

INVESTING FOR

life



**Silver Thatch Pensions**

BUILDING WEALTH ON YOUR TERMS

FOR MEMBERS OF THE SILVER THATCH PENSION PLAN

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## For more information

If, after reviewing this booklet, you have questions, please contact Saxon Pensions, the Plan's client services agent. You can reach Saxon by phone at +1 (345) 943-7770, or by email at [support@silverthatch.org.ky](mailto:support@silverthatch.org.ky).

# About your pension plan

In 1998 the Cayman government enacted legislation that requires all employers to provide their workers with pension benefits. Under the National Pensions Law, a pension plan must be registered and meet certain provisions. The Silver Thatch Pension Plan (the Plan) was established in 1997 to meet the requirements of that new legislation. Today, Silver Thatch Pensions is one of the largest pension plans in the Cayman Islands.

At the heart of Silver Thatch Pensions is a defined contribution pension plan. Under this Plan, both you and your employer make mandatory contributions based on how much you earn. These Required Basic Contributions (RBCs) are automatically invested in one or more of the following three investment portfolios;

- Conservative
- Balanced or
- Growth

The portfolio(s) in which your contributions are invested will depend on your personal risk profile (i.e., age; income and marital status). You will use the contributions and investment gains in your pension account at retirement to provide a pension income.

Silver Thatch Pensions also offers the flexibility and convenience of Additional Voluntary Contributions (AVCs). You decide how much you want to contribute (if anything) and where to invest your AVCs. You can choose from five professionally-managed investment portfolios.



The Silver Thatch Pension Plan is governed by a Board of Trustees that is elected by the membership at an Annual General Meeting. The role of the Trustees is to ensure the Plan is administered in accordance with applicable legislation and in the best interests of members. In carrying out its duties, the Board appoints agents and advisors to handle various administrative, management and investment functions.



## About this booklet

This booklet provides a simplified explanation of the Silver Thatch Pension Plan (the Plan). A more detailed explanation can be found in the official Plan documents. Where the information in this booklet differs from the official Plan documents, the official documents will rule. If you wish to view copies of the official documents, please contact Saxon Pensions (see page 13 for contact information). Under the law, you can request access to a document once in a calendar year. A small administrative fee may be charged if you want copies of a document.



# The Plan at a Glance

## Contributions

- You and your employer must contribute an amount that, when combined, equals 10% of your earnings (up to maximum earnings of C1\$87,000 a year). Your employer's share must equal at least 5% of your earnings. These contributions – referred to as Required Basic Contributions (RBCs) – are deposited in a pension account set up in your name.
- In addition to RBCs, you can make Additional Voluntary Contributions (AVCs). AVCs are also deposited in your pension account.
- If you withdraw any RBCs from your account to buy or build a home, buy land, or to pay off an existing mortgage, you must contribute an additional 1% of your earnings starting in the month immediately following the date of the withdrawal. These additional contributions will continue for either 10 years from the date of the withdrawal, until the full amount is paid back, or until you reach normal age of pension entitlement – whichever comes first.

## When you can start receiving your pension benefits

- **THOSE BORN AFTER 31ST DECEMBER 1969** : Your normal age of pensions entitlement is the first of the month on or after your 65th birthday. You can begin to receive these benefits irrespective of whether you have "retired" from work. You could also start receiving your benefits as early as age 55 but only if you have stopped working.
- **THOSE BORN BEFORE 31ST DECEMBER 1969**: If you were born before December 31, 1969, your – normal age of pension entitlement is age 60. You could therefore start receiving benefits at age 60 irrespective of whether you have "retired" from work., If you have stopped working and are over the age of 50 you can begin to receive benefits now. However, if you return to work, you and your employer must resume making RBCs until you reach age 65.

## Your benefit

- When you retire, you will have two payment options for your retirement benefits:
  - An annuity (a steady stream of income, usually paid for life), or
  - A Retirement Savings Arrangement (RSA).
- If you choose the annuity option, your entire Silver Thatch Pensions account will be cashed in and used to buy an annuity from an insurance company.
- If you choose the RSA option, you will be paid in regular instalments during your retirement based on a schedule published by the Department of Labour & Pensions which sets out the annual minimum and maximum amount of money that can be withdrawn from your RSA based on your age and account balance.

## If you leave your employer

- If you stop working for your current employer and your new employer does not participate in the Silver Thatch Pension Plan, you will have two options:
  - You can keep your pension account in the Silver Thatch Pension Plan where it will continue to accumulate investment earnings and be used to provide a retirement income, or
  - You can transfer your account balance to the pension plan of your new employer (provided that plan complies with the National Pensions Law).



## Annuity

A pension (stream of income) you buy from an insurance company. The amount of monthly pension you receive depends on the amount of money available in your account to buy the annuity, interest rates at the time of your annuity purchase, the type of annuity you buy, and your age and gender, and whether or not you have a spouse.

