

CAYMAN ISLANDS



**Public Service Pensions Act
(2023 Revision)**

**PUBLIC SERVICE PENSIONS (EX-GRATIA
PENSIONS) (AMENDMENT)
REGULATIONS, 2025**

(SL 28 of 2025)

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In exercise of the powers conferred by section 4 of the Public Service Pensions Act (2023 Revision), the Cabinet makes the following Regulations —

Citation

1. These Regulations may be cited as the Public Service Pensions (Ex-Gratia Pensions) (Amendment) Regulations, 2025.

General amendments to the Public Service Pensions (Ex-Gratia Pensions) Regulations (2019 Revision) - references to “Director” and “Managing Director”

2. The *Public Service Pensions (Ex-Gratia Pensions) Regulations (2019 Revision)*, in these Regulations referred to as the “principal Regulations”, are amended by deleting the words “Director” and “Managing Director” wherever they appear and substituting the words “Chief Executive Officer”, respectively.

Insertion of regulation 2A - eligibility for *ex-gratia* defined benefit pensions

3. The principal Regulations are amended by inserting after regulation 2 the following regulation —

“Eligibility for ex-gratia defined benefit pensions

- 2A.** (1) Any Caymanian (as defined in the *Immigration (Transition) Act (2022 Revision)*) who —
- (a) is sixty-five years of age or older; or
 - (b) is not sixty-five years of age but who has been certified by the Chief Medical Officer as being permanently disabled,
- and who meets all of the criteria specified in subregulation (2), is eligible to receive remuneration in the form of an *ex-gratia* defined benefit pension for an unpaid contracted officer's supplement.
- (2) The criteria referred to in subregulation (1) are that the relevant Caymanian —
- (a) held an office in the Public Service prior to 1 January, 2000 (the “relevant date”);
 - (b) was granted Caymanian status after the relevant date;
 - (c) was employed continuously without a break in contracts, and continued to be employed with the Government when he or she obtained the grant of Caymanian status;
 - (d) was not an active participant in the prior pensions plan on the relevant date and so was not eligible to become an active defined benefit participant as defined in Part II of the *Public Service Pensions Law, 1999* and pursuant to section 29(1) of the *Public Service Pensions Law, 1999*;
 - (e) was employed under —
 - (i) a contract of employment that contained a provision for a contracted officer's supplement or was otherwise entitled to the payment of a contracted officer's supplement; or
 - (ii) contracts that expressly, or otherwise through statutory incorporation, contained a pension award option, or a provision to the effect that, upon being granted Caymanian Status, he or she becomes eligible to join the permanent and pensionable Establishment and his or her appointment will be antedated to the date on which he or she was granted Caymanian Status;
 - (f) at any period before the relevant date, was entitled to the payment of a contracted officer's supplement (either pursuant to his or her contract or pursuant to the General Orders), but was not provided with a contracted officer's supplement;
 - (g) has not benefited from any *ex-gratia* payment in relation to the period of time in office, when he or she did not receive a



contracted officer's supplement and did not receive pension benefits; and

- (h) since the relevant date, has not settled or otherwise executed a Settlement Deed with the Cayman Islands Government and received payments of the settlement sum, in satisfaction of a claim for contracted officer's supplement, or pension benefits, including Defined Benefits equivalent claims.”.

Amendment of regulation 3 - application for ex-gratia pension and grant

- 4. The principal Regulations are amended in regulation 3 by repealing paragraph (1)(d) and substituting the following subparagraph —

“(d) a letter signed by or on behalf of the Chief Officer of the Portfolio of the Civil Service or the manager of the relevant statutory authority confirming that the applicant, or the person in respect of whose service the application is made, has held an office in the service of the Islands for any period of four or more years in the aggregate.”.

Insertion of regulation 3A - application for ex-gratia defined benefit pension and grant

- 5. The principal Regulations are amended by inserting after regulation 3 the following regulation —

“Application for *ex-gratia* defined benefit pension and grant

- 3A.** (1) The application for an *ex-gratia* defined benefit pension shall be made in the form set out in Part I of the Schedule and shall be submitted to the Chief Executive Officer, Public Service Pensions and such application shall be accompanied by —
 - (a) a letter setting out the applicant's grounds for applying for the grant of an *ex-gratia* defined benefit pension;
 - (b) where applicable, a medical certificate signed by the Chief Medical Officer stating that the applicant is permanently disabled;
 - (c) the applicant's original birth certificate or passport and, where applicable, the applicant's status certificate; and
 - (d) copies of contracts to support *ex-gratia* defined benefit service.
- (2) If the Board is satisfied that the application is one which ought to be granted it shall grant the application.
- (3) The Board shall not grant an application for an *ex-gratia* defined benefit pension where —
 - (a) it is of the opinion that the applicant does not meet the conditions set out in regulation 2A; or

- (b) where the applicant has failed to provide the information required under subregulation (1),
and the decision of the Board shall be final.
- (4) Where the Board rejects an application, it shall give the applicant reasons for that rejection.
- (5) Where an application for an *ex-gratia* defined benefit pension is granted under subregulation (2), there shall be paid out of the Fund to the applicant an *ex-gratia* defined benefit pension of an amount ascertained in accordance with subregulation (6) which shall become payable with effect from the date the applicant —
- (a) becomes sixty-five years of age;
 - (b) is certified by the Chief Medical Officer as being permanently disabled; or
 - (c) submits his or her application to the Chief Executive Officer, whichever is later; and if the amount of an *ex-gratia* defined benefit pension is varied pursuant to an amendment of subregulation (6), the varied amount of the *ex-gratia* defined benefit pension shall become payable with effect from the date of commencement of the relevant amendment.
- (6) The *ex-gratia* defined benefit pension shall be calculated on the same basis as if the applicant had been eligible to participate in the defined benefit part of the Plan in accordance with section 29(1) of the *Public Service Pensions Law 1999*, except that —
- (a) the *ex-gratia* defined benefit pension shall be reduced by the pre-commutation pension benefit of any defined contribution pension entitlements provided to the applicant in accordance with Part 3 of the *Public Service Pensions Law 1999*; and
 - (b) if, for the service period in question, the applicant is in receipt of —
 - (i) any pension entitlements provided to an employee in accordance with the *Public Service Pensions Act (2023 Revision)*;
 - (ii) any *ex-gratia* pension provided to an employee in accordance with the *Public Service Pensions (Ex-Gratia Pensions) Regulations (2019 Revision)*; or
 - (iii) any sum provided to an employee by way of any settlement agreement,the applicant shall be disqualified.



- (7) The provisions of the Act relating to the payment of pensions or other benefits under the Act, including the circumstances in which benefits cease to become payable but excluding —
- (a) the provisions of the Act relating to the payment of benefits to spouses and children;
 - (b) the provisions of the *Public Service Pensions Regulations (2017 Revision)* relating to the payment of a reduced pension plus an immediate lump sum cash payment to a defined benefit participant; and
 - (c) the annual Cost of Living Allowance augmentation,
- shall apply (with any necessary modifications) to the payment of ex-gratia defined benefit pensions under this regulation.”.

Amendment of Schedule

6. The principal Regulations are amended in the Schedule as follows —
- (a) in the Application Form set out in Part I —
 - (i) by deleting the items “Marital Status”, “Date of Marriage (if applicable)” and “Spouse’s name” and the particulars specified in relation to those items; and
 - (ii) in the Table headed “For official use only”, by inserting the item “Contracts or service verification documentation” below the item “Cover letter”; and
 - (b) by repealing Part II.

Made in Cabinet the 21st day of May, 2025.

Kim Bullings
Clerk of the Cabinet