

# Custodian

Your Pension Plan



**Member's Information Booklet**



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Dear Member,

We thank you for choosing Coralisle Pension Services Ltd. as your new pension provider.

We are pleased to provide you with this booklet summarizing the Plan Rules and Regulations. This booklet is not an official document and is not intended to replace the Plan Rules and Coralisle Master Deed. If the information in this booklet differs in any way from the Plan Rules, the Plan rules supersedes this booklet.

Coralisle Pension Services Ltd. will keep this booklet up to date as the Plan Rules and Trust Deed are amended. For information not covered in this booklet, please contact your employer or Coralisle/CG BritCay.

Sincerely,

Coralisle Pension Services Ltd.  
British Caymanian Insurance Agencies limited.



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## Interested Parties

### Administrator

Coralisle Pension Services Ltd.  
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236 Eastern Avenue  
P.O. Box 74  
Grand Cayman, KY1- 1102  
Tel: 1 345 949 8699 - Fax: 1 345 949 0538  
E-mail: [pensions\\_cayman\\_bm@cgcoralisle.com](mailto:pensions_cayman_bm@cgcoralisle.com)

### Distributor

British Caymanian Insurance Agencies Limited  
BritCay House  
236 Eastern Avenue  
P.O. Box 74  
Grand Cayman, KY1- 1102  
Tel: 1 345 949 8699 - Fax: 1 345 949 0538  
E-mail: [pensions\\_ky@cgcoralisle.com](mailto:pensions_ky@cgcoralisle.com)

### Investment Manager

Investment Policy Committee  
Morgan Stanley Dean Witter  
Vanguard  
MFS  
Russell Investment  
Blackrock Investment  
Fidelity Investments

### Trustee

Conyers Trustee Services (BVI) Limited  
Commerce House, Wickhams Cay 1  
PO Box 3140, Road Town, Tortula  
British Virgin Islands VG110  
Tel: (284) 852- 1142

### Auditor

EY Bermuda Ltd.  
3 Bermudiana Road  
Bermuda, HamiltonHM08  
PO Box HM 463  
Tel: (441) 294-5532



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## **Your Pension Plan - Custodian**

Your pension plan is an agreement under which your employer has established a plan to provide its employees with a source of income that begins at retirement.

Custodian is a unique retirement solution that provides high quality pension related services.

All contributions are held and invested for the exclusive benefit of the members to provide for their pension during retirement.

Coralisle Pension Services Ltd. is licensed by the Cayman Islands Monetary authority to conduct pension trust business and is also an approved pension provider licensed by the Cayman Islands Department of Labour & Pensions.

Coralisle is a company, duly incorporated and existing under the laws of Bermuda, whose principal object is to manage pension plans. Your employer is confident that Coralisle's professional advice and management will lead to better retirement planning, smarter savings strategies and higher returns.

The Trustee, after careful studies, and in collaboration with the investment policy committee (IPC), is offering you and your employer selected investment options which are professionally managed by recognized and experienced investment managers.

Custodian delivers is a unique participant-directed pension plan which provides flexible investment options to each employee.

Coralisle will explain the investment options available during the members' enrolment sessions and subsequent annual meetings.



## What should I know about the Pension Plan?

Its purpose is to provide you with a pension once you retire. The terms and conditions of the Plan are in accordance with the National Pensions Act (2024 Revision) – supplement No. 8 published with Legislation Gazette No. 7 of 8th February 2024, National Pensions (General) Regulations (2011 Revision), National Pensions (Pensions Fund Investment) Regulations 1998 and any subsequent amendments.

The retirement income will be derived from the funds contributed to the Plan by you and your employer, plus accumulated investment income on the contributions made.

