Frequently Asked Questions

1. **Which Employers Are Required To Provide A Pension Plan?**
   Every employer in the Cayman Islands must setup a pension plan and make payments on behalf of ALL employees. Even partners, owners and directors, must be covered by the pension plan.

2. **Which Employees Are Required To Join A Pension Plan?**
   Every employee (person working) between the age of 18 and 60 must be a member of a registered pension plan. A person is treated as working in the Island if:
   • They report to an office of their employer located in the Islands; or
   • They are normally resident in the Island and paid from an office which is situated in the Islands.

   Every self-employed person shall either be a member of a registered and approved pension plan or shall contribute to a registered individual retirement account with an approved provider.

   Full and part-time employees are required to be covered and so are casual employees, probationary staff and those employees on short-term contracts.

   Where an employee has multiple employers, EACH employer is responsible to pay 10% (5% Employer and 5% Employee) of the employee’s total earnings with that employer.

   After December 31st, 1998 the Law requires employers to provide pension plans for expatriates who have been working in the Island for a continuous period of nine months. Employees who do not have Caymanian status or who are not permanent residents and are employed to do housework in private homes are excluded completely.

3. **How Are Pension Contributions Calculated?**
   Pension contributions are calculated based on each employee's total earnings (up to a maximum of CI $60,000).

   Contributions must be paid for every employee by their employer, and
   • The employee shall not be required, without their consent, to pay more than 5% of their earnings;
   • The employer MUST contribute a minimum of 5% of that employee’s earnings

   **Earnings include:** salary, wages, leave pay, fees, commission or gratuity, as well as bonus payments that exceed 20% of basic pay.

   **Earnings do not include:** severance payments, retirement long service recognition payments, and health insurance premiums that are paid by the employer.

   Every self employed person must contribute a sum equivalent to the total 10% of their earnings.
4. **How Often Should Pension Contributions Be Made?**

Employee’s pension contributions must be deducted at minimum, on a monthly basis and then sent together with the employer’s contribution directly to the pension administrator. The National Pensions Law stipulates that all monthly contributions are required to be submitted to the plan administrator within 15 days of month–end. (Example January payment must be received by the 15th February).

If the funds are not received by the deadline, then Section 50 of the law stipulates that the employer will be liable to pay interest on all monies due. Interest will be calculated on a daily basis at the prime rate in the Islands plus five percent.

**NOTE:** If there are no earnings and you will not be submitting a pension payment for any given month, please notify us by email or fax by the 15th of the month.

5. **Where Can Pension Contributions Be Made?**

A cheque for the total amount calculated on the contribution record as well as a completed Butterfield Bank Deposit slip can be delivered to:

- **In Person:** Any retail branch of Butterfield or; Strathvale House, 90 North Church St. 2nd Floor, Grand Cayman (across from Rackams)
- **By Mail:** PO Box 609, Grand Cayman, KY1-1107, CAYMAN ISLANDS

**OR:**

Through Butterfield online **-**Employers with a Butterfield account, can easily make monthly contributions through Butterfield’s online banking service. To set up payments, simply sign on, select Register Utility/ Common, Chamber Pension from the list of registered companies (ensure you select the payee that corresponds with your bank account currency); add references and save (register payee). Once you have registered the Chamber Pension as a payee you have the option of making payments either has a Third Party payment or a Utility/Common payment then forward the supporting Contribution Record also completed in the same currency as your bank account, either by fax 345-745-7699 or email admin@pensions.ky.

6. **What Are Life Cycle Funds?**

The Lifecycle Funds are a program designed to tailor each member’s individual pension fund to his or her age level and risk profile. As your age, your risk tolerance, time horizon and investment goals change. Lifecycle Funds reflect your changing needs throughout your working life because they automatically adjust the combination of assets they invest in based on your age, to reflect your evolving investment needs and goals.

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PO Box 609  Grand Cayman KY1-1107 Cayman Islands  Pension Hotline (345) 745-7630  Fax (345) 745-7699  
Email admin@pensions.ky  www.chamberpension.ky
7. Can I Choose To Invest In A Different Lifecycle Fund?

You can make a one-time election for ‘mandatory’ pension contributions (the minimum 5% invested by you and your employer) to change to a more conservative Lifecycle Fund.

You may however choose to invest Additional Voluntary Contributions (AVC’s) into the Lifecycle fund of your choice. With AVC’s, you can contribute as much – or as little – as you like. There’s no maximum and no minimum. Plus, you can save a different amount each month or whenever you want, based on what you can afford. AVC’s in addition to your mandatory contributions can make the difference between a basic retirement and a retirement that allows you to go beyond the basics.

8. What Happens To My Account When I Leave My Employer?

When you leave your employer, it is their responsibility to notify the Administrator of the termination by indicating on the contribution record. Even when this happens your account will remain invested but simply made inactive until:

i. You accept employment with another employer in the Chamber Pension Plan and begin contributing through them.

In this case, when completing the new member enrollment form, you should indicate in the space provided that you were previously a member of the Plan and provide your existing membership number. This also applies if any employer in your past was part of the Chamber Pension Plan, not just your last employer. Providing the membership number will guarantee the contributions associated with your new employer will be added to your existing account.

If you fail to indicate that you were previously a member and do not provide your membership number, we may not be able to distinguish you from a new member and you will be issued a second membership number which will make tracking very difficult.

ii. If you obtain employment with an employer that is NOT part of the Chamber Pension Plan, you have two options:
   1. You may choose to leave your existing assets with the Chamber Pension Plan without making any additional contributions. Or if you wish, you have the option of making voluntary payments, even while contributing to a different plan through your new employer.
   2. You may choose to transfer your assets from the Chamber Pension Plan to your new employer’s plan and should do so by completing and submitting an Individual Transfer Request Form in person, with a valid photo ID (passport), to 2nd Floor, Butterfield House, 68 Fort Street, Grand Cayman (Between Mary Street and Town clock)

iii. You elect to retire if you meet the necessary criteria; or

iv. If you become a non-resident or if you are an expatriate leaving the Island, you may elect to apply for a refund (see question number 9 below);
9. Can I Get A Refund?
Unless specifically mentioned in the Pension Law refunds are allowed from a pension plan if;

ALL OF THE FOLLOWING ARE TRUE:
- The value of the member's pension account is less than CI $5,000; AND
- The member's employment is terminated; AND
- The member no longer resides in Cayman. A waiting period and/or proof of non-residency may be required (i.e. current utility bill in the member's name from their new address or a sworn affidavit of non-residency, etc)

NOTE: A person is deemed to have ceased residency after they have been absent for a minimum of six months and during that six month period did not return for any period greater than three months.

For member accounts with a value greater than CI $5,000 the Pension Law states proceeds can be:
- Transferred to a foreign pension scheme without a designated waiting period, once approval has been obtained from the Superintendent of Pensions.
- Paid in a lump sum after the account has been dormant for 2 years and the member has resided off island for the final six months of that term.

Based on your selected method of payment applicable charges (Example: draft, wire and or courier) will be deducted.

Due to the requirements in the law and three month processing time you will not receive your refund before leaving the island!

Please contact the Administrator to ensure you meet all the necessary requirements for a refund.

Questions about your plan? Wish to schedule a presentation? Contact the pension administrator.

The Chamber Pension Plan Hotline is 345-745-7630

Strathvale House
90 North Church St. 2nd Floor, P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands
Fax 345-745-7699
Admin@pensions.ky