## If you leave the Cayman Islands

- If you stop working and leave the Cayman Islands, you may:
  - transfer your account balance to another pension plan;
  - buy an approved annuity; or
  - before the 31st December, 2019 receive your account balance in cash, subject to specific conditions (see "If you leave the Cayman Islands" on page 7)

## Investment of your accounts

- Your RBCs (member and employer) are directed automatically to one or more of the three different Lifecycle investment portfolios – *Growth*, *Balanced* or *Conservative* – based on your age, income and marital status.
- Your AVCs can be invested in your choice of five available investment portfolios, in any combination. These include the same three portfolios available for RBCs (*Conservative*, *Balanced* and *Growth*), plus an ultra-conservative *Income* portfolio and an *Aggressive* growth portfolio.
- If you make a property withdrawal from your RBCs to buy a home or land or to pay off an existing mortgage, then your 1% additional contributions will be invested in the same manner as your RBCs.

## Pension for Property

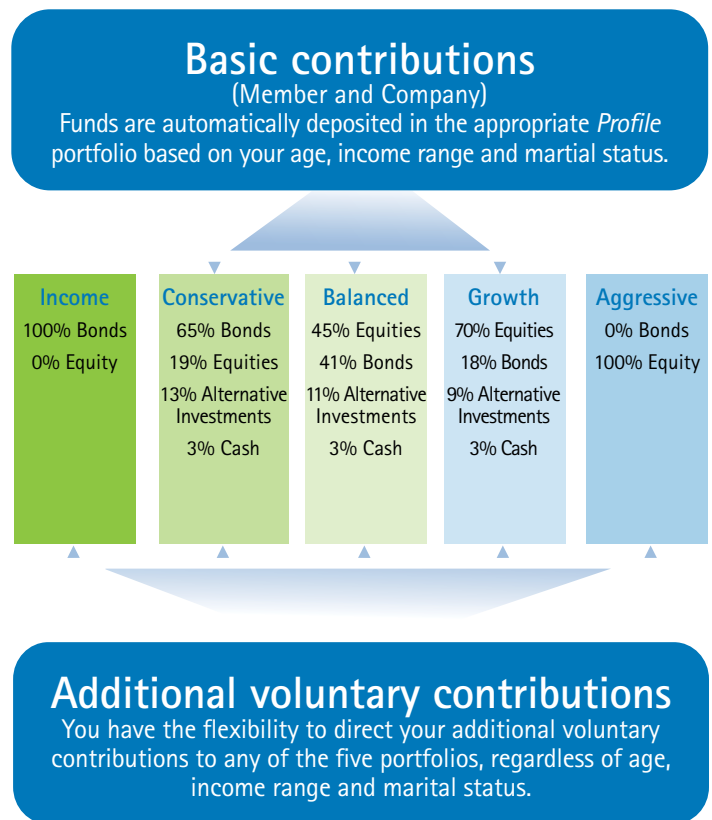
- You may withdraw up to CI\$35,000 from your account to build or buy a house, buy land, or to pay off an existing mortgage, subject to certain conditions:
  - You must be Caymanian, under the Immigration Law (2010 Revision).
  - If you are using the funds to buy or build a home, you must not already own a dwelling unit in the Cayman Islands.
  - If buying land, you must not own any other land in the Cayman Islands.
  - If you are using the funds to pay off an existing mortgage on a home, the amount must be enough to pay off the loan in full.

## Death before retirement

- If you die before you start receiving retirement benefits, and you have a surviving spouse, your Silver Thatch Pensions investments will be re-registered in the name of your spouse.
- If you do not have a spouse, your investments can be cashed in by your personal or estate representative.

## Death after retirement

- The death benefits payable will depend on the benefit payment option you select at retirement.



# Joining

You must join the Silver Thatch Pension Plan if you are between ages 18 and 65 and work for an employer that participates in the Plan. Your employer will give you a Member Enrolment Form to enrol in the Plan. This form should be completed and returned to Saxon Pensions (the Plan's client service agent) before your first contribution to the Plan. Once you are enrolled, Saxon will send your employer an Employee Confirmation Statement.

There are 3 exceptions to this requirement

- Non Caymanians who have been working in the Cayman Islands for less than 9 months
- Caymanians who are full time students under the age of 23
- Non Caymanians employed in a private home as a household domestic or Gardener

## If you are self-employed

You can join the Silver Thatch Pension Plan, or any other pension plan registered in the Cayman Islands, so long as you join a registered pension plan.

# Contributions

You and your employer must contribute an amount that, when combined, equals 10% of your earnings (up to the annual maximum of CI\$87,000). Your employer's share must equal at least 5% of your earnings. If your employer contributes more than 5%, your share of the total 10% contribution can be reduced accordingly.

These contributions – referred to as your Required Basic Contributions (RBCs) – are deposited in a pension account set up in your name. Your employer must make the contributions on your behalf at least once each month.

## If you are self-employed

You must contribute 10% of your earnings each month to the Plan by sending your contributions to Silver Thatch Pensions no later than 15 days after the month end.

