



## **GUIDANCE NOTE**

### **TOPIC: INTERNATIONAL TRANSFERS**

Section 34 of the National Pensions Law (2012 Revision) was amended by the National Pensions (Amendment) 2016 and came into effect on the 31<sup>st</sup> December, 2017.

#### **Requirements for Members**

As a result of these legislative changes, the requirements for members to transfer their pension benefit overseas have changed to the following:

- The member's employment must be terminated
- The member must cease to reside in the Cayman Islands for two years or more and
- There must be no contributions in the member's account for a period of two years or more

For clarity, all three requirements must be true at the same time in order for a member to apply to their Cayman Islands pension plan administrator to transfer their pension benefits to a pension plan that is outside of the Cayman Islands.

#### **Requirements for Overseas Transfers**

In order for a transfer to be considered to a pension plan or retirement product outside of the Cayman Islands, the new retirement account must meet the following requirements:

- The pension benefit must be locked in and fully vested
- It must be protected from seizure and garnishment under personal property or bankruptcy laws
- The access to the funds must be restricted until, no earlier than 10 years (age 55) before the normal age of pension entitlement

Kindly note that a deferred annuity could also be permissible for transfer, assuming the required documentation can be provided to illustrate that it complies with the above requirements.

#### **Application Process**

In order to transfer outside of the Cayman Islands, the member must apply to their pension plan administrator directly. As part of the application process, the member must also submit a detailed plan document which outlines the rules and provisions of the pension plan or retirement product to which they request to transfer their Cayman Islands pension benefit.

There is an application form that the member must complete and have signed by the Receiving Pension Plan as well as a supplemental form which must be completed by the Administrator of the Receiving



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Pension Plan. The member must also provide the pension plan administrator with a valid Government photo id such as a Driver's License or Passport.

Once all information is received by the local Administrator, the application packet will be submitted to the Department of Labour & Pensions for its approval.