Department of Labour & Pensions

Vision

To be a valued and trusted partner in supporting excellence in employee-employer relations and compliance with labour and pensions legislation for the private sector in the Cayman Islands.

Mission

To provide through education, engagement and the enforcement of labour and pension legislation, a one-stop-shop for private sector labour and pensions services and support, delivered by competent and caring staff, operating in a prompt, fair and impartial manner and with the highest integrity.

Values

The Department of Labour & Pension ("DLP") is committed to being a Department that is:

- Professional, pro-active and ethical;
- Fair, consistent and impartial in our decision-making;
- Research and fact-driven;
- Resourced with well-trained, dedicated, honest and attentive staff; and
- Client-focused; communicates well and delivers timely and thorough services.
FOREWORD

Chairman’s Introduction:
Executive Summary:
INTRODUCTION

Under Section 85 of the National Pensions Law, the Superintendent and the National Pensions Board (“the Board”) shall report to the Minister on the business of the Superintendent and the Board.

This report covers the period of July 2016 to December 2017 and provides an overview of the activities of both the Superintendent and the Board in relation to their respective regulatory roles as outlined in the National Pensions Law (2012 Revision).

Section 84 of the National Pensions Law requires that the Auditor General shall examine the accounts and financial transactions of the Superintendent and the Board. The accounts and financial transactions of the Superintendent are included in those of the National Pensions Office, which is examined as part of the Auditor General’s audit of the Department of Labour & Pensions, via the Ministry of Education, Employment & Gender Affairs. Furthermore, the National Pensions Office and by extension, the National Pensions Board is not a statutory authority. As a result, the National Pensions Board is not vested with any authority in respect of funds or accounts in relation to the Cayman Islands Government or private sector pension plans.

BACKGROUND: REGULATORY STRUCTURE AND GOVERNANCE

National Pensions Board

The National Pensions Board (“the Board”) is established under Section 78 of the National Pensions Law (2012 Revision) (“the NPL”). The Board is to consist of a Chairman, a Deputy Chairman and between five to nine additional members. The appointment of Board Members is gazetted and the Board’s duties and responsibilities are contained within the NPL.

The Superintendent of Pensions is the Chief Administrative Officer of the Board as stated in section 79 (2) of the NPL.

Pursuant to section 80 of the NPL, the duties of the Board are to:

• Administer the NPL and its Regulations;
• Promote the establishment, extension and improvement of pension plans throughout the Islands;
• Advise the Minister in respect of business of the Board; and
• Make recommendations to the Minister in respect of pension plans.
COMPOSITION OF THE BOARD

During the timeframe of this report, the members of the National Pensions Board were as follows:

- Mr. Bryan Bothwell   Chairman
- Mr. Cline Glidden   Deputy Chairman
- Mr. Stephen Price   Member (until October 2017)
- Mr. Peter Stafford    Member (until October 2017)
- Ms. Kathryn Myles   Member (until October 2017)
- Ms. Debra Humphreys   Member
- Ms. Ashita Shenoy   Member (until October 2017)
- Ms. Simone Proctor   Member (starting June 2016)
- Mr. Richard Lewis   Member (starting November 2017)

With the expiry of the appointment of four Board members in October 2017, the Board was no longer properly constituted under section 78 of the National Pensions Law.

ORGANISATIONAL STRUCTURE

The organisational chart of the National Pensions Office (“NPO”), as at the 31st January 2017, is as follows:

ADD ORGANISATIONAL CHART

- Director
- Superintendent of Pensions (reporting to both the Director and the Board)
- 5 Senior Pensions Officers
- 1 Administrative Officer III

As discussed in greater detail within this report, the National Pensions Office was replaced by the Department of Labour & Pensions (“DLP”) under the National Pensions (2012 Revision) with the coming into effect of the National Pensions (Amendment) Law, 2016. Furthermore, the role of Superintendent of Pensions was replaced by the Director, who assumed responsibilities previously held by the Superintendent.
BOARD MEETINGS

There were five (5) Board meetings held this year and the schedule of meetings was as follows:-

<table>
<thead>
<tr>
<th>Date</th>
<th>Type of Meeting</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>30th August 2016</td>
<td>Standard Board Meeting</td>
<td>63% of members in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>attendance</td>
</tr>
<tr>
<td>22nd September 2016</td>
<td>Standard Board Meeting</td>
<td>63% of members in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>attendance</td>
</tr>
<tr>
<td>23rd May 2017</td>
<td>Standard Board Meeting</td>
<td>63% of members in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>attendance</td>
</tr>
<tr>
<td>24th October 2017</td>
<td>Standard Board Meeting</td>
<td>63% of members in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>attendance</td>
</tr>
</tbody>
</table>

With the expiry of the appointment of four Board members in October 2017, the Board was no longer properly constituted under section 78 of the National Pensions Law. As a result, there were no Board meetings held post October 2017.