Contributions can be made in either Cayman Islands dollars or U.S. dollars. Contributions received in Cayman Islands dollars will be converted to U.S. dollars at the rate of \$0.835. There are no foreign exchange fees or commissions charged for this service. If more than CI\$8,700 is contributed to your account within one calendar year, the excess will be treated as Additional Voluntary Contributions (AVCs).



## Earnings

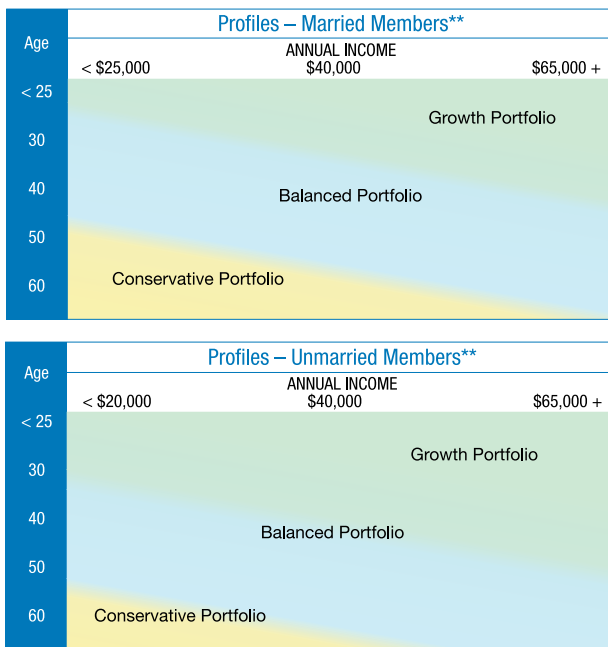
Earnings include any wages, salary, leave pay, fees, commissions, bonuses (to the extent that it is more than 20% of your basic wage or salary), and gratuities received from an employer. Earnings do not include severance payments, retirement or long-service recognition payments, or health insurance premiums.

# Investing Required Basic Contributions

All Required Basic Contributions (RBCs) made by you and your employer are invested in one (sometimes two) of three Lifecycle investment portfolios.

1. **A growth portfolio** – with strategic allocations of 70% equities (stocks), 18% bonds, 9% alternative investments, 3% cash.
2. **A balanced portfolio** – with strategic allocations of 45% bonds, 41% equities, 11% alternative investments and 3% cash
3. **A conservative portfolio** – with strategic allocations of 65% bonds, 19% equities, 13% alternative investments and 3% cash.

Your RBCs will be invested in a mix of the portfolios depending on your age, income and marital status. The charts below illustrate, in very general terms, how these three variables are used to determine where your required contributions are invested. The first chart is for married members; the second is for unmarried members.



\*\* These charts are provided for illustrative purposes only. The actual investment of your pension account will be based on your age, income and marital status.

These risk profile charts reflect the following assumptions:

- Younger members have a longer time horizon to invest and more time to make up any short-term drop in their investments – so they can take on more risk.
- Members nearing retirement have fewer years left to save for retirement and less time to recover any losses – so a more conservative investment strategy makes sense.
- Members who earn more save more (because pension contributions are based on income). As a result, they are in a better position to withstand a short-term drop in investments.
- The pension assets of married members need to be invested on a slightly more conservative basis because two people may have to depend on that pension in retirement.

This approach to investing is designed to help ensure the balance between your investment returns and investment risks reflects your financial needs.

## If your personal profile changes

If your personal profile changes, so might your Silver Thatch Pensions lifecycle portfolio. Each time you pass a key "threshold" – whether it be age, income or marital status – your basic pension account will be reallocated to the appropriate portfolio(s). Your future Required Basic Contributions (RBCs) will also be redirected.

A transfer from one portfolio to the next will typically take place over an 18-month period. This gradual transition can help to avoid any large and unexpected changes in the market value of your investments that could occur if all of your assets were to be transferred during a period of market volatility.

In certain circumstances where there are changes to your personal profile (for example, if you no longer have an income or your income increases dramatically) the entire fund can be rebalanced in one transfer.

The transfer of assets between portfolios is designed to ensure that your investments continue to reflect your individual circumstances. Here are some examples:

- When a married member earning \$50,000 turns 60, investments will start shifting from the *Balanced* portfolio to the *Conservative* portfolio.
- When a 30-year-old, married member earning \$38,000 gets a raise that pushes his/her income above \$40,000, investments will start shifting from the *Balanced* portfolio to the *Growth* portfolio.
- When a 26-year-old, unmarried member earning \$27,000 gets married, investments will start shifting from the *Growth* portfolio to the *Balanced* portfolio.

**NOTE:** The information on this page applies to RBCs only. You decide where your AVCs are invested.

# Additional Voluntary Contributions (AVC's)

Besides your Required Basic Contributions (RBCs), you can make Additional Voluntary Contributions (AVCs) to your Silver Thatch Pension Plan.

If you wish to make AVCs, you should complete an *Additional Voluntary Contribution Form*.

