



Newsletter

The Official Newsletter of the Cayman Islands Public Service Pensions Board



Fall 2016

news

Message From the Managing Director

Dear Plan Members,

It has always been my intention that every newsletter we send out should strengthen our interactions with our members. This is why I always try to ensure that the content is substantial and interesting for each member who reads it. This issue, therefore, covers a variety of subjects which I am sure you will find informative and educational, as I have doubled my efforts to listen to you as I take on board your suggestions for making this *your* newsletter — one that holds your interest and keeps you informed about pension issues that matter.

In keeping with my commitment to listen to the needs of the membership and in response to several requests for assistance with retirement planning, we intend to initiate a program to offer scheduled retirement seminars in the near future. These seminars will help to ensure that you are kept abreast of how we process pension benefits and understand why we require certain information, as well as provide an opportunity for you to share with us any questions or concerns you may have about retirement. These seminars will also be organized according to age group, as the information and advice you need at 30 will be quite different from what you will need at 55. We intend on customizing our message to your needs as much as possible.

In addition to our efforts to develop improved informational programs, the ongoing collaborative effort between the PSPB and the Portfolio of the Civil Service has finally succeeded in increasing the retirement age from 60 to 65 as of September 9, 2016. We hope that by providing you with the opportunity for longer working lives, you will accumulate a more substantial pension which will be to your long-term benefit and will put you in a better position when you retire. Throughout the entire process, the feedback has been positive, which seems to indicate that the news of the benefits to be gained by remaining in the workplace longer has been well received.

While amendments to legislation might catch the headlines, the PSPB continues to make improvements internally to our services and processes as part of our overall goal to continuously improve.

This goal of continuous improvement as we deliver services to our members is not unique to us here at PSPB. In fact, we share wholeheartedly the Deputy Governor's keen interest in implementing a robust performance management program. The program places great emphasis on providing quality service to the public at all times, and we embrace his vision and are committed and focused on our member services. You, therefore, have my commitment that I will do all I can to ensure that the PSPB delivers quality services — you, our valued members, deserve no

less. This is why we recently created the position of member advocate/complaints manager — a position that is devoted to this cause and which we have chosen to highlight on page 4.

Finally, I would like to end by making mention of the performance of the Public Service Pensions Fund in the face of a very turbulent year in the market (described on page 2) and Mr. Kirkland Nixon, who has been highlighted in our pensioner profile on page 3. We have highlighted some outstanding former public servants in our newsletter over the years (most recently, Mr. Vernon Jackson and Ms. Georgette Ebanks). Mr. Nixon is certainly no exception. He is a man who has served his country and his fellow man with distinction — a man who continues to give back to his country and his people in a way that defies any challenges that come his way, even a decade after retirement. I hope you are as inspired by his story as I have been.

Please enjoy reading our newsletter, and God bless you all.

Faithfully,

Jewel Evans Lindsey

Managing Director ✨



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STEP BY STEP

Retirement Day: Defined Contribution Members

Welcome to *Step by Step*, where we walk you through our pension processes to help build a basic understanding of how we go about our daily work. In this edition of our newsletter, we will be taking a look at how we calculate pension benefits for our defined contribution (DC) members.

- 1) Notification is received that a DC plan member will be retiring. This can be received from the plan member or, in some instances, from the employer. To notify of a retirement, plan members can simply contact the PSPB to advise that they plan to retire.
- 2) Retirement package is received from the employer, which includes copies of contracts, salary and pension contribution information, etc. Sometimes the retirement package and notification of retirement come from the employer at the same time. If necessary documents are not included in the package, they are requested at this time. It is important to note that the complete package must be received before the request is processed.
- 3) Pension contributions are audited and reviewed by management. This involves checking that every contribution that was due to the plan member has been paid in and was paid in the correct amount.

- 4) Calculations are completed by a member of the Plan Administration Department and passed to management.
- 5) Management reviews the calculations and approves for payment.
- 6) A meeting is held with the retired plan member to discuss the available options and to sign pension documentation. It is at this time that an election to receive a lump sum payment of up to 25% of your pension benefit can be made.
- 7) Payment is made to the retired plan member on the next available payday. The PSPB follows the government schedule of monthly paydays. In some instances,

payroll may have already been run on the month that the retired plan member signs their documentation. In that instance, payment will be made on the next payday. In all instances where applicable retroactive monthly pension benefits are included in the first payment (e.g., you retire on January 1 and do not receive payment until March 23), you will receive two months of retroactive pension payments.

