



**GROUP
& PERSONAL
PENSIONS**

**RF Bank & Trust
Employers Pension Guide**

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General

Introduction

With effect from 1st June 1998 employers have been required to provide their employees in the Cayman Islands, subject to certain limited exceptions, with pension benefits in accordance with what is now the National Pensions Act (2024 Revision) (“the Law”). Self-employed individuals are also required to make provision for a pension.

Any pension plan must be established and administered in accordance with the provisions of the Law and must be registered with the Superintendent of Pensions.

RF Pension Plan (“the plan”) has been registered with the Director of Pensions with effect from April 1, 2004 and will provide benefits in accordance with the provisions of the Law and the Trust Deed dated April 1, 2004 (“the Trust Deed”) pursuant to which the plan has been established.

The RF Pension Plan is a defined contribution pension plan whereby both the employer and employee make contributions. Those contributions are invested over time to provide a payout at retirement. The final benefit amount of the pension is based on contributions and investment performance is subject to market performance.

RF Bank and Trust (Cayman) Limited, the trustee and administrator of the plan, is incorporated and licensed by the Cayman Islands Monetary Authority in the Cayman Islands as a trust business pursuant to The Bank and Trust Companies Act (2021 Revision), license number: 1854215. The parent company is RF Holdings, which is a Bahamian licensed firm by The Central Bank of The Bahamas.

Employer Obligations Under the Plan

In order to join the RF Pension Plan, as an employer, you will be required to complete an Employer’s Application Form and execute a Deed of Adherence in which you will agree to undertake a number of obligations that are as follows:

- 1) Obtain the consent of the majority of your employees to join the RF Pension Plan.
- 2) Provide the Administrator with information to enable it to comply with the Law and the regulations enacted pursuant to the Law (the “Regulations”).
- 3) Provide details of the Pension Plan to your eligible employees as defined below:

In accordance with the Cayman Islands Labour Act (2021 Revision) (“The Law”). All Caymanian and Permanent Resident employees between 18 and 65 years of age are pensionable immediately, regardless of any probationary periods. The only exceptions are:

- Caymanians; and
- under the age of 23 years old; and
- pursuing full time education

For Non-Caymanian employees between 18 and 65 years of age are pensionable, after they have completed nine (9) months of employment in the Islands. Please note that the nine months is not required to be with a specific company. Additionally, once the nine months are completed, then any future

probationary periods do not impact the start of the employee's pensionable period.

- 4) Complete the monthly Contribution Input Form and submit the payment of the contributions to the Administrator.
- 5) Notify the Administrator of any changes in respect of your employees.

Before joining a new pension plan, the Employer must allow the employees to vote. If a majority of the voting employees agree, then the employer can join a new pension plan. The employer must then advise the old plan's administrator and the Cayman Islands Department of Labour and Pensions of the decision to move to a new plan.

Employers are responsible for making deductions at source in respect of their employee's earnings and submitting these contributions to the Pension Provider. We would like to make this as easy as possible for you; therefore we are including a copy of all forms that will help in the administration of the Pension Plan. Enrollment forms and other relevant forms are available:

- On our website (www.rfgroup.com) or
- or from the Administrator or
- Via email at pensionsky@rfgroup.com or
- Visiting the RF Bank and Trust (Cayman) Limited office

RF Bank and Trust (Cayman) Limited

**Fidelity Financial Centre
1 Gecko Link, 3rd Floor
George Town,
Grand Cayman KY1-1104
Cayman Islands, British West Indies**

**Email: pensionky@rfgroup.com
Telephone: (345) 746 6010**

Employers Information

Employer Application Form

The Employer Application Form is used to notify the RF Bank and Trust (Cayman) Limited referred to as the “Administrator” of the details of each new employer, self-employed person, and Voluntary member of the RF Pension Plan. Once the form has been completed, the Administrator will then notify the Cayman Islands Director of Labour and Pensions and complete the application process. Note that the Deed of Adherence must also be signed in order for this application to be complete.