This form is used to:

- Tell us how much you wish to contribute in AVCs,
- Inform us – and your employer – whether you wish to have these AVCs deducted directly from your paycheque or by lump-sum contribution.
- Instruct us where to invest your AVCs.
- Move any existing AVC investments from one portfolio to another.

If your employer continues to make contributions above the CI\$8,700 cap in any calendar year, the excess will automatically be deposited as AVCs. If you do not complete the *Additional Voluntary Contribution Form*, these funds will be invested in the same portfolio(s) as your RBCs.

You can pick up an *Additional Voluntary Contribution Form* from your employer or print a copy from the Silver Thatch Pensions website at [silverthatch.org.ky](http://silverthatch.org.ky).

If you request to make AVCs through payroll, contributions will be deducted from your pay cheque, usually starting with the next full pay period.

Keep in mind that you generally cannot withdraw AVCs until retirement unless permitted under the National Pensions law (see *Withdrawing AVCs* below).



## Why make AVCs?

AVCs are an important part of the Silver Thatch Pension Plan. These contributions:

- allow you to boost your retirement savings to help ensure that you have enough for your retirement;
- allow you to save through the convenience of payroll deductions or lump sum deposits;
- give you the flexibility to start, stop or change the level of your contributions at any time;
- offer you control over your investments – you decide where to invest your AVCs, picking from a range of five professionally-managed investment portfolios;
- give you access to quality investments typically not available to investors with modest amounts of money; and
- allow you to alter the overall risk-reward position of your investments (see “Investing your AVCs” on page 10).

## Withdrawing AVCs

Based on amendments to the National Pension Law effective March 31, 2017, you can withdraw AVCs before retirement (subject to review and approval by Saxon Pensions, the Plan's client services agent) for the following reasons:

- Housing needs – 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 a six-months (starting three months after your termination).
- Education – for your full-time education expenses, or for a dependent child under the age of 23.

You are not required to repay the money withdrawn from your AVCs.

## If you are self-employed

You can obtain a copy of the *Additional Voluntary Contribution Form* from the website [www.silverthatch.org.ky](http://www.silverthatch.org.ky). When you submit your completed form, please enclose a check covering your initial contribution.



# Receiving Your Pension Benefits

For many members, your normal age of pension entitlement is the first of the month on or after your 65th birthday. That said, you can take early age of pension entitlement any time after age 55. Keep in mind, the earlier you start receiving your pension benefits, the longer your savings will need to last and the less time you'll have to make contributions and grow your savings.

If you were born between January 1, 1957 and December 31, 1969, your – normal age of pension entitlement is age 60, or your early age of pension entitlement is age 50. However, if you return to work, you and your employer must resume making RBCs until you reach age 65.

## Start receiving your pension benefits at normal age of pension entitlement

You can start receiving your pension benefits any time after your 65th birthday (or 60th if you qualify), whether you are still working or not. To do so you need to notify Saxon Pensions, (the Plan's client services agent), that you would like to begin receiving your pension benefits. You must complete a Normal Retirement Election Form to select your benefit option and submit it to Saxon Pensions (see "Your benefit options" on the next page for details). Once you are past the normal age of pension entitlement you may also withdraw all or part of your AVCs by making a written request to Saxon Pensions. Bear in mind, your application could take up to 90 days to process.

If you continue working or return to work after the normal age of pension entitlement, you will not be required to make RBCs, and any contributions received from you or your employer will be treated as AVCs.



## If you want to start receiving pension benefits before the normal age of pension entitlement

In order to receive your pension benefits under early age of pension entitlement, you must be at least age 55 (or 50 if you qualify) and are no longer working.

You should notify Saxon Pensions, and your employer as soon as you choose a retirement date. You must complete an Early Retirement Election Form to select your benefit option and submit it to Saxon Pensions at least 30 days before your planned retirement date (see "Your Pension Benefit Options" on the next page for details).

Keep in mind that if you return to work after early age of pension entitlement but before age 65, you will stop receiving your retirement benefits, and you and your employer must resume contributions to the Pension Plan.



# Your Pension Benefit Options

You will have two payment options to choose from.

**Annuity.** If you choose this option, your entire Silver Thatch Pensions account (the full balance of your Required Basic Contributions (RBCs) and related investment income) will be cashed in and used to buy you an annuity from a life insurance company. There are different types of annuities available, but in all cases an annuity guarantees you a fixed income for your lifetime – and your spouse's lifetime if you have a spouse at retirement.

The amount of your annuity income will depend on several factors, such as the amount of money available in your account to buy the annuity, interest rates at the time of your annuity purchase, the type of annuity you buy, and your age and gender, and whether or not you have a spouse.

If you have a spouse when you retire, your annuity must (by law) include a "joint and survivor" benefit. This will ensure that if you die before your spouse, the annuity will continue to pay your spouse a fixed, lifetime benefit.