It is also helpful to give the PSPB and your employer advance notice (preferably six months but not less than three months) prior to your date of retirement, especially if you are retiring early. ✨



Investment Update

The investment landscape over the period of July 2015 to June 2016 was characterized by ongoing uncertainty and unprecedented volatility in global markets around the world. The period began with sharply falling commodity prices, particularly for energy, which sparked a sharp rise in the U.S. dollar — a combination that spelled trouble for emerging markets.

China's devaluation of the yuan contributed greatly to the sharp market sell-offs and spike in volatility through the summer of 2015. However, by September 2015, amid growing expectations that U.S. rates would be on hold

well into 2016, equity and bond markets rallied, moving upward as the final quarter of 2015 concluded.

Calendar year 2016 started with a “big bang.” With conflict in the Middle East and with China at the epicenter of market strains, spillovers kept emerging markets under pressure.

On December 16, 2015, the U.S. Federal Reserve raised its key interest rate range to 0.25% to 0.5%, its first rate increase in nearly a decade. The stock and bond markets assessed the move as deepening the monetary policy divergence between the U.S. Federal Reserve

and other major central banks. As the first quarter of 2016 concluded, global equity markets rebounded strongly, regaining nearly half of the 20% decline between May 2015 and mid-February 2016.

The last quarter was initially marked by strong performances from emerging markets, only to have that positive momentum halted abruptly by the surprise vote in the U.K. referendum to leave the European Union (Brexit). Equities have since rallied, pushing the PSPB fund to achieve a return of 5.3% on a consolidated basis for the fiscal year. ✨

Pensioner Profile

Mr. Kirkland H. Nixon

To serve my country is an honourable thing." These words can sound cliché at times, but when they are spoken by a man like Kirkland H. Nixon, MBE, QFSM, JP, an immediate image of patriotism comes to mind and carries with it the staunch and stalwart stature of a man who was born to serve.

Kirkland H. Nixon served his country with distinction for almost four decades in an official capacity, from 1966 until his retirement in 2005. To this day, he continues to give back to the community through his service to various clubs and social organizations. His many years of service are marked with distinction, and he was, in fact, recognized with a number of prestigious awards which warrant special mention. Mr. Nixon rose through the ranks to become Chief Fire Officer, and in 1979, he was awarded the Most Excellent Order of the British Empire (MBE). Ten years later, he was awarded the Queen's Fire Service Medal (QFSM) for meritorious service, and in that same year, he would also receive the International Distinguished Service Award (IDSA) at the National Hurricane Conference in Miami, Florida.

When asked what made him such a successful civil servant, he responded with a gentle shrug, "There is nothing special about me." However, given his long and distinguished career, that is difficult to believe. Just listening to him, you understand that he is a natural leader, very adaptable, and has an unwavering sense of dedication and commitment to the task at hand, not to mention his country.

Mr. Nixon grew up on Elgin Avenue in the heart of George Town. This means that he was within earshot of political and social activities that took place in the capital. This stimulated the young Mr. Nixon's mind and may account for his many years in the service. He is quick to point out that back then there were no "good old days"; in fact, he made it clear that "life in Cayman in the early '60s and '70s was tough." Employment opportunities were, therefore, fairly uncommon, and young Mr. Nixon did what many Caymanian

men of his generation did — he went to sea to earn a living.

Upon his return home, Mr. Nixon found himself inquiring about a job in the Fire Service. Not long after that, he was employed as a fireman. An unusual set of circumstances would later bring him before the Administrator (this post would later be changed to Governor), and this set the groundwork for what proved to be a pivotal point in his career. During this meeting, he was asked to lead the Fire Service as Chief Fire Officer until the post could be filled, following the untimely departure of the previous Fire Chief. If Mr. Nixon had any doubts about his competencies as a manager, we will never know, because he took on the challenges of the post and the rest is history.