Deed of Adherence

In order to become a participating employer of the RF Pension Plan, you will need to sign the Deed of Adherence. Refer to the section above called “Employer Obligations Under the Plan” for more details on the Deed of Adherence. A signed Deed of Adherence binds the employer to the terms and conditions laid out in the Trust Deed for the RF Pension Plan.

Member Enrollment Form and Designation of Beneficiary(ies)

The Member Enrollment Form is used to notify the Administrator of the details of each new member. When a new employee begins work and becomes eligible to join a pension plan, a Member Enrollment Form must be completed and submitted to the Administrator.

In order for a new member enrollment to be complete, a Member Enrollment Form along with a Designation of Beneficiary(ies) form must be completed and sent to the Administrator. On receipt of these forms, each employee will be given a “Member ID”, which should be used in all future correspondence and communications with the Administrator. A Member Kit should be given to the new member for their information purposes on the RF Pension Plan.

In respect to the employee’s beneficiary(ies), in most cases, it will be their spouse and /or children, however, if a member has neither of these, the Trustee may allow the member to designate a different Beneficiary or beneficiaries. Please have the members complete a Designation of Beneficiary(ies) Form. The best advice in this matter is to have proper estate planning in place (ie. make sure you have a current legal will which clearly spells out your wishes and is less likely to be subject to some dispute).

Change of Membership Information Form

You are required to inform the Administrator of any changes to the membership details of your employees. Please refer to the “Change of Membership Information Form” at the back of this guide. Some examples of changes would be marriage, change in beneficiary(ies), divorce or death of an employee. Members should notify the Administrator for residential address, email address and telephone changes as well.

Contributions

Employers agree, on joining the plan, to calculate the amounts payable in contributions to the Administrator. The self-employed and persons otherwise contributing on their own behalf will need to confirm to the Administrator their earnings for the purposes of their pension contributions and calculate the amount of contributions required and submit the Contributions Input Form.

Subject to the C1\$87000 cap, a person cannot be required to contribute more than 5% of his earnings and, generally, an employer may not contribute less than 5% of earnings to the plan.

If an employer contributes an amount which is more than 5% of the earnings of an employee to the plan, such employee will only be required to contribute an amount which when added to the employer contribution will equal 10% of earnings.

The level of employee contributions may be changed pursuant to the Law.

Contributions are calculated as a percentage of earnings. Earnings are defined in the Law to mean: -

- a) In the case of an employee, 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 The Cayman Islands Labour Act (2021 Revision) ("The Law") in accordance with National Pensions Act (2024 revision) ("The Law") A self-employed person shall contribute to a pension plan every year during that person's employment a sum equivalent to ten per cent (10%) of that person's earnings, up to the year's maximum pensionable earnings for that year.

Application of Contributions

Once contributions are received in cleared funds they will be used to purchase units in the plan, which will be registered in the name of the member. The number of units that are purchased depends upon the price of the units as at the contribution date.

Both the employer and employee contributions must be received by the Administrator in cleared funds on or before 12 noon at least three (3) business days before the relevant contribution date and will be applied at that time in the purchase of units. If contributions are not received on a timely basis they may be held until the next contribution date. You must make sure that both the employer and employee contributions are paid. If for any reason you are in arrears with the contributions, you must notify the Administrator as soon as possible.

The contribution dates are on the first business day of each calendar month. The initial issue price of a unit issued at the initial closing shall be US\$10.00 or any other price as determined by the trustees.

Investment Options

Please note all employer contributions will be invested in the RF Balanced Strategy. Employees may decide which strategy(ies) their contributions, and any voluntary contributions, will be invested in from the following 5 options:

FUND	RISK LEVEL	RECOMMENDED
RF Balanced Strategy	Moderate	Ages 30 - 50 years
RF Income Strategy Fund	Low	Ages 50 - 65 years
RF Conservative Strategy Fund	Low	Ages 50 - 65 years
RF Growth Strategy Fund	High	Ages 18 - 30 years
RF Aggressive Strategy	High	Ages 18 - 30 years

Voluntary Contributions

In addition to the mandatory contributions, a member of the plan may, at his discretion, make additional voluntary contributions for the acquisition of “voluntary units”:
Voluntary Contributions should be clearly marked on the Contribution Input Form.