**Retirement Savings Arrangement (RSA).** If you choose this option, your entire pension account (the full balance of your RBCs and related investment income) will be converted to an RSA and remain invested in the Silver Thatch Pensions portfolios.

RSAs allow retired members to access their pension funds without having to buy an annuity. RSAs provide regular payments (either monthly or annually – it's up to you) based on a schedule set by the Department of Labour & Pensions which sets out the annual minimum and maximum amount of money that can be withdrawn from your RSA based on your age and account balance. The withdrawals act much like a regular pension, as intended by the law.

At any time, you may collapse your RSA and buy an annuity.

## **If your balance is under \$5,000**

If your account balance at retirement is less than CI\$5,000, it will be automatically paid to you in a lump sum.

## **If you have AVCs**

Once you reach the normal age of pension entitlement (currently set at 65 for those born after 31st December 1969 and 60 for those born before), you may access all or part of your AVCs by making a request in writing to Saxon Pensions. Bear in mind, your application to withdraw your AVCs could take up to 90 days to process. If you are receiving benefits before you have reached the normal age of pension entitlement you may not cash out your AVCs, unless it is for one of the reasons specified in the section titled "Withdrawing Additional Voluntary Contributions" on Page 4.

Note: Following changes under the National Pensions (Amendment) Law 2016, that took effect on January 1, 2017, the Silver Thatch Pension Plan no longer offers the Retirement Income Fund as a retirement benefit payment option.



## **How an annuity works**

An annuity is a contract with a life insurance company. You buy the annuity with the balance of your Silver Thatch Pensions account, and they agree to pay you a guaranteed retirement income for a set period – usually for the rest of your life. The money is returned to you, with interest, in regular monthly, quarterly, semi-annual or annual payments. Your annuity income is calculated when you buy the annuity. It is affected by a number of factors – including the balance of your pension account, interest rates in effect at the time, as well as your age, gender, marital status and how long you are expected to live. Once you buy an annuity, you can't make any changes to it. Your regular payment amounts are locked in for the term of the annuity.

## **How the Retirement Savings Arrangement works**

**Each year after retirement** – your Retirement Savings Arrangement (RSA) payment must be within the annual minimum and maximum for withdrawals. These minimum and maximum amounts are listed in the schedule found on page 8

### **Example**

- If you retire at age 65 and the total value of your RSA is CI\$300,000, based on the schedule:

- the minimum withdrawal in your first year is the greater of CI\$12,480 or 2.05% of your account balance (CI\$6,150) and
- the maximum is the greater of CI\$12,480 or 5.11% of your account balance (CI\$15,330).

In other words, your RSA withdrawal at age 65 would be a minimum of CI\$12,480 and a maximum of CI\$15,330.

- In the second year, your RSA account balance will be impacted by your withdrawal in the previous year as well as your investment portfolio returns for the year. Your withdrawal minimum and maximum will again be listed in the RSA schedule based on age 66. Each year the minimum and maximum withdrawal percentages gradually increase.

# Retirement Savings Accounts Drawdown Schedule

Age Last Birthday	Minimum Annual Withdrawal	Maximum Annual Withdrawal
	Greater of \$12,480* or x% of account balance where x =	Greater of \$12,480* or y% of account balance where y =
50	1.87%	4.24%
51	1.88%	4.28%
52	1.89%	4.32%
53	1.89%	4.36%
54	1.90%	4.40%
55	1.91%	4.45%
56	1.92%	4.50%
57	1.93%	4.55%
58	1.94%	4.61%
59	1.95%	4.67%
60	1.97%	4.73%
61	1.98%	4.80%
62	2.00%	4.87%
63	2.01%	4.94%
64	2.03%	5.02%
65	2.05%	5.11%
66	2.07%	5.21%
67	2.10%	5.31%
68	2.12%	5.42%
69	2.15%	5.55%
70	2.18%	5.68%
71	2.22%	5.83%
72	2.26%	6.00%
73	2.30%	6.15%
74	2.34%	6.32%
75	2.39%	6.51%
76	2.44%	6.71%
77	2.50%	6.95%
78	2.56%	7.16%
79	2.62%	7.40%
80	2.69%	7.66%
81	2.77%	7.95%
82	2.86%	8.29%
83	2.95%	8.61%
84	3.05%	8.97%
85	3.16%	9.38%
86	3.29%	9.85%
87	3.43%	10.39%
88	3.56%	10.84%
89	3.70%	11.36%
90	3.86%	11.94%
91	4.05%	12.60%
92	4.26%	13.37%
93	4.42%	13.93%
94	4.59%	14.55%
95	4.79%	15.24%
96	5.01%	16.02%
97	5.25%	16.90%
98	5.54%	17.91%
99	5.87%	19.07%
100	6.25%	20.43%
101	6.70%	22.02%
102	7.24%	23.93%

\*Recommended to increase in proportion to increases in line with inflation.

# Portability

You may change employers many times during your career. The Silver Thatch Pension Plan is designed to give you maximum flexibility under a variety of situations.

