

HYMANS  ROBERTSON

# Shetland Islands Council Pension Fund

Revised Rates and Adjustment Certificate

19 October 2021

## Revised Rates and Adjustments certificate

In accordance with regulation 60(4) of the Regulations we have made an assessment of the contributions that should be paid into the Fund by participating employers for the period 1 April 2021 to 31 March 2024 in order to maintain the solvency of the Fund.

The method and assumptions used to calculate the contributions set out in the Rates and Adjustments certificate are detailed in the Funding Strategy Statement and in Appendix 2 of our report on the actuarial valuation dated 31 March 2021. These assumptions underpin our estimate of the number of members who will become entitled to a payment of pensions under the provisions of the LGPS and the amount of liabilities arising in respect of such members.

The table below summarises the whole fund Primary and Secondary Contribution rates for the period 1 April 2021 to 31 March 2024. The Primary rate is the payroll weighted average of the underlying individual employer primary rates and the Secondary rate is the total of the underlying individual employer secondary rates, calculated in accordance with the Regulations and CIPFA guidance

Whole Fund Contribution Rate		
Primary Rate (% of pay)	22.3%	
Secondary Rate (£)	2021/22	-1.5%
	2022/23	0.2%
	2023/24	0.3%

The required minimum contribution rates for each employer in the Fund are set out below.

Employer code	Employer/Pool name	Contributions currently in payment 2020/2021	Primary Rate % 1 April 2021 - 31 March 2024	Secondary Rate						Total Contribution Rate		
				2021/2022		2022/2023		2023/2024		2021/2022	2022/2023	2023/2024
				% of pay	£	% of pay	£	% of pay	£			
	<b>Shetland Islands Council Pool</b>											
1	Shetland Islands Council	20.8%	22.1%	-1.3%		-0.1%		-0.1%		20.8%	22.0%	22.0%
5	Shetland Fisheries Training Centre Trust <sup>2</sup>	20.8%	22.1%	-1.3%		-		-		20.8%	-	-
15	SSQC Ltd	20.8%	22.1%	-1.3%		-0.1%		-0.1%		20.8%	22.0%	22.0%
	<b>Shetland Charitable Trust<sup>1</sup></b>											
23	Shetland Charitable Trust	17.2%	23.1%	-5.9%		-2.6%		-0.6%		17.2%	20.5%	22.5%
4	Shetland Recreational Trust	17.2%	23.1%	-5.9%		-2.6%		-0.6%		17.2%	20.5%	22.5%
9	Shetland Amenity Trust	17.2%	23.1%	-5.9%		-2.6%		-0.6%		17.2%	20.5%	22.5%
24	Shetland Arts Development Agency	17.2%	23.1%	-5.9%		-2.6%		-0.6%		17.2%	20.5%	22.5%
	<b>Individual Employers</b>											
3	Lenwick Port Authority	26.7%	28.1%		£0		£202,000		£219,000	28.1% plus £0	28.1% plus £202,000	28.1% plus £219,000
7	Shetland Enterprise Co Ltd	0.0% plus £32,000	0.0%		£32,000		£32,000		£32,000	0.0% plus £32,000	0.0% plus £32,000	0.0% plus £32,000
19	Orkney & Shetland Joint Valn Board	25.5%	22.6%	6.4%		9.9%		13.4%		29.0%	32.5%	36.0%
27	Crossroads (Shetland ) Care Attendant Scheme	17.9%	24.9%	-7.0%		-2.1%		0.4%		17.9%	22.8%	25.3%
28	Shetland University Highlands & Islands <sup>3</sup>	-	22.1%	-1.3%		-0.1%		-0.1%		20.8%	22.0%	22.0%

<sup>1</sup>Following discussions with the Shetland Charitable Trust, the certified contribution rate for the Trust has been confirmed and is per the above R&A.

<sup>2</sup>Shetland Fisheries Training Centre Trust ceased on 31 July 2021.

<sup>3</sup>Shetland University Highlands & Islands joined the Shetland Islands Council Pension Fund on 1 August 2021.

### Further comments

- Contributions expressed as a percentage of payroll should be paid into Shetland Islands Council Pension Fund (“the Fund”) at a frequency in accordance with the requirements of the Regulations.
- Further sums should be paid to the Fund to meet the costs of any early retirements and/or augmentations using methods and factors issued by us from time to time or as otherwise agreed.
- Payments may be required to be made to the Fund by employers to meet the capital costs of any ill-health retirements that exceed those allowed for within our assumptions. If an employer has ill health liability insurance in place with a suitable insurer and provides satisfactory evidence to the Administering Authority, then their certified contribution rate may be reduced by the value of their insurance premium, for the period the insurance is in place.

- Once the outcome of the 2017 national Cost Cap valuation case is known, the Fund may revisit the contribution rates set to ensure they remain appropriate in light of any benefit or member contribution rate changes.
- The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by the Fund Actuary

Signature:



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