## What should I know about the pension legislation?

Mandatory pension was introduced in 1996, implemented in 1998 and requires all employers to provide their employees with pension benefits. Some of the key features of the law are:

- Employers and employees are required to contribute an amount equivalent to 10% of an employee's monthly salary (up to the "year's maximum pensionable earnings" of CI\$87,000 a year effective January 1<sup>st</sup> 2017) into an approved pension scheme.
- Self Employed persons must contribute a minimum of 10% of their year's maximum pensionable earnings.
- Contributions paid more than 10% of CI\$ 87,000 in a calendar year are recorded as voluntary.
- Pensions are transferable from one registered pension plan to another when changing jobs.
- Transfers to the Public Service Pensions Board permitted effective December 31st, 2017.
- A Member may access their Additional Voluntary Contributions (AVC's) prior to the normal age of pension entitlement for specific reasons.
- If you leave Cayman or are not employed in the Cayman Islands and the sum in your pension account is under CI\$5,000, you can receive your funds within six weeks of your date of termination.
- Refunds of contributions for members with balances greater than CI\$ 5,000 will no longer be allowed unless the member, who has attained the normal age of entitlement (age 65) can provide evidence to the Director of Labour & Pensions that he/she cannot transfer his/her pension benefits to another pension plan, pension savings arrangement or life annuity.

If you are married, your spouse is automatically your beneficiary unless otherwise specified.

## When do I become a member of the Plan?

All Caymanian and Permanent Resident employees are immediately eligible to participate in a pension plan with their employers. All non- Caymanian employees become eligible/pensionable after the completion of nine (9) months of employment within the Islands, not with a specific business, and regardless of probationary periods. If someone has more than one employer, then each employer must pay into the employee's pension plan.

These requirements apply to all such employees between the ages of 18 to 65, whether they are in full-time or part time employment. There are, however, some exceptions:



- Caymanians, under the age of 23 AND in full time education, are not required to participate in a pension plan. As a result, neither the individual nor their employer are required to have a pension plan or pay any pension contributions. Please note that all three requirements must be true, at the same time, for this to apply.
- Non-Caymanians and non-permanent residents that are employed as household domestics are also not required to have a pension plan or pay pension contributions.

**To enroll please submit a fully completed pension enrollment form along with a certified copy of a valid government issued photo ID** – please contact our Client Services Specialist at [pensions\\_ky@cgcoralisle.com](mailto:pensions_ky@cgcoralisle.com) for our certification guidelines.

Please refer to [www.dlp.gov.ky](http://www.dlp.gov.ky) for more information about pensions in the Cayman Islands.

### **Who contributes towards the Plan?**

Unless an employer agrees to contribute more than employer's minimum requirement of 5%, all employees must contribute 5% of their earnings up to the Year's Maximum Pensionable Earnings.

The Year's Maximum Pensionable Earnings (which is defined as the amount on which pension contributions must be paid by both the employee and employer) increased from CI\$ 60,000 to CI\$ 87,000 effective January 1st 2017.

In the case of an employee, earnings is defined as (a) any wages, salary, leave pay, fee, commission, bonus (to the extent that the bonus is equivalent to more than twenty per cent of the employee's basic salary or wage for the period in question) or gratuity, expressed in monetary terms, paid or payable by an employer (directly or indirectly) to that employee in consideration of employment, but does not include severance payments, retirement or long service recognition payments or health insurance premiums; and (b) in the case of a self-employed person, income of that person prescribed and calculated in accordance with the regulations;

You may also make additional contributions to increase your retirement benefits. This can be done by authorizing your employer to deduct a higher percentage of your salary, a fixed amount, or by making a lump sum contribution at any time. Your employer is not required to match your additional contributions. You can increase, decrease, or cease your additional contributions upon proper notification to your employer.

Effective March 31st, 2017, a member may access their Additional Voluntary Contributions (AVC's) prior to the normal age of pension entitlement only for specific reasons: Housing purposes, Medical Expenses, Temporary Unemployment and Educational Needs Your Employee contributions will be made through payroll deductions. Your contributions along with your employer's will be forwarded monthly to Coralisle for investment.

