



About the National Pensions Holiday

UPDATED OCTOBER 3, 2022

The National Pensions Holiday came to an end

The National Pensions Holiday expired on 30th September 2022, and the Government has decided not to issue an extension.

The National Pensions Holiday was established by the National Pensions (Amendment) Act, 2020 and occurred from 1st April 2020 to 30th September 2022, as a result of several subsequent Orders issued by the Cabinet. During this period, pension contributions were not required for employees and employers within the private sector; however, these payments remained mandatory for Statutory Authorities and Government Owned Companies.



Employers are required to make the next pension payment to their administrator by **15th November 2022**

for contributions and deductions taken from 1st to 31st October 2022. As required by the National Pensions Act (2012 Revision), the mandatory contribution rate remains at 10%, of which, at least, 5% is funded by the employer and the remaining 5% can be deducted from the employee.

FAQ

What do employers need to do as a result of the expiry of the National Pensions Holiday?

The provisions of the National Pensions Act (2012 Revision) have remained in effect despite the National Pensions Holiday. As a result, employers were required to join a pension plan and enroll their eligible employees; however, no mandatory contributions were required. With the expiry of the holiday, if not already completed, the eligible employees must be enrolled in a pension plan, in preparation for the payment of pension contributions by 15th November 2022.

Did the National Pensions Holiday impact the timeframe that an employee is eligible to join a pensions plan?

The timeframe for an employee to join a pension plan has not been impacted by the National Pensions Holiday. As a result, Caymanians and Permanent Residents remain pensionable immediately on the commencement of their employment and non-Caymanians become pensionable after completing a continuous period of nine (9) months of employment on the Islands. For clarity, if that nine months was completed during the period of the National Pensions Holiday, then that employee is eligible on the expiry of the pensions holiday along with all Caymanian and Permanent Resident employees.

What is the maximum pensionable earnings for the remainder of 2022 and 2023?

The maximum pensionable earnings for 1st October 2022 to 31st December 2022 is CI\$21,750 as determined by the National Pensions (Maximum Pensionable Earnings) Order, 2022. The proportioned figure represents 25% of \$87,000, the maximum pensionable earnings for an entire year. Effective 1 January 2023, the year's maximum pensionable earnings will revert to CI\$87,000.