Contribution Input Form

The Contribution Input Form is used to record the contributions being made by and on behalf of each employee. It is to be completed on a monthly basis (or another more frequent period based on your payroll run).

The Contribution Input Form is in excel format. This includes such information as, employer name and number, contribution period; currency (U.S. or CI), cheque number (if applicable), and each employee's contribution information. Once completed, the form should be signed by the employer and dated. Rows can be added to include more employees and a “Notes” column to include new or terminated employee information. You will receive an electronic version of this form upon completing the application process. Just remember to include all of the information required and complete all of the cells. The total on the form should equal your deposit amount.

Remitting Contributions

Contributions are in U.S. or C.I. dollars and may be made in several ways:

1. Transfer from Local Bank
2. International Wire Transfer

Contributions should be equal to the amount in the bottom left corner of the Contribution Input Form and sent to the Administrator of the pension plan (RF Bank and Trust (Cayman) Limited) along with a hard copy or electronic copy of the Contribution Input Form.

The steps for making regular contributions are:

- 1) Complete the Contribution Input Form — send an electronic version or a hard copy of the Form to the Administrator. Keep a copy for your records.
- 2) Prepare the Payment Transfers should be sent to the appropriate U.S. or C.I. bank account and the amount should match what is on the Contribution Input Form.
- 3) New Employees — if there are new employees to add, ensure the Member Enrollment Form along with the Designation of Beneficiary(ies) is completed. Send the Administrator these completed forms and keep copies for your records.
- 4) Send the Contribution Form to RF Bank and Trust (Cayman) Limited. The Contribution Input Form may be sent via email, mail, or hand-delivered.

The address is:

RF Bank and Trust (Cayman) Limited Fidelity Financial Centre

1 Gecko Link, 3rd Floor

George Town,

Grand Cayman KY1-1104

Cayman Islands, British West Indies

Email: pensionky@rfgroup.com

Telephone: (345) 746 6010

Terminating/Transferring Members

When a member terminates their employment, the former employer is responsible for outlining the member's options in respect to their pension plan and informing RF of the termination by completing a Notification of Completion form. Here are the options that the member has available to them:

- 1) New Employer, Same Pension Plan - If the new employer uses the RF Pension Plan, we simply need to be notified that the member has switched employers. The member's accumulated funds will remain as they are.
- 2) New Employer, Different Pension Plan - If the member's new employer uses a different plan, there are a few options available. If the member would like to leave their accumulated contributions with this plan, they can do so. The new employer will pay any new contributions to the pension plan that they are using. If the member chooses to switch, they can transfer their funds to the plan that is being used, as long as it is an approved pension plan. The member must complete an "Individual Transfer Request Form". Some employers allow their employees their choice of pension plan, in which case they will need to sign up with our plan and the member will need to complete the "Change of Member Information Form" and then they can continue to pay into our plan as usual.
- 3) Departure from the Cayman Islands - If the member is an expatriate and his/her funds are valued >CI\$5,000, and will be leaving the island, Cayman Islands Pensions Law dictates the redemption of their pension assets. Funds can be transferred to an approved locked-in pension plan in the country of the member's choice after no pension contributions have been made on the member's behalf for a period of two (2) years, and the member is a non-resident of the Cayman Islands for a period of two (2) years or more. After this period, the member may then request the value of his/her units, which will be no less than the net value of his/her contributions, be transferred to the approved locked pension plan of his/her choice; upon approval by the Cayman Islands Director of Labour and Pensions. If funds are < CI\$ 5,000 and the member no longer resides in the Cayman Islands, the refund may be paid on receipt of proof of non-residency which means the person has been absent from the Islands for three (3) months or more. Otherwise, the funds will remain invested in the plan until such time the member reaches the age of pension entitlement.

Individual Transfer Request Form

The Individual Transfer Request Form is used when a member wishes to transfer their pension benefit from one pension plan to another. It is completed by the member wishing to transfer their pension benefit to a new pension provider and then is submitted to RF Bank and Trust (Cayman) Limited. The Form must also be signed by the receiving plan indicating acceptance of transfer.

