

CAYMAN ISLANDS



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**THE PUBLIC SERVICE PENSIONS (AMENDMENT) LAW, 2016**

**(LAW 22 OF 2016)**

**THE PUBLIC SERVICE PENSIONS (AMENDMENT) LAW, 2016**

**ARRANGEMENT OF SECTIONS**

1. Short title and commencement
2. Amendment of section 3 of the Public Service Pensions Law (2013 Revision) - definitions
3. Repeal and substitution of section 23 - participation upon re-employment after retirement
4. Amendment of section 38 - maximum pensions

CAYMAN ISLANDS

Law 22 of 2016.

I Assent

Helen Kilpatrick

Governor.

13<sup>th</sup> July, 2016

**A LAW TO AMEND THE PUBLIC SERVICE PENSIONS LAW (2013 REVISION) TO INCREASE THE NORMAL RETIREMENT AGE FROM SIXTY TO SIXTY-FIVE, IN RELATION TO EMPLOYEES IN THE SERVICE; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. (1) This Law may be cited as the Public Service Pensions (Amendment) Law, 2016. Short title and commencement

(2) This Law comes into force on such date as may be appointed by Order made by the Cabinet and different dates may be appointed for different provisions of this Law and in relation to different matters.

2. The Public Service Pensions Law (2013 Revision), in this Law referred to as the “principal Law”, is amended in section 3 as follows - Amendment of section 3 of the Public Service Pensions Law (2013 Revision) - definitions

(a) in the definition of the words “early retirement” by deleting the words “under section 33” and substituting the words “under section 32”;

(b) by deleting the definition of the words “early retirement age” and substituting the following definition -

“ “early retirement age” means -

(a) in relation to an active participant employed prior to the effective date -

- (i) any age between ages fifty and fifty-nine inclusive, after the participant has completed at least ten years of qualifying service; or
  - (ii) any age between ages sixty and sixty-four inclusive;
- (b) in relation to a participant employed on or after the effective date, any age between ages fifty-five and sixty-four inclusive, after the participant has completed at least ten years of qualifying service;
- (c) in relation to a person who, on or after the effective date, is a deferred vested participant or retired participant and incurs a permitted break in service as prescribed in regulations -
- (i) any age between ages fifty and fifty-nine inclusive, after the participant has completed at least ten years of qualifying service; or
  - (ii) any age between ages sixty and sixty-four inclusive; and
- (d) in relation to a person who, on or after the effective date, is a deferred vested participant or retired participant and does not incur a permitted break in service as prescribed in regulations, any age between ages fifty-five and sixty-four inclusive, after the participant has completed ten years of qualifying service;

and, for the purposes of this definition, “effective date” means the date of commencement of the Public Service Pensions (Amendment) Law, 2016;”;

- (c) by deleting the definition of the words “normal retirement age” and substituting the following definition -
- “ “normal retirement age” means the age of sixty-five;”;
- and
- (d) by inserting after the definition of the word “retirement” the following definition –
- “ “salary grade” means -

- (a) for participants within the Public Service, remuneration bands as defined in the Public Service Management Law (2013 Revision); and
- (b) for participants within the Other Public Service, the applicable pay grades within the salary structure utilized by the statutory authority or government company;”.

3. The principal Law is amended by repealing section 23 and substituting the following section -

Repeal and substitution of section 23 - participation upon re-employment after retirement

“Participation upon re-employment after retirement

23. (1) Subject to subsection (2), a retired participant who is receiving a pension and who is subsequently re-employed in Service shall elect -

- (a) to have payments under that pension suspended and to be eligible, during the period of re-employment, to make contributions and accrue further benefits in a separate account under the defined contribution part of the Plan; or
- (b) to continue to receive that pension without interruption upon re-employment and to be ineligible to make contributions or accrue further benefits under the Plan.

(2) A retired participant who is receiving a pension and who is subsequently re-employed in Service or receives a contract renewal at the same salary grade or higher before attaining normal retirement age, is deemed to have payments under that pension suspended and to be eligible, during the period of re-employment, to make contributions and accrue further benefits in a separate account under the defined contribution part of the Plan.

(3) Where a participant who is eligible for early retirement opts for phased retirement by retiring and being subsequently re-employed in Service in a position on a lower salary grade or in a part time capacity, the participant is eligible to receive a pension without interruption and is ineligible to make contributions or accrue further benefits under the Plan.”.

Amendment of section 38 - maximum pensions 4. The principal Law is amended in section 38(4)(a) by deleting the words “less than sixty” and substituting the words “less than sixty-five”.

Passed by the Legislative Assembly the 24<sup>th</sup> day of June, 2016.

Anthony Eden

Deputy Speaker.

Sharon Smith

Acting Clerk of the Legislative Assembly.