



CHAMBER PENSION PLAN

Be Informed: COVID-19 Pension Withdrawal Programme

Further to the announcement by the Cayman Islands Government that members of private pension plans are permitted to withdraw some funds from their pension plans to assist with financial difficulties experienced as a result of COVID-19, we will be providing answers to your questions through our Be Informed Series.

This document will be updated in a continued effort to keep our membership informed. For information as it happens please follow us on



FAQs

1. Do I have to apply right away?

No, you have until 31 October to apply for a withdrawal under the Amendment to the National Pensions Law. We encourage those that do not have an extreme NEED to wait so that those that do can get their funds on a more urgent basis.

2. Can I come in and apply for a withdrawal?

Presently Pension Plans have not been designated as “essential services” and once they are, the difficulties will be with social distancing and long lines (like the supermarkets). It is expected that they will open with the same rules, i.e. A-K on Mondays, Wednesdays, and Fridays, etc. The office space is limited so the number of people that can be dealt with will likely be two at a time. You are encouraged to use our user-friendly on-line application and to upload your notarized government I.D.

3. What is the process to obtain my COVID-19 Pension Withdrawal payment?

Please go to www.chamberpension.ky and complete the on-line application form. Once submitted you will get an immediate acknowledgement. Print that receipt or save on your computer.

- Input your personal data
- Select the \$\$ amount or 100% withdrawal option
- Provide where the funds are to be sent, i.e. bank account details
- Upload your notarized government ID, i.e. passport, driver’s license.

4. Do I get a confirmation that my application has been received?

If you take advantage of our on line application process, once you submit your application you will receive an immediate confirmation. Please print this off for your records.

5. Is there a fee for withdrawing under the COVID-19 Pension Withdrawal Program?

A one-time CI\$50 processing fee will be charged to those members electing to withdraw all, or a portion of, their interest under the Emergency Withdrawal provisions. There may also be additional bank charges or other related charges associated with the processing of the funds, depending on which financial institution you are banking at.

6. How was the fee calculated?

The fee equals the compensation that will be paid by the Plan to its Agent for the additional resources it is deploying and the significant work it is undertaking in order to administer the large volume of Emergency Withdrawal applications being received and for ensuring compliance with deadlines stipulated in the National Pensions (Amendment) Law, 2020.

7. Why is the fee being charged to the member?

The trustees consider it appropriate that the added costs being incurred by the Plan as a result of the Emergency Withdrawals are absorbed by only those members that are electing to withdraw from the Plan.

8. How do I know what is in my account?

Please contact our plan administrator at admin@pensions.ky or **745-7630** and ask for on-line access. You will need to provide them with your full name, date of birth, your beneficiaries' names and their dates of birth and their relationship to you (additional security questions may be required).

9. How do you determine the value of my account?

At each month end we take the number of units you have and multiply by the NAV to get the value of your account. For example, if you have 1000 units and the NAV is 1.74 at the end of the month, then your account is worth 1,740 at that month end.

10. How do I fill out the form?

If you are requesting your maximum allowed under the Law, then select the box that says 100%, the maximum. If you are requesting a dollar amount, then insert the dollar amount. If the amount is inserted is more than your maximum allowed, you will get the maximum allowed. For example, if someone has \$25K in their plan and wants only to take out \$5K, they would insert \$5K. If someone has \$12,500 in their plan and they want the maximum withdrawal, they will select 100%, the maximum.

11. Why do I have to wait 45 days to get my money?

The Plan has a monthly NAV which means your withdrawal will be done at the month end NAV based on the month you applied for your withdrawal. Once the NAV has been determined then all the withdrawal requests will need to be processed, starting with those that applied the earliest. The official timeline as stipulated in the Amendment Law is:

The administrator shall —

- (a) within seven days of receiving the application under this Part, notify the applicant of the administrator's receipt of the application; and

- (b) within fourteen days of notifying the applicant of the administrator's receipt of the application, notify the applicant of the administrator's decision to approve or refuse the application.
- (c) Where the administrator is satisfied that the applicant qualifies under this Part to withdraw the amount applied for, the administrator shall —
- (d) approve the application;
- (e) within forty-five days of receipt of the application, issue the amount in the form of a cheque or by direct deposit payable to the financial institution instructed by the applicant; and
- (f) notify the applicant that the cheque has been prepared or the amount has been deposited, as the case may be.

12. What is a NAV?

The Net Asset Value (NAV) is the month end value at which contributions and withdrawals received during the month are processed. It is determined by taking all the assets of the Plan less all of its liabilities divided by the outstanding units.

13. I understand that the withdrawal program started 1 May. Why can't I get the April NAV value for my withdrawal?

The Trustees have considered using previous NAVs (“**Stale Nav**”) as an approach, and following discussions with the Administrator and Investment Adviser, they have concluded that they are not supportive of this approach for the following reasons:

- It is not industry practice.
- Utilizing a Stale NAV could result in market timing or arbitrage situations to the detriment of the remaining long-term investors in the Fund who will absorb potential losses. The Investment Adviser stated that since April was the best month for stocks since 1987, using a Stale NAV could potentially elevate this risk depending on how markets perform in May.
- Using a Stale NAV will not treat each member /investor in the Fund equally because they would be redeeming at a known price that would unfairly disadvantage non-redeeming investors if the NAV price was higher at the Stale NAV date. If the NAV price is lower at the earlier NAV price you would generally expect that member/investor would choose not to redeem and they have not come across a situation where a member/investor would agree to this.
- There is also an expectation that underlying investment decisions and allocations are considering upcoming redemptions. Allowing a redemption based on a Stale NAV date would call the above into question as at the NAV date the decision maker would have been unaware of the redemption amount and therefore not necessarily acting in the best interests of the Fund and all its investors if a redemption using a Stale NAV date went ahead.

14. Why is the NAV only valued at the end of the month?

Currently the Trust Deed defines the NAV as being calculated on the last business day of the month. To do two NAVs a month would require an amendment to the Trust Deed, as well as considerable expense to amend software programs that are used to calculate the NAV. Investment Managers are providing audited month end statements and would be required to provide two statements a month. Most important though, is the time frame that would be involved in implementing the change to bi-monthly NAVs. The goal is to get payments into the hands of the members as soon as possible.

15. Do I get the amount that is reflected on my recent statement?

Persons that applied in May will get May's NAV. If you apply in June, you will get the June NAV, and so forth. Each person's application, once approved, will receive the NAV of the month they applied

16. Can I apply using an expired passport?

Yes, government issued photo identification that expired on or after 1 February 2020 onwards will remain as an acceptable form of identification for these purposes. In cases, where the identification is submitted electronically, then the usual notarization process is required, in line with the National Pensions (Amendment) Law, 2020.

17. What do I do if I have more questions or want to register a complaint?

Please send your email to our designated mailbox pensions@chamberpension.ky Generally, response are within 48 hours; however, details may require clarification with our Agent so please allow a reasonable time for a reply.