The Law requires that total contributions be paid into the pension plan within (15) fifteen days after the day of the month in which the contributions were deducted. Late contributions would incur interest payable by the employer and credited to the member's account.

All money contributed towards the Plan are set aside specifically for retirement income, therefore you will only have access to your pension benefits upon retirement unless otherwise stated.



## How are my contributions invested?

Coralisle has established a series of investment options. The contributions received are invested in a variety of investment vehicles aimed at securing top investment returns, under the expert advice of the Investment Policy Committee. In choosing the investment options, Coralisle has taken into consideration the potential threat of inflation on both income and capital, as well as the different degrees of risk associated with each type of investment.

Coralisle's highly qualified planning and investment professionals are using rigorous screening and testing methodologies, while maintaining a platform of investment managers across asset classes. Coralisle's platform is one of open architecture where we employ managers who reflect our style, philosophy and attitude towards risk.

The Trustee and IPC have retained the services of the following investment managers:

- Fidelity Investments
- Morgan Stanley Dean Witter
- Russell Investment
- Vanguard
- MFS

The above investment managers are among the world's most successful and experienced investment managers.

Your contributions and your employer's contributions will be invested in the options you have selected on the enrollment forms. Coralisle will provide you with personal assistance in choosing the investment options that are best for you. You must note, however, that given the variable nature of market sensitive instruments, and the risk associated with capital growth-oriented investments, Coralisle cannot guarantee the return on the investments held in the investment options.

All contributions are invested in US dollars.

## What are my investment options?

The IPC is committed to managing risk, as defined by volatility, and to the receipt of adequate compensation for risks undertaken within the portfolio.

The Coralisle product allows you to select one of the two options as detailed below:

### Option 1

PROFILE	ALLOCATION
Aggressive	40% Bonds – 60% Equities
Moderate	40% Bonds – 60% Equities
Conservative	20% Cash – 40% Bonds – 40% Equities





## Option 2

You self-direct by choosing your investment mix from the following funds:

ASSET CLASS	MANAGER	FUND
Global Equities (Index)	Vanguard	Vanguard Global Stock Index Fund
Global Equities (Active)	MFS	MFS Global Equity Fund
European Equities (Active)	MFS	MFS European Research Fund
Asian Equities	Fidelity Investment	Fidelity Sustainable Asia Equity Fund
US Equities (Index)	Vanguard	Vanguard US 500 Stock Index Fund
US Equities (Active)	Vanguard	Vanguard US Opportunities Fund
US Small Cap Equities Fund	Russell Investment	iShares Russell 2000 – ETF
Balanced Fund	MFS	MFS Global Total Return Fund (50/50 S/B)
Global Bonds	Morgan Stanley	Morgan Stanley Global Bond Fund
US Gov't Bonds	MFS	MFS US Government Bond Fund
Short Term/Cash Option	Cayman Cash Option	Cayman Cash

Coralisle will assist you in choosing your investment options. You must note that your investment choices must remain within the guidelines as stated by the National Pensions Law – The National Pensions (Pension Fund Investments) Regulations (1998 Revision).

### Investment Guidelines

#### Equity (Stocks)

No less than 40% or No more than 70%

#### Bond (Bonds)

No less than 20% or No more than 40%

#### Cash (Certificate of Deposit - T-Bills - Money Market Instruments etc.)

No more than 25%

If your investment choices are incomplete or inaccurate, all contributions received will be invested in the default Option I: Moderate Profile.

At any time after you have enrolled in the Plan, you may change your investment options by submitting a hard copy of the Change of Investment Options Form or make the change online when you log into the CG "MyPension" web portal at <https://mypension.cgcoralisle.com/LVdcWeb/>

### When do I get the benefit of my contributions?

Your contributions and the contributions paid by your employer on your behalf vest as soon as you join the Plan, that is they will always belong to you. Under the CI National Pensions Law, you are entitled to your employer's contributions as soon as you join the plan.



