

CAYMAN ISLANDS



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**THE PUBLIC SERVICE PENSIONS LAW
(2013 REVISION)**

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

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

The Cabinet, in exercise of the powers conferred by section 4 of the Public Service Pensions Law (2013 Revision), makes the following Regulations -

1. (1) These Regulations may be cited as the Public Service Pensions (Amendment) Regulations, 2016.

Citation and commencement

(2) These Regulations come into force immediately after the coming into force of the Public Service Pensions (Amendment) Law, 2016.

2. The Public Service Pensions Regulations (2011 Revision), in these Regulations referred to as the “principal Regulations”, are amended in regulation 2 by inserting after the definition of the words “active participant” the following definition -

Amendment of regulation 2 of the Public Service Pensions Regulations (2011 Revision) - definitions

“ “effective date” means the date of commencement of the Public Service Pensions (Amendment) Law, 2016;”.

3. The principal Regulations are amended in regulation 10 as follows -

Amendment of section 10 - account adjustment date

- (a) by renumbering regulation 10 as regulation 10(1); and
- (b) by inserting after regulation 10(1) as renumbered the following subregulation -

“ (2) Where an active participant intends to retire, the active participant shall give to the Administrator six months’ notice of the intended date of retirement, for the purposes of subregulation (1)(c) as it relates to retirement.”.

The Public Service Pensions (Amendment) Regulations, 2016

Insertion of regulation
12A - restoration of
suspended pension

4. The principal Regulations are amended by inserting in Part I, after regulation 12, the following regulation -

“Restoration of
suspended
pension

12A. Where the payment of a participant’s pension is suspended under the Law and subsequently resumed pursuant to section 23 or 35, with effect from the date that the participant is no longer an active participant, the participant or the participant’s surviving spouse, dependent children and beneficiaries are entitled to receive pension payments determined in the same manner as the participant’s prior pension payments, except that the pension payments so determined shall be actuarially adjusted by factors set out in actuarial tables agreed between the Administrator and the actuary.”.

Repeal and substitution
of regulation 15 - early
retirement benefit

5. The principal Regulations are amended by repealing regulation 15 and substituting the following regulation -

“Early
retirement
benefit

15. (1) The early retirement benefit payable under section 32, subject to the limitations set out in section 38 with respect to maximum pensions, shall be determined as follows -

- (a) an active participant who retires from Service after attaining early retirement age and who -
 - (i) was actively enrolled in the Plan on the effective date; or
 - (ii) was a deferred vested participant or retired participant who was initially enrolled in the Plan prior to the effective date and re-enrolled in the Plan after the effective date having incurred a permissible break in service,

may, upon or after attaining the age of fifty-five years but before attaining normal retirement age, be entitled to receive an early retirement benefit determined in the same manner as the participant’s normal retirement benefit, except that the participant’s pensionable earnings shall be determined on the participant’s actual date of retirement;

- (b) an active participant who retires from Service

after attaining early retirement age and who -

- (i) was actively enrolled in the Plan on the effective date; or
- (ii) was a deferred vested participant or retired participant who was initially enrolled in the Plan prior to the effective date and re-enrolled in the Plan after the effective date having incurred a permissible break in service,

may upon or after attaining the age of fifty years but before attaining the age of fifty-five years, be entitled to receive an early retirement benefit determined in the manner described in paragraph (a), except that the benefit so determined shall be actuarially reduced by the relevant early retirement reduction factors set out in the Plan actuarial tables to take into account the additional years prior to attaining the age of fifty-five years that the participant shall be entitled to receive benefit payments; and

- (c) an active participant who retires from Service after attaining early retirement age and who was a deferred vested participant or retired participant who was initially enrolled in the Plan on or prior to the effective date having not incurred a permissible break in service, upon or after attaining the age of fifty-five years but before attaining normal retirement age, is entitled to receive an early retirement benefit determined in the manner described in paragraph (a), except that the benefit so determined shall be actuarially reduced by the relevant early retirement reduction factors set out in the Plan actuarial tables to take into account the additional years that the participant shall be entitled to receive benefit payments.”.