It is important for the member to know that it is not necessary for them to transfer their pension benefits when they leave their current employer. They may elect to leave their accumulated pension benefits with the RF Pension Plan and begin accumulating benefits in the plan sponsored by their new employer.

If the member does not complete an Individual Transfer Request Form upon termination of employment, the units attributable to that member will remain in the fund until their normal age of pension entitlement date.

Cessation of Residence

Those members who cease to reside in the Cayman Islands should contact the Administrator to make an appointment to visit RF Bank and Trust (Cayman) Limited's office to discuss the member's options to access his/her accumulated pension benefits.

Age Of Pension Entitlement

The normal age of pension entitlement date under the Law and the plan is the contribution date on or immediately following the member's 65th birthday.

The Law also allows age of pension entitlement at any time within ten (10) years of the normal age of pension entitlement date. A member may take early age of pension entitlement at any time on or following his 55th birthday.

In some cases members may wish to continue contributing to the plan after their normal age of pension entitlement date or, alternatively, to cease contributing but to defer drawing a pension.

It is also possible that members may have to retire from work as a result of ill health and the plan does allow for this. This can occur at any time provided certain criteria are met.

When an employee is close to age of pension entitlement, please have them contact the Administrator of the plan for their options.

For further details on retirement, benefits and refunds, please refer to the Information Memorandum. If you or your employees have any questions regarding age of pension entitlement, contact the Administrator.

Pension For Property

A member may withdraw up to CI\$100,000, as a loan, from his/her account to build or buy a house or land, or to pay off an existing mortgage; subject to satisfying any one or more of the following conditions:

- The member must be Caymanian, under the Immigration Law (2010 Revision)
- If the member is using the funds to buy or build a home, he/ she must not already own a dwelling unit in the Cayman Islands.
- If buying land, the member must not own any other land in the Cayman Islands
- If the member is using the funds to pay off an existing mortgage on a home, the amount must be enough to pay off the loan in full

This is considered a loan and the member is required to pay an additional 1% of his/her earnings each month to pay it off, for 10 years or until the member reaches age of pension entitlement; whichever comes first. This means the member will pay 6% of his/her earnings each month and the employer will pay the normal 5% each month of the earnings.

Please have the employee contact a representative for additional details.

Accessing Additional Voluntary Contributions (AVCs)

Based on amendments to the National Pension Law effective March 31, 2017, AVCs may be withdrawn before age of pension entitlement for the following reasons:

- Housing – includes renovating, building or buying a house for yourself, buying residential land for yourself, or repaying the outstanding balance of your mortgage in full (excludes paying rent).
- Medical expenses – for non-elective medical treatment that is not covered by your health insurance.
- Temporary unemployment – for up to six (6) months (starting three (3) months after your termination)
- Education – for your full-time education expenses, or for a dependent child under the age of 23.

The member is not required to repay the money withdrawn from your AVCs.

Please have the employee contact a representative for additional details.

This is a new section to be inserted – Data Protection

Data Protection & Privacy

RF is committed to safeguarding the integrity and privacy of all client information. We adhere to the highest standards of data protection in accordance with The Bahamas Data Protection (Privacy of Personal Information) Act, 2003 and The Cayman Islands Data Protection Act (2021 Revision). We ensure that all personal and sensitive information is collected, processed and stored with appropriate safeguards to prevent unauthorized access, disclosure, alteration or destruction.

Cayman Islands

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RF Bank & Trust (Cayman) Limited is authorised to conduct securities investment business (license number: 1609101) and operate as a trust business (license number: 1854215) by the Cayman Islands Monetary Authority. RF Bank & Trust (Cayman) Limited is also registered as a Broker Member of the Cayman Islands Stock Exchange. This guide does not constitute an offer or recommendation to buy or sell any investment/pensions. The information contained in this guide is for information purposes only and does not constitute advice. We recommend you obtain professional advice before joining a pension plan.

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