## If you move to a new employer

If you stop working for your current employer and your new employer has not joined Silver Thatch Pensions, you will have two options:

1. You can keep your account with Silver Thatch Pensions and use it to provide an income at retirement, based on the Plan provisions when you retire. If you leave your investments at Silver Thatch Pensions, you can continue to make Additional Voluntary Contributions (AVCs) until you retire.
2. You can arrange to have the cash value of your investments transferred to the pension plan of your new employer, provided that plan is registered under the National Pensions Law. The money will be invested in your new employer's plan based on the provisions of that plan.

## If you leave the Cayman Islands

If your account balance is less than CI\$5,000, you can receive a lump-sum payment of your account provided three months have passed since your last contribution, and you have already left the Cayman Islands.

If your account balance is greater than CI\$5,000, you can:  
Transfer your account balance to another approved pension plan in your country of residence if all the following apply:

- You stopped working in the Cayman Islands, and
- You left the Cayman Islands for at least six months, and
- Two years have passed since the last contribution was made to your account.

OR

Until December 31, 2019, you may be eligible to be paid your account balance as a one-time lump-sum, if:

- You stopped working in the Cayman Islands, and
- You left the Cayman Islands for at least six months, and
- Two years have passed since the last basic contributions were made to your account and the final contribution was made no later than December 31, 2017.

After December 31, 2019, lump-sum payment of balances over \$5,000 will no longer be permitted (under the National Pensions law) unless you are at the normal age of pension entitlement or older and can demonstrate the inability to transfer your balance to another pension plan or life annuity.

**Therefore, you must apply in advance of the December 31, 2019 deadline to receive your account balance as a lump sum.**

Proof of residence outside the Cayman Islands will be required to support your application.



## If your employer offers another pension plan

If your employer decides to offer a different pension arrangement, that employer can – with the support of the majority of eligible employees and approval of the Director of Pensions – stop participating in the Silver Thatch Pension Plan.

If your employer switches to another registered pension plan and no longer offers the Silver Thatch Pension Plan, you can keep your existing account in Silver Thatch Pensions and continue to make Additional Voluntary Contributions (AVCs). The balance you leave in Silver Thatch Pensions will continue to grow with any future investment earnings. At retirement, your account balance will be used to provide you with a retirement income based on the provisions of the Plan in effect at that time.

If your employer offers multiple pension arrangements, you will have the choice of continuing to contribute to Silver Thatch Pensions or start contributing to the other plan. If you decide to contribute to the other plan, you can either keep your existing investments in Silver Thatch Pensions while you contribute to your new employer's plan, or cash in your Silver Thatch Pensions investments and have the proceeds transferred to the other plan.





## If you become ill

If you stop working before age 55 due to poor health or a permanent disability, you may apply to the Plan Trustees for early retirement. To apply for benefits, please contact Saxon Pensions, the Plan's client services agent, who will assist you with your application.

If your request is approved, you will have the same benefit options the normal age of pension entitlement. Other benefit options may – available at the discretion of the Trustees and with prior approval from the Director of Pensions – be offered to you depending on your personal circumstances.

## In the event of death

Your pension isn't just about you. It's also about the financial security of those who depend on you. With that in mind, Silver Thatch Pensions includes some important provisions to protect your beneficiaries.

### Death before retirement

- *If you have a spouse and die* before you start receiving retirement benefits, your Silver Thatch Pensions account will be re-registered in your spouse's name. Your spouse will be entitled to an immediate or deferred payment.
- *If you do not have a spouse and die* before you start receiving pension benefits, your Silver Thatch Pensions account can be cashed in by your personal or estate representative. Your representative must complete a *Request for Payment by Personal Representative Form*, available from Saxon Pensions, the Plan's client services agent.

## If you have a marriage breakdown

If your marital status changes due to divorce or separation, please contact Saxon Pensions as soon as possible. You will need to provide them with a copy of the court order with maintenance terms or division of assets so that your records can be updated. You will also need to notify them of any changes to your beneficiary. In certain cases, the court order may require part of your pension to be transferred to a separate account in the name of your former spouse.

Keep in mind that any marital status change may impact your risk profile which could result in a change to the investment mix of your Silver Thatch Pensions account.

### Death after retirement

*If you die after retirement and have a spouse*, he or she will be entitled to certain benefits immediately. These benefits will depend on the benefit option you selected at the normal age of pension entitlement.

- If you chose an annuity, that annuity will provide a lifetime benefit to your spouse after your death.
- If you chose a Retirement Savings Arrangement (RSA), your Silver Thatch Pensions investments will be re-registered in your spouse's name and your spouse will continue to receive the benefits that would have been paid to you.

*If you die after retirement and do not have a spouse*, the benefits payable will depend on the option you selected at retirement.

- If you did not have a spouse when you retired and chose an annuity, no further benefits will be paid unless you chose an annuity with payments guaranteed for minimum period and you die within that period.
- If you chose a RSA, your remaining Silver Thatch Pensions investments can be cashed in by your personal or estate representative. Your representative must complete a *Request for Payment by Personal Representative Form*, available from Saxon Pensions, the Plan's client services agent.