Mr. Nixon was a natural leader, adaptable and demonstrating an unwavering sense of duty during his time in the service. He spoke fondly of several landmarks in his career. On one such occasion, Mr. Nixon was called to the dock and asked to drive some new firetrucks off a boat. To hear him tell the story, you cannot help but admire the immense courage of the man, because the wooden ramp surrounded by rough seas had the trucks swaying, as if to the tune of "Beloved Isle Cayman." The words must have resonated with Mr. Nixon, because he found the inner strength and courage to drive those trucks off the ramp when no one else would.

The next challenge he faced in relation to the trucks was how to operate them. An engineer was supposed to come from England to provide assistance and training. Mr. Nixon did not wait for that — he had a Fire Service to run. So equipped with the vehicles' operations manual, good common sense and some advice from a friend who was studying to be an engineer, the team completed the

assembling. Following an impressive display of the trucks, Mr. Nixon proved that the trust and support that were reposed in him by his superiors were well placed. They would soon arrange for him to travel to England where he would receive further training to shore up his position as Fire Chief, a position he held up to the time of his retirement in 2005.

And so, a decade later, Mr. Nixon continues to positively impact the course of business within the public sector and is an influential and respected member of the Cayman society. He is currently a founding member of the Public Service Pensions Board of Directors and also the

Chairman of the Cayman Islands Airports Authority Board. Mr. Nixon continues to be actively involved in the Queen Elizabeth II Botanic Park. The Visitor's Centre, which houses all the historical artefacts, has been recently named in his honour.

Kirkland Nixon is held in the highest regard by the people of these islands. He gives freely and willingly of his personal time. Over the course of his life,

he has held the position of president/chairman at various clubs and organizations, including the Lion's Club, National Trust (founding member and first chairman) and the Civil Service Credit Union, to name a few. He is also an avid member of the Cayman Islands Orchid Society and grows many beautiful orchids in the shade house on his property. His orchid collection is almost sure to be one of the most impressive in these islands.

To be in Mr. Nixon's presence, one gets a feeling of humility and greatness. He speaks passionately about his travels and his love for the people of these islands, and he is certainly a no-nonsense kind of man. As you talk to him, though, one thing that is captured in his wry smile is the fact that the fire never really burns out; so when duty calls, he is almost certain to answer. ✨





Meet Ms. Pat Ulett: Your Newest Advocate at the PSPB

For those of you who may not have had the chance to meet or work with Ms. Pat Ulett, you are likely to at least recognize her smiling face.

Ms. Pat, as she is affectionately called, has been in the service



for over 40 years, holding various posts in government which include working in the Ministry of Tourism prior to coming to the PSPB. As a well-respected woman not only within government circles but also in the community in general, it was almost natural for Ms. Pat to eventually gravitate to the PSPB.

As our Member Advocate, she is well placed to use her previous experience in the service to assist the Managing Director

with feedback that we receive from our plan members and to advise on how we can continue to improve our services. We are very fortunate to have Ms. Pat on our team, and we hope that anyone with questions or comments about the services we provide will reach out to her. She would love to hear from you!

Ms. Pat can be reached at pat.ulett@pspb.ky or at 244-7105. ✨

Are Your Personal Details Up to Date?

Now that fall is here, vacations are completed, and the kids are back in school, PSPB would like to remind you to consider if its time to update your pension record.

Changes happen in our lives all the time. Some of these changes directly impact the calculations and payment of your pension benefits. This is why the PSPB needs to have accurate and complete information for your pension record. Therefore, it is important that you advise us of important changes to your personal circumstances, such as a change in your marital status, or perhaps you have recently welcomed a new baby to the family. These changes must be noted on your record as soon as possible, and to do this, we will need a completed Change of Circumstance

form (signed by you) along with the supporting documents such as the marriage or birth certificate, as the case may be. It is important to remember that these documents need to be certified prior to submission if they are not being personally hand-delivered to the PSPB at our customer service desk located in the lobby of the Government Administration Building.

Other changes such as a new address or post office box number will also need to be noted on your account, and we will require a Change of Circumstance form to be completed in this instance as well. Change of Circumstance forms can be found on the website at www.pspb.gov.ky or by visiting our customer service desk in the lobby of the Government Administration Building.

We want to hear from you, so please give us a call at 945-8175 and let us work together to keep your records updated. Please help us to help you — we are standing by to assist. ✨



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