

CAYMAN ISLANDS



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**THE PENSIONS (AMENDMENT) LAW, 1997**

**(Law 30 of 1997)**

**THE PENSIONS (AMENDMENT) LAW, 1997**

**ARRANGEMENT OF SECTIONS**

1. Short title.
2. Amendment of section 2 -interpretation.
3. Amendment of section 9 - investment of the Fund.
4. Amendment of section 10 - contributions to the Fund.
5. Amendment of the Third Schedule - Approved Investments.

CAYMAN ISLANDS

Law 30 of 1997.

I Assent

JOHN OWEN

Governor.

18 February, 1998.

**A LAW TO AMEND THE PENSIONS LAW  
(1995 Revision)**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Pensions (Amendment) Law, 1997. Short title
2. Section 2 of the Pensions Law (1995 Revision), in this Law referred to as "the principal Law", is amended- Amendment of section 2  
- interpretation
  - (a) by repealing the definition of "group employee" and substituting the following-

" "group employee" means a Caymanian or a person with Caymanian status within the meaning of the Immigration Law who has been continuously employed by the government since the 1 January, 1996, on a temporary basis and paid at an hourly rate;"
  - (b) in the definition of "pensionable emoluments" by inserting the words "acting allowance," after the words "personal allowance,"; and
  - (c) by inserting the following definitions-

“investment grade” means a grade given to any security or other obligation by any two or more internationally recognised credit rating agencies to indicate that the security or other obligation is eligible for investment and it has at least an adequate capacity to pay interest and repay principal;” and

“publicly traded” means traded on-

- (a) a stock exchange in the Islands; or
- (b) any other exchange recognised by internationally recognised credit rating agencies on which securities are traded if the prices at which they have been traded on that market are regularly published in a newspaper or business or financial publication of general or regular paid circulation.”

Amendment of section 9  
- investment of the Fund

3. Section 9 of the principal Law is amended by inserting the following subsections immediately after subsection (5)-

(6) The Board shall invest the Fund in such a manner to ensure that there is no undue risk of loss or impairment to the Fund and pursuant to the advice of investment managers appointed by the Board.

(7) The Board shall exercise the care, diligence and skill in the investment of the Fund that persons of ordinary prudence would exercise in dealing with the property of another.

(8) The approved investments may not be changed without the agreement of the Governor in Council, and without the recorded approval and votes of at least two-thirds of the contributors and such votes shall be recorded in the minutes of the meeting at which they were taken.”

Amendment of section 10 - contributions to the Fund

4. Section 10 of the principal Law is amended-

(a) by repealing subsection (9) and substituting the following-

“(9) Regulations changing the rate of contributions pursuant to subsection (2) and prescribing the period in respect of which they are to be paid may be made by the Governor in Council.”; and

(b) by inserting after subsection (9) the following subsection-

“(10) Contributions under subsection (2)(a), (b) and (c) in respect of a contributor who enters into public service on or after 1 January, 1998, notwithstanding the date of execution of his contract of service, shall be transferred, together with interest at a rate equivalent to the net rate of return of the Fund for the same period to any defined contribution scheme which may be introduced for the public service within a period of 1 year from the date of commencement of his employment.”.

5. The Third Schedule of the principal Law is repealed and the following substituted-

Amendment of the Third  
Schedule - Approved  
Investments

**“THIRD SCHEDULE**

**Approved Investments**

Cash (including Certificate of Deposits).

Treasury Bills .

Investment grade bonds, such as conform to the Board’s statement of investment policies and goals in force from time to time, issued by such foreign governments as may be prescribed in regulations made by the Governor in Council.

Investment grade bonds, such as conform to the Board’s statement of investment policies and goals in force from time to time, guaranteed by such foreign governments as may be prescribed in regulations made by the Governor in Council.

Investment grade corporate bonds .

Publicly traded equities and debt securities of companies such as conform to the Board’s statement of investment policies and goals in force from time to time.

Collective investment schemes registered on internationally recognised stock exchanges including open end and closed end mutual

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or pooled funds which invest in investment grade bonds, mortgages or equities.”.

Passed by the Legislative Assembly the 23rd day of December, 1997.

Mabry S Kirkconnell

Speaker.

Georgette Myrie

Clerk of the Legislative Assembly.