## Are in-service withdrawals allowed?

Effective March 31st, 2017, a Member may access their Additional Voluntary Contributions (AVC's) prior to the normal age of pension entitlement for the following specific reasons as per Section 47 of the Law:

- Housing purposes including the construction of the member's dwelling house, purchase of Residential land or the payment of the total balance owed on the member's mortgage excluding the payment of rent or similar purposes.
- Medical Expenses in cases where the members health insurance does not cover the cost of the Medical procedure and the medical expense is not elective.
- Temporary Unemployment for the first 6 months following the first 3 months after the member was terminated.
- Educational Needs
  - For the member
  - Any dependent child of the member that is under the age of 23 pursuing full time education.

As per section 52 of the National Pensions Act (2024 Revision), Caymanians can withdraw mandatory pension contributions to purchase or construct a dwelling unit, purchase residential land, provide reduction payment on residential land loan or existing mortgage, and if applicable, arrears in strata fees in the Cayman Islands.

A person who is Caymanian and non-current homeowner can withdraw mandatory pension funds in an amount not exceeding CI\$50,000 for a deposit or reduction payment, or \$100,000 to pay off a mortgage.

A person who is a non-current homeowner but owns land in the Islands shall be entitled to withdraw an amount from that person's account in a pension plan as a deposit to purchase residential land in the Islands.

A mortgage with a Class A financial institution is required.

Effective December 9th, 2023, withdrawal of mandatory contributions are subject to repayment provisions of an additional 3% of a members earnings. This payment is not subject to the year's maximum pensionable earnings.

Additional Voluntary Contributions (AVCs) can be used to cover property repayments as follows:

- Both employer & employee portions would be accessible
- Only the AVCs paid, after the member's property withdrawal could be used for the repayment.

A US\$50 housing withdrawal application fee is payable to Coralise Pension Services.

Please contact our Client Services Specialist at [pensions\\_ky@cqcoralisle.com](mailto:pensions_ky@cqcoralisle.com) for further details.



## Who pays the administrative cost of the Plan?

The administrative cost of operating the plan is borne equally by both you and your Employer or can be paid solely by the Employer.

- Administration Fee (paid to Coralisle)
- Annual Renewal Registration of Pension Plan Fee (paid to the Department of Labour & Pensions)
- Expense Ratio 0.92% as of December 2023 – The expense ratio is calculated as the total percentage of the average net assets.

## Will I receive a statement reflecting my contributions?

Yes. Coralisle will maintain records for each of your contributions. You can view your monthly updated online statement in the 1<sup>st</sup> week of each month.

After receiving a signed enrollment form, certified valid photo ID and your first month's contribution, you will be sent instructions on how to create your online web account to the email address provided on your enrollment form. To create your pension web account, go to <https://mypension.CGCoralisle.com> , then click on 'Create Web Account'.

Members will be provided with semi-annual statements in hardcopy or electronically upon the consent of the member in writing, via email or the web portal.

## When can I retire?

Your normal age of pension entitlement will be no later than one year after you reach your 65<sup>th</sup> birthday. However, the Plan does not force you to retire at 65. If you remain in service after the normal age of pension entitlement, you may elect to accrue your pension benefits, or commence receiving your retirement benefit. Contributions paid after your normal age of pension entitlement are classified as voluntary contributions.

Early age of pension entitlement benefits can be received within 10 years of the normal retirement date. Members who turn 60 between Jan 1st, 2017 to Dec 31st 2029, can choose to retain the age of 60 as their normal age of pension entitlement.

If a member is currently between 60 & 65 as at January 1st, 2017 and is still working, he/she will be required to resume mandatory pension payments until age 65 – regardless of whether they are receiving pension benefits or not.

## What will my pension benefits be at retirement?

Your pension benefits will be the value of all contributions credited to your accounts plus accumulated investment income.

## How will my pension benefits be paid at retirement?

Pension benefits under the Plan shall be in the form of a Retirement Savings Arrangement (RSA).