# Lifecycle Portfolios

The five Lifecycle portfolios offered by Silver Thatch Pensions are governed by the Trustees – in consultation with Deutsch Bank (Cayman) Limited, our investment manager, and experts from Eckler Ltd., a Toronto-based pension consulting firm with Caribbean offices.

## Investing your Additional Voluntary Contributions (AVCs)

You can choose where to invest your Additional Voluntary Contributions (AVCs). You can pick from any of five professionally-managed portfolios. These include the three "core" portfolios available for Required Basic Contributions (RBCs);

- *Growth*
- *Balanced, and*
- *Conservative,*

as well as two other investment options for AVCs:

- An ultra-conservative *Income* portfolio made up almost entirely of fixed income, and
- An *Aggressive* growth portfolio made up almost entirely of equities (stocks).

This range of investment options is designed to help you select an asset mix that suits your investment objectives and comfort level. You can invest your AVCs in more than one portfolio. You can also reallocate your AVCs between portfolios. Among the factors to consider when investing your AVCs are:

- This range of investment options is designed to help you select an asset mix that suits your investment objectives and comfort level.
- You can invest your AVCs in more than one portfolio.

You can also reallocate your AVCs between portfolios. Among the factors to consider when investing your AVCs are:

- your investment objectives,
- your comfort with investment risk,
- how long you have until retirement, and
- your overall financial position.

Keep in mind, you can use your AVCs to alter the overall risk-reward position of your Silver Thatch Pensions investments. For example:

- you can increase the overall percentage of your equity holdings by directing all of your AVCs to the Aggressive portfolio; and
- you can decrease the overall percentage of your equity holdings by directing all of your AVCs to the Income portfolio.



The more equity-based investments you hold, the greater your potential for investment gains in a strong market, but also, the greater your potential for investment losses in a weak market.

For details on investing your AVCs, refer to the Smart Investor Guide – available on the Silver Thatch website, at [silverthatch.org.ky](http://silverthatch.org.ky), or from your employer or Saxon Pensions, the Plan's client services agent.

If you do not feel that you have the knowledge or expertise to choose a portfolio mix, you can choose to have your AVCs invested in the same portfolio(s) as your RBCs (see page 9).







## Pension for property

In certain circumstances, you may withdraw up to CI\$35,000 of basic contributions from your account to buy or build a home, or buy a piece of residential land or to pay off an existing mortgage. Property withdrawals must meet certain conditions, including:

- You must be Caymanian under the Immigration Law.
- If you are using the funds to buy or build a home, you must not already own a dwelling unit in the Cayman Islands.
- If buying land, you must not own any other land in the Cayman Islands.
- If you are buying either land or a home, the funds must be used as a deposit on a mortgage offered by an institution with a class
- A banking license.
- If you are paying off an existing mortgage on a home, the amount must be enough to completely pay off that mortgage.

To apply for a property withdrawal, please contact Saxon Pensions for an application form and information on the documentation you will need to provide.

### Additional 1% Contributions

The money withdrawn to put towards a property is not free and clear. Taking a property withdrawal is like taking a "loan". If your application is approved, you must pay back the loan over a period of time, starting in the month following the withdrawal. To pay it back, you must increase

your Required Basic Contributions (RBCs) to the Silver Thatch Pension Plan by 1% of your earnings.

You must also inform your employer in writing that you are now making the additional contributions to pay back your property withdrawal. Your employer will deduct these additional contributions from your earnings and deposit them into your Plan account.

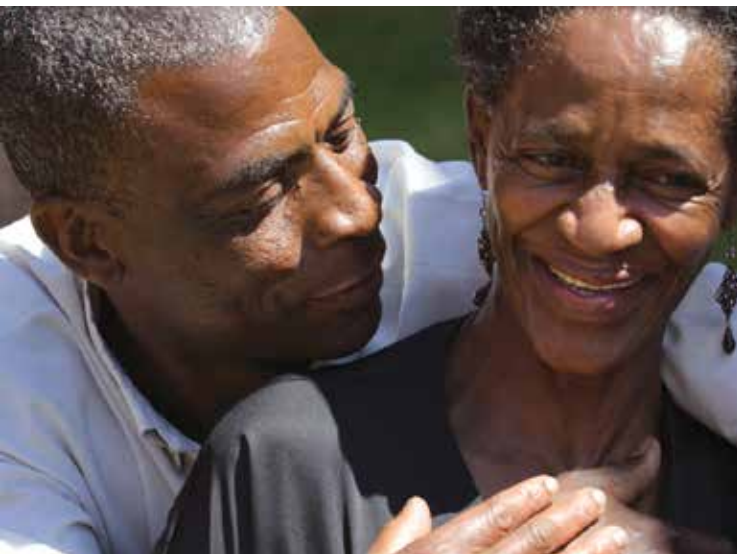
If you are self-employed, you must deduct the additional contributions from your earnings and deposit them into your Plan account.

