

CHAMBER PENSION PLAN



National Pensions (Amendment) Law 2011- PART VIIA - Withdrawal of pension funds to purchase or construct dwelling unit, purchase residential land or pay off an existing mortgage in the Islands.

Part VIIA provides for the withdrawal of pension funds in an amount not exceeding thirty-five thousand dollars by a person who is a Caymanian and does not currently own a dwelling unit as a deposit to purchase an existing dwelling unit or construct a new dwelling unit or purchase residential land in the Islands.

FAQ's

WHO QUALIFIES FOR THE PENSION WITHDRAWAL?

A person(s) (one, two or more) can each withdraw a **TOTAL** of thirty-five thousand dollars regardless of the number of plans you have, to use as a deposit if:

- You are Caymanian (expression under the Immigration Law 2010 Revision)
- You do not currently own a dwelling
- The remaining mortgage balance on your current dwelling is less than \$35,000

Anyone who contravenes this requirement commits an offence and is liable on summary conviction to a fine of \$10,000 or imprisonment for one year, or both.

ARE THERE ANY ADDITIONAL REQUIREMENTS? **YES**

To make a withdrawal from your pension account:

- Approval must be obtained through a financial institution in the Islands
 - Building society
 - Credit union
 - Class A bank
- Immediately following the withdrawal you must contribute an **ADDITIONAL 1%** on a monthly basis to your pension account
 - For ten years from the date of the issuance of the cheque OR
 - Until the total additional contributions equal the actual amount withdrawn OR
 - You attain the normal retirement age
- You must inform your employer in writing of the requirement to deduct the additional contribution and failure to do so will be considered an offence and will be liable for a fine of \$20,000, or imprisonment for two years or both.
- If you sell the dwelling unit or residential land before attaining the normal retirement age (60) upon completion of the sale you must return to your pension account the **GREATER** amount of:
 - The amount withdrawn OR
 - 10% of the fair market value



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WHAT CAN THE MONEY BE USED FOR?

To:

- Purchase an existing dwelling unit
- Construct a new dwelling unit (two or more rooms intended for domestic use) with cooking, eating, living, sleeping and sanitary facilities
- PAY OFF an existing mortgage on a dwelling unit in the Islands
- Purchase residential land in the Islands only IF you do NOT currently own land

HOW CAN I APPLY?

Fully completed application form

- For making false or misleading declaration or supply false or misleading information in an application is a 'criminal offence'

Evidence of Caymanian (expression under the Immigration Law 2010 Revision) - if **YOU** are **NOT** submitting the application in person ALL DOCUMENTS MUST BE CERTIFIED COPIES

- For persons born in the Cayman Islands prior to 27 March 1977:
 - Birth certificate; OR
 - Photographic passport page; OR
 - Electors Registration Card
- For persons born in the Cayman Islands after 27 March 1977:
 - Electors Registration Card
 - Cayman birth certificate
 - Photographic passport page

AND

- Evidence that one parent was Caymanian at the time of the person's birth (certified copy of parent's birth certificate OR a certified copy of a parents photographic passport page OR a certified copy of a parents Caymanian Status)

A copy of a letter issued by a financial institution addressed to the person making the application

- Showing approval in principle of a loan to purchase an existing dwelling OR
- Showing approval in principle of a loan to construct a new dwelling unit OR
- Showing approval in principle of a loan to purchase residential land in the Islands

AND

- The deposit required
- Showing the remaining balance on your existing mortgage is less than \$35,000



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