



Department of  
Labour and Pensions  
Cayman Islands Government



# FAQ

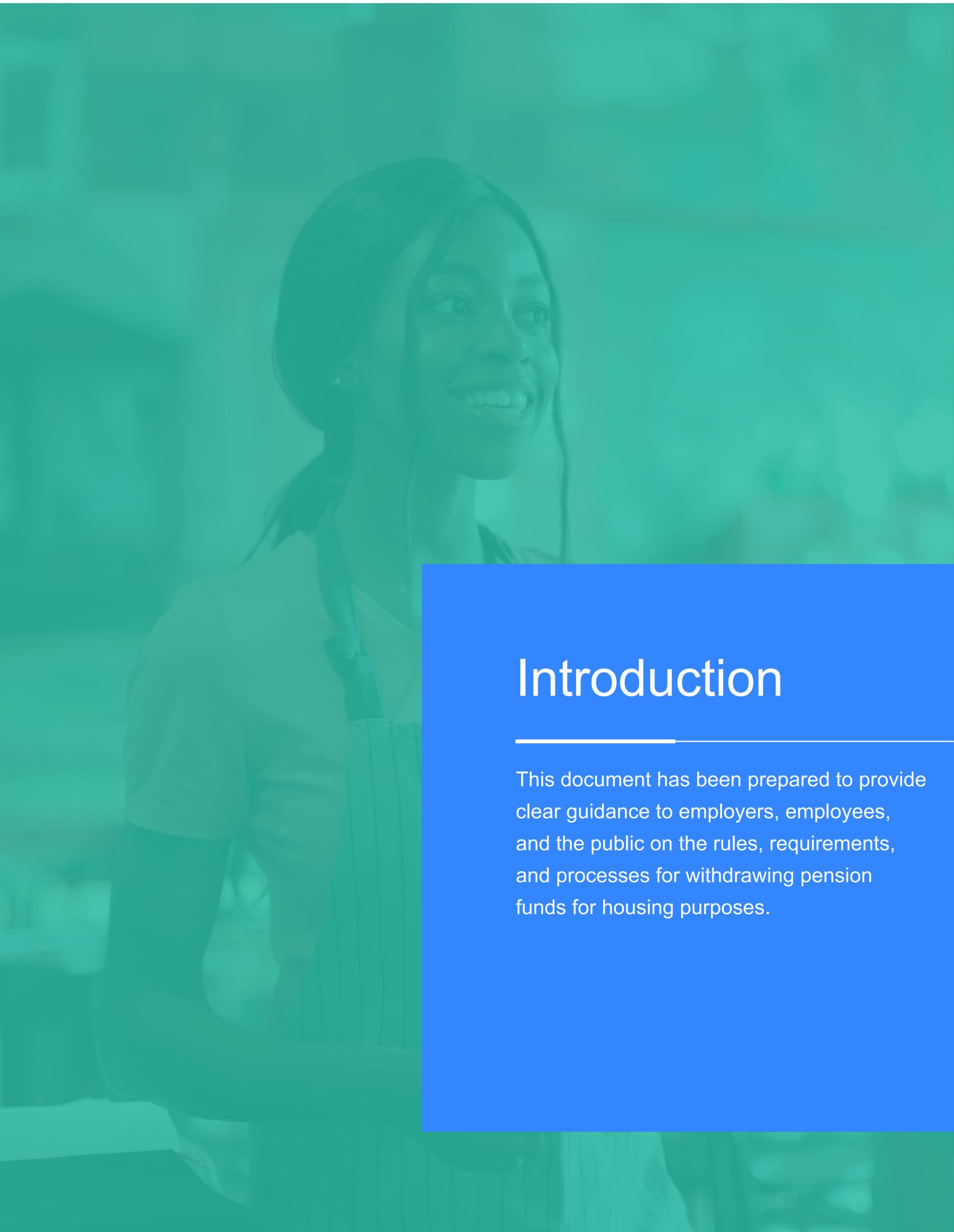
# Property Withdrawal

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[dlp.gov.ky](http://dlp.gov.ky)





# Introduction

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This document has been prepared to provide clear guidance to employers, employees, and the public on the rules, requirements, and processes for withdrawing pension funds for housing purposes.

## Who can withdraw?

Anyone who is considered Caymanian, under the Immigration Transition Act.

## How much can be withdrawn?

A Caymanian applicant can withdraw:

- Up to CI\$50,000.00 for a:
  - Deposit to purchase an existing dwelling unit
  - Deposit to build a new dwelling unit
  - Deposit to purchase residential land
  - Reduction of payment on a residential land loan
  - Reduction of payment on an existing mortgage and, if applicable, arrears in strata fees related to the mortgaged property
  
- Up to CI\$100,000.00 to:
  - Pay off an existing mortgage and, if applicable, arrears in strata fees related to the mortgaged property

## Can I withdraw to purchase or build if I already own a dwelling?

If the applicant currently owns a dwelling unit (house, condo, apt) registered in the person's name, then the individual is not eligible to withdraw from a pension fund to purchase or construct another dwelling unit or to purchase residential land.

## Can I withdraw from multiple pension plans?

Where a person contributes or has contributed to more than one pension plan, then the individual can withdraw from multiple plans, however, the total withdrawal cannot exceed the previously specified amounts.

## Can a Government employee withdraw?

If a government employee has a private pension fund, they can withdraw funds from that fund. However, access to their government pension fund is not allowed.

## Where do I start the process?

A person who wants to withdraw funds for housing should consult their financial institution and apply to the relevant pension administrator.

## Do I have to pay back the amount withdrawn?

**Yes.** After withdrawing from your pension for a property withdrawal, the applicant must:

- Continue the **5% mandatory contributions**, plus
- Contribute an **additional 3% of your earnings**, starting the month after the withdrawal cheque was issued.

## Is the property restriction mandatory?

Yes. Once the Housing Withdrawal is approved, the Department of Labour & Pensions will request Lands & Survey to place a restriction on the property, as required by the National Pensions Act.

## If I want to sell the property, how much do I have to repay?

If the member is selling the property before repaying the full amount withdrawn, they must return either the amount withdrawn or 10% of the fair market value, whichever is greater. The fair market value is determined by a property valuation, which was completed less than 1 year prior.

## Do I need to go through a financial institution to access my pension for property withdrawal?

As part of the application process, the financial institution must provide the applicant with a letter showing their approval in principle for the loan, reduction payment or pay off.

## Which financial institutions can be used?

- ALL Class A Banks including:
  - Bank of Butterfield (Cayman) Limited
  - Cayman National Bank Ltd.
  - Proven Bank (Cayman) Limited
  - RBC Royal Bank (Cayman) Limited
  - Scotiabank & Trust (Cayman) Limited
  - CIBC Caribbean Bank (Cayman) Limited
- Other Permitted Entities:
  - CICSA Co-operative Credit Union Limited
  - JN Cayman
  - Cayman Islands Development Bank

## Can I access my additional voluntary contributions (AVCs) for property withdrawal?

Yes, you are allowed to access your Additional Voluntary Contributions (AVCs) for the purpose of withdrawing funds for property.



Disclaimer: This document is being provided as a part of a public education campaign and is not meant to be a substitute for legal advice. If you have more in-depth legal questions please speak with a qualified attorney.