The additional 1% contributions will continue:

- For 10 years from the date the cheque is issued; or
- Until the total additional contributions equal the amount withdrawn; or
- Until you start receiving your retirement benefits.

### Selling Property before the Normal Age of Pension Entitlement

If you sell the property that your pension funds were invested in before you reach the normal age of pension entitlement then you must, upon completion of the sale, return the original amount of the deposit or 10% of the fair market value of the property, whichever is greater, back to your Pension account.



## Plan Wind-Up

Where a wind-up is initiated, the Plan administrator must file a wind-up report that includes:

- the Plan's assets and liabilities,
- the benefits that will be provided to members, and
- the method of distributing Plan assets.

The Plan administrator cannot make any payments from the Plan until the Director has approved the wind-up report. This will not affect any pensions in payment or amounts already approved by the Director.

If the Plan is wound up, you will receive a statement that outlines:

- the benefits payable to you, and
- the options available for receiving those benefits.



# Keeping you Informed



Your retirement savings are an important part of your future. So, it's important to know how your Silver Thatch Pension Plan works, how your investments are doing and what's new. That's why Silver Thatch Pensions supports ongoing communication.

## Online member services

When you enrol in the Silver Thatch Pension Plan, you will be provided with a username and password that allows you to access your personal and confidential pension information through our online member services at [silverthatch.org.ky](http://silverthatch.org.ky).

## Statements

Each year, you will receive a statement for the plan year ending June 30. You will also receive a quarterly statement of your account for each quarter ending September 30, December 31 and March 31.

You can also access your personalised statements – updated monthly – on the Silver Thatch Pensions website, [silverthatch.org.ky](http://silverthatch.org.ky)

*After you enrol with Silver Thatch Pensions you will be sent your login username and password to the email address provided on your enrolment form. If you want to receive this information earlier, please request this from Saxon Pensions.*

## Annual General Meeting

Each year, you will be invited to attend an Annual General Meeting of the Silver Thatch Pension Plan. Notice of the time, location and business to be considered will be provided at least 21 days before the meeting.

Every member is entitled to attend the meeting and vote on the business presented. Alternatively, you can grant a proxy to another person to attend on your behalf. Each member is entitled to one vote per business item.

Certain matters must be dealt with at the Annual General Meeting including:

- Approval of financial statements for the preceding financial year.
- Appointment of Trustees.
- Approval for (or change of) any Trustee compensation.
- A report on the terms and payment agreed to with agents who have been delegated administrative or investment duties,
- The appointment of auditors for the upcoming year.

Other items of business will be added to the agenda, as required. You are encouraged to attend and vote on the business presented, given that any resolution passed at a meeting will affect you and all other Plan members.

It's also a requirement that the Trustees are invested in the Silver Thatch Pension Plan. However, to date, the Trustees have all worked on a voluntary basis and have not received any compensation for their work.

## Other meetings

Other meetings can be called by the Trustees, or if at least 10% of members make a request to the Trustees who then must organise a meeting.



# Staying in touch

Communication is a two-way process. To administer the Silver Thatch Pension Plan effectively, we rely on you to keep us up to date whenever there is a change in your personal situation

Please inform Saxon Pensions, the Plan's client services agents if:

- there's a change in your name, address, income level or marital status;
- your spouse dies;
- you plan to retire before your normal retirement date;
- you intend to retire after your normal retirement date;
- you stop working after your normal retirement date; or
- you move away from the Cayman Islands.

To notify the Plan of a marriage, please provide your marriage certificate to Saxon Pensions. In the case of a divorce or separation, please provide them with the court order and details of any maintenance or financial orders.

## WHO TO CONTACT

### PLAN ADMINISTRATORS

**Intertrust**  
190 Elgin Ave  
Grand Cayman KY1-9005  
Cayman Islands  
**Tel: +1 (345) 943-3100**  
**Fax: +1 (345) 945-4757**  
[www.intertrustgroup.ky](http://www.intertrustgroup.ky)

### INVESTMENT MANAGERS

**Deutsche Bank (Cayman) Limited**  
Boundary Hall, Cricket Square,  
P.O. Box 1984  
171 Elgin Ave  
Grand Cayman KY1-1104  
Cayman Islands  
**Tel: +1 345-949-8244**  
**Fax: +1 345 949 8178**  
[www.db-ci.com](http://www.db-ci.com)

### CLIENT SERVICES AGENT

**Saxon Pensions**  
P.O. Box 31694  
Saxon Centre  
14 Saturn Close  
Eastern Avenue  
Grand Cayman KY1-1207  
Cayman Islands  
**Tel: +1 (345) 943-7770**  
**Fax: +1 (345) 943-7771**  
[www.silverthatch.org.ky](http://www.silverthatch.org.ky)



# Silver Thatch Pensions

BUILDING WEALTH ON YOUR TERMS

[www.silverthatch.org.ky](http://www.silverthatch.org.ky)