

FUNDING AND SOLVENCY CERTIFICATE

LGIAsuper

- 1 This Certificate is provided for the purposes of Regulation 9.09 of the Superannuation Industry (Supervision) Regulations 1994 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 January 2021 and applies until 1 January 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 - e this Certificate is withdrawn.
- 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 3 August 2018 which expires on 30 June 2021.
- 4 In my opinion:
 - a at 1 January 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 actuarial valuation as at 1 July 2018, which targets 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 contributions as appropriate for their employees as follows:
 - i **For Regional Defined Benefit Fund (DBF) members** - Contributions of 11% of superannuation salary for members who are 5% contributors and 12% of superannuation salary for members who are 6% contributors plus additional employer contributions of 9.5% on the excess of Ordinary Time Earnings over superannuation salary.
 - ii **For Regional Accumulation members** - Contributions of the greater of 11% of superannuation salary for eligible members who are 5% contributors and 12% of superannuation salary for eligible members who are 6% contributors and 9.5% of Ordinary Time Earnings. Otherwise, contributions of 9.5% of Ordinary Time Earnings.
 - iii **For City DBF members** – nil.
 - iv **For City Accumulation members** - Contributions of the greater of 14% of superannuation salary and 9.5% of Ordinary Time Earnings for eligible permanent employees. Otherwise, contributions of 9.5% of Ordinary Time Earnings.
 - v **For all members** - where the employer makes salary sacrifice contributions on behalf of the member, the relevant contributions grossed up for 15% contributions tax where applicable.

- 5 Contributions are payable by monthly instalments due at the end of the month following the month to which they relate.
- 6 I am not aware of any other occurrence since 1 January 2021 to the date of signing this Certificate, which would affect the contents of this Certificate.

Dated this 11th day of January 2021



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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 vested benefits of 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 Scheme's investment objectives or policy or the method of determining credited interest rates.
 - ii A change to the method of determining the sums insured for insurance purposes whereby the total sums insured and 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.
 - vi The provisions Scheme of greater past-service benefit entitlements to members transferring between categories of Scheme membership.
 - vii The payment of transfer values to another scheme except where the amount transferred does not exceed vested benefits of the member(s) concerned.
 - viii A new member joins either Defined Benefit Fund within the Scheme.