifice contributions.
- c SG Charge rates:

Date	Required Contribution Level
1 July 1992 to 31 December 1992	4%
1 January 1993 to 30 June 1995	5%
1 July 1995 to 30 June 1998	6%
1 July 1998 to 30 June 2000	7%
1 July 2000 to 30 June 2002	8%
1 July 2002 to 30 June 2013	9%
1 July 2013 to 30 June 2014	9.25%
1 July 2014 to 30 June 2015	9.5%
1 July 2015 onwards:	

- During any period when the SG Charge rate is 9.5%	9.5%
- During any period when the SG Charge rate is 10%	10%
- During any period when the SG Charge rate is 10.5%	10.5%
- During any period when the SG Charge rate is 11%	11%
- During any period when the SG Charge rate is 11.5%	11.5%
- During any period when the SG Charge rate is 12%	12%

- 5 Contributions are payable by monthly instalments due at the end of the month following the month to which they relate. Member contributions must be paid within 28 days of the month to which the contributions relate.
- 6 I am not aware of any other occurrence between 1 July 2021 and the date of signing this Certificate, which would affect the contents of this Certificate.

Dated this 20th day of July 2021

Nick Wilkinson  
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D: JD | TR/CR/ER: NW

## Appendix — Definition of Notifiable Events

Notifiable Events are events identified below requiring the solvency of the Scheme to be re-examined. If a notifiable event occurs, the Funding and Solvency Certificate ceases to have effect, and a new certificate must be obtained by the Trustee within three months of the occurrence of the notifiable event.

The following are "*notifiable events*":

- a An amendment of the governing rules of the Scheme in a way that affects the level, or method of calculation, of the benefits of the Scheme.
- b A change occurs to the Minimum Requisite Benefits specified in the current Benefit Certificate or the expiry or replacement of the Scheme's Benefit Certificate.
- c The Trustee increases a Member's benefit entitlement under the Scheme's Rules without the payment of additional employer contributions, if any, recommended by the Actuary.
- d The Trustee becomes aware at any time that the net market value of the Scheme's assets is less than 100% of the total vested benefits of all members, including pensioners, retained members and spouse members.
- e Any other event the Actuary advises in writing to the Trustee as being a notifiable event.
- f The receipt by the Trustee of the Scheme of a written direction from the Regulator under sub-regulation 9.09(1A) of the SIS Regulations.
- g Unless advised in writing by the Actuary as not being a notifiable event, the following are also notifiable events:
  - i A change in the investment objectives for the assets backing the defined benefit liabilities within the Regional DBF, City CBF or Energy Super or the method of determining credited interest rates.
  - ii A change to the method of determining the sums insured for insurance purposes whereby the sum of the total sums insured and net assets of the Scheme are inadequate to cover the total death or total and permanent disablement benefits of the Scheme.
  - iii The payment by the Trustee of an augmented benefit or the payment of a higher benefit than would normally be paid resulting from the exercise of a discretion by the Trustee or the selection of a pension option by a member.
  - iv A change of the basis of salary used to determine Scheme benefits.
  - v The provision of past-service benefit entitlements to new members joining the Scheme except where the past-service benefit is the amount transferred to the Scheme plus investment earnings since date of transfer as determined under clause 7.3 of the Trust Deed.
  - vi The provision of additional past-service benefit entitlements to members transferring between categories of Scheme membership.
  - vii The transfer of a member's benefit to another scheme except where the amount transferred does not exceed the vested benefits of the member(s) concerned.
  - viii A new member joins either Defined Benefit Fund within the Scheme.