The Retirement Savings Arrangement (RSA) is a vehicle for members to drawdown on their account balances instead of purchasing an annuity. The maximum annual withdrawal amount is determined by the member's age and account value. If the amount calculated is less than CI\$ 14,125, then in order to minimize hardships, the Annual Maximum is deemed to be CI\$ 14,125.

A member can withdraw any amount up to the annual maximum, however, please note that if a member does not take the maximum figure within the calendar year, they are not permitted to withdraw the residual balance during a subsequent period.

When the payment for age 89 is to be made, the member would have the option of taking the full RSA account balance, if any, as a lump sum or continue to withdraw annual amounts.

### **What happens if I become ill before I reach retirement?**

A pension plan may provide for the payment of benefits under the plan to a member whose life expectancy is likely to be reduced because of the mental or physical disability of that member – Section 40 of the CI NPL 2012 revision.

### **What happens if I die before I start getting a pension?**

Your spouse will receive the total amount of your accumulated pension benefits, usually in the form of an immediate or deferred pension.

If you do not have a spouse, or a dependent child or children, your elected beneficiary(ies) will receive the total amount of your accumulated pension benefits.

### **What happens if I die after I start getting a pension?**

The remainder of your accumulated pension benefits will be payable to your beneficiary(ies) in accordance with the Cayman Islands National Pensions Law.

### **What would happen to my accumulated pension benefit if I were to change employer, cease to work, or leave Cayman?**

There is no penalty if you change employer, cease to work or leave Cayman.

- If you change employer, Coralisle will transfer your accumulated pension benefits to the trustee, or administrator of your new employer's pension plan, within Cayman. This process will be completed within six (6) weeks of having received your Termination/Transfer notice and your last contributions.
- If you cease to work, and remain in Cayman, your accumulated benefits will be transferred to an Individual Retirement Account with Coralisle and continue to share in any appreciation of your selected investment options, until you reach retirement age.
- If you terminate employment and leave the Cayman Islands, you may:
  - Transfer your accumulated pension benefits to an overseas provider if the following criteria are met,



- 
- Termination of employment in Cayman Islands
  - No contributions to the plan for two years
  - Ceased to reside in the Cayman Islands for 2 years

Overseas provider must be approved by the Department of Labour & Pensions

- Receive a refund of your accumulated pension benefits, if the amount is less than CI\$5,000
- Transfer your accumulated pension benefits to a prescribed pension retirement savings arrangements (RSA)
- Purchase of a Life Annuity that will not commence before the earliest date on which you would have been entitled to receive payment of the pension benefits

Refunds of contributions for members with balances greater than CI\$ 5,000 were no longer allowed after December 31st 2019 unless the member, who has attained the normal age of entitlement (age 65) can provide evidence to the Director of Labour & Pensions that he/she cannot transfer his/her pension benefits to another pension plan, pension savings arrangement or life annuity.

Note: your pension cannot be paid out or transferred until all contributions owed by an employer are paid in full.

### **Are pensions guaranteed by the Government?**

No. Pensions are paid solely from contributions made to the Plan and accumulated investment income on your contributions.

### **Would I continue to receive my pension payments if I were to leave Cayman after I retire?**

Your pension payments can be paid via wire transfer or an international draft sent via courier at your expense. They will be duly converted to the currency of your choice to the extent legally possible.



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## Contact Information

Should you have any queries regarding the Pension Plan, please direct them to:



British Caymanian Insurance Agencies Limited  
BritCay House, 236 Eastern Avenue  
Grand Cayman KY1-1102  
CAYMAN ISLANDS  
Tel: (345) 949-8699  
Monday through Friday 9:00 a.m. to 5:00 p.m. (Eastern Standard Time)  
Fax: 345 949 0538  
Customer Service: [pensions\\_ky@cgcoralisle.com](mailto:pensions_ky@cgcoralisle.com)