NATIONAL PENSIONS OFFICE

In conjunction with the Board, the National Pensions Office serves as the regulatory body for the private sector pension regime including the pension plans, administrators and employers.

As a regulatory body, the NPO investigates, enforces and recommends cases of non-compliance of the National Pensions Law to the Director of Public Prosecutions to commence legal proceedings, usually, in Summary Court. The NPO also delivers educational information to the general public on the importance of compliance with the National Pensions Law and Regulations.

With the implementation of the National Pensions (Amendment) 2016, as of the 1st February 2017, the National Pensions Office was dissolved and the Department of Labour & Pensions became the new regulatory body.
STAFFING LEVELS

In December 2015, Mr. Bennard Ebanks was appointed as the new Director of the Department of Labour and Pensions and Ms. Amy Wolliston, who was seconded to the Ministry, returned to the National Pensions Office as the Superintendent of Pensions. The new senior management continued in their roles throughout the year.

Unfortunately, there were several staffing changes which impacted the Pensions Unit. A staff member that was shared between the Pensions and Labour Units resigned. Another staff member began working, on a part time basis, in a similar capacity and training on her new role is ongoing. As mentioned in the previous report, the staff member that was seconded to another position was eventually promoted in September 2016. This provided the staff member with further development opportunities however impacted the Pensions Units’ resources. The Department was able to hire a former staff member on a temporary basis, as a Senior Pensions Officer, to assist with the ongoing workload, which proved useful. Furthermore, in October 2017, a Senior Pensions Officer resigned to work for another Government Department. It was a tough year for the Pensions Unit with the loss of these staff members.

It is expected that recruitment for a new Senior Pensions Officer will occur in 2018.

ADD TABLE WITH STAFFING LEVELS – SEE 15/16 REPORT FOR PRIOR DATA

- For December 2017: the first number should be 3 with 2 vacancies; the second number remains at 3 and the total would reduce from 8 to 6.
ADMINISTRATION OF THE LAW AND REGULATIONS

AMENDMENTS TO NATIONAL PENSIONS LAW UPDATE

REGISTRATIONS

In this financial year, there were fifteen (15) pension plans registered with the National Pensions Office. The pension plans were organised into two groups: multiemployer pension plans and single employer pensions plans, which reflect their approvals to allow several employers or only a single employer to participate in their pension plan overall.

Of the 15 pension plans, there were six (6) multiemployer pension plans and nine (9) single employer pension plans which are listed below.

ADD TABLE: MULTIEMPLOYER PENSION PLANS

- BAF Cayman Pension Plan
- British Caymanian/Colonial Pension Plan
- Cayman National Pension Plan
- Chamber of Commerce Pension Plan
- Fidelity Pension Plan
- Silver Thatch Pension Plan

ADD TABLE: SINGLE EMPLOYER PENSION PLANS

- Barclays Bank CI Retirement Plan
- CIBC International Pension Plan
- First Caribbean International Bank Pension Plan
- Jacques Scott Pension Plan
- McCormick Pension Plan
- Merrill Lynch Third Country National Pension Plan
- Mighty Oaks Pension Plan
- Scotiabank Pension Plan
- Wyvern Retirement Trust
Growth & Value of Pension Plan Assets

Enrollment of Pension Plan Members

Pension Plan Contributions In & Distributions

Consolidated Statistical Information on Pension Plans

COMPLIANCE, ENFORCEMENT, COMPLAINTS & APPEALS

Appeals:

Under section 72 of the National Pensions Law (2012 Revision), “a person affected by a decision of the Superintendent may appeal to the Board.” The NPL states that a decision includes:

(a) an order;
(b) an approval;
(c) a consent;
(d) a refusal to register a pension plan or an amendment to a pension plan;
(e) the revocation of a pension plan or an amendment to a pension plan; and

(f) the appointment of an administrator.

There were no new or ongoing appeals to the National Pensions Board during this financial year.