6. The principal Regulations are amended by repealing regulation 16 and substituting the following regulation -

Repeal and substitution of regulation 16 - deferred retirement after resignation from Service

“Deferred retirement after resignation from Service

16. (1) An active defined benefit participant who resigns from Service and who fails to make the election described in section 34(1) after the participant’s resignation date shall, in respect of the participant’s accrued benefit, have the rights of a deferred vested participant.

(2) A deferred vested participant who was never re-enrolled in the Plan or was re-enrolled in the Plan having incurred a permissible break in service after the effective date, is entitled to receive a deferred benefit commencing on the first day of the month following the attainment of age sixty, calculated in accordance with regulation 14 based on the participant’s pensionable service and final average pensionable earnings on the participant’s resignation date.

(3) In lieu of the benefit described in subregulation (2), a deferred vested participant who was never re-enrolled in the Plan may elect to commence payment of the participant’s deferred benefit on the last day of any month following the participant’s attainment of age fifty with at least ten years of qualifying service and, in such event, the deferred benefit will be determined in the manner described in subregulation (2), except that the benefit so determined shall be actuarially reduced by the relevant early retirement reduction factors set out in the Plan actuarial tables to take into account the additional years prior to attaining the age of sixty years that the participant shall be entitled to receive benefit payments.

(4) In lieu of the benefit described in subregulation (2), a deferred vested participant who was re-enrolled in the Plan having incurred a permissible break in service may elect to commence payment of the participant’s deferred benefit on the last day of any month following the participant’s attainment of early retirement age and, in such event, the deferred benefit will be determined in the manner described in subregulation (2), except that the benefit so determined shall be actuarially reduced by the relevant early retirement reduction factors set out in the Plan actuarial tables to take into account the additional years prior to attaining the age of sixty years that the participant shall be entitled to receive benefit payments.

(5) A deferred vested participant who was re-enrolled in the Plan having not incurred a permissible break in service after the effective date is entitled to receive a deferred benefit commencing on the first day of the month following the attainment of age sixty-five, calculated in accordance with regulation 14 based on the participant's pensionable service and final average pensionable earnings on the participant's resignation date.

(6) In lieu of the benefit described in subregulation (5), a deferred vested participant who was re-enrolled in the Plan having not incurred a permissible break in service after the effective date may elect to commence payment of the participant's deferred benefit on the last day of any month following the participant's attainment of early retirement age and, in such event, the deferred benefit will be determined in the manner described in subregulation (5), except that the benefit so determined shall be actuarially reduced by the relevant early retirement reduction factors set out in the Plan actuarial tables to take into account the additional years prior to attaining the age of sixty-five years that the participant shall be entitled to receive benefit payments.”.

7. The principal Regulations are amended in regulation 19(6) by deleting the words “sixty years” and substituting the words “sixty-five years”.

Amendment of regulation 19 - pensions payable to surviving spouse and children of defined benefit participants

8. The principal Regulations are amended in regulation 25 by repealing subregulation (3) and substituting the following subregulation -

Amendment of regulation 25 - permitted breaks in service

“ (3) In this regulation -

“break in service” does not include periods during which a defined benefit participant or a defined contribution participant is -

- (a) on paid leave; or
- (b) on secondment to an employer not participating in the Plan, except that the period during which a participant is on such secondment shall be counted as qualifying service, but shall not be counted as pensionable service; and

“permitted break in service” means -

The Public Service Pensions (Amendment) Regulations, 2016

- (a) in the case of a defined benefit participant or a defined contribution participant, a break in service which does not exceed the lesser of -
 - (i) the aggregate amount of prior pensionable service of the participant; or
 - (ii) four years; or
- (b) in the case of a defined benefit participant, a break in service which was approved by the Governor on or prior to the 13th April, 1990.”.

Amendment of
regulation 26 -
participation after
impermissible breaks in
service

9. The principal Regulations are amended in regulation 26 by deleting the words “defined benefit”.

Made in Cabinet the 7th day of September, 2016.

Meredith Hew

Acting Clerk of the Cabinet.