

Local Government Pension Scheme Bulletin



Issue 4

5th February 2021

Employer Contribution Rate for 2021-2022 and Ill Health Insurance Rate to 31st March 2023

I am pleased to confirm for Fund Employers with Ill Health Insurance, the ill health liability insurance rate (IHLI) remains fixed at 1% until 31st March 2023.

Please see the accompanying spreadsheet with all the employer rates for the periods 01/04/2020 to 31/03/2021, and 01/04/2021 to 31/03/2022. To help simplify things it shows what your total rate is (including any secondary rates percentages if applicable) before and after the IHLI adjustment. Also included is the annual cash amount if applicable, that employers are due to pay in addition to the percentage rate. If you wish to refer to the 31st March 2019 Fund Valuation Report, please go to the [Fund and Finance page of the Self-Service website](#).

Please can you make sure that your payroll system is set to deduct the correct rate from 1st April 2021. Also, if you use an external payroll provider, please can you instruct them to deduct the appropriate rate.

Please note that we have used the latest information provided to us from the IHLI team at Hymans to determine whether or not you have IHLI. Please can you check your employer listing and if you have a discrepancy please contact the pensions section and this will be investigated for you.

For the smaller employers, such as Town and Parish Councils that do not have IHLI, we would like to remind you that if one of your members did retire on the grounds of ill health, then the costs to the employer could be considerably high which could have detrimental impact on your finances. If you are a smaller Fund employer and don't have IHLI and wish to discuss it, please feel free to contact Dean Campbell at dean.campbell@leics.gov.uk.

Regards,
Ian Howe – Pensions Manager