



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2015/16 SESSION

4 May 2016

Fifth Sitting of the Fifth Meeting

**Hon Juliana Y O'Connor-Connolly, JP, MLA,
Speaker**

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PRESENT WERE:

SPEAKER

Hon Juliana Y O'Connor- Connolly, JP, MLA
Speaker of the Legislative Assembly

MINISTERS OF THE CABINET

Hon Alden McLaughlin, MBE, JP, MLA	<i>The Premier</i> , Minister of Home and Community Affairs
Hon Moses I Kirkconnell, JP, MLA	<i>Deputy Premier</i> , Minister of District Administration, Tourism and Transport
Hon D Kurt Tibbetts, OBE, JP, MLA	Minister of Planning, Lands, Agriculture, Housing and Infrastructure
Hon Marco S Archer, MLA	Minister of Finance and Economic Development
Hon Osbourne V Bodden, MLA	Minister of Health, Sports, Youth and Culture
Hon G Wayne Panton, MLA	Financial Services, Commerce and Environment
Hon Tara A Rivers, MLA	Minister of Education, Employment and Gender Affairs

EX OFFICIO MEMBERS OF THE CABINET

Hon Franz Manderson, JP	Deputy Governor, ex officio Member responsible for the Civil Service
Hon Samuel W Bulgin, QC, JP	Attorney General, ex officio Member responsible for Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Mr Roy McTaggart, MLA	Second Elected Member for George Town
Mr Joseph X Hew, MLA	Sixth Elected Member for George Town

OPPOSITION MEMBERS

Hon. W. McKeeva Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
Mr Bernie A Bush, MLA	Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay

INDEPENDENT MEMBERS

Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town
Mr Winston C Connolly, Jr., MLA	Fifth Elected Member for George Town
Mr D Ezzard Miller, MLA	Elected Member for North Side
Mr V Arden McLean, JP, MLA	Elected Member for East End

APOLOGIES

Hon Anthony S Eden, OBE, MLA	<i>Deputy Speaker</i> , First Elected Member for Bodden Town
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OFFICIAL HANSARD REPORT
FIFTH MEETING OF THE
2015/16 SESSION
WEDNESDAY
4 MAY 2016
10:33 AM
Fifth Sitting

[Hon. Juliana Y. O'Connor-Connolly, Speaker, presiding]

The Speaker: Good morning.

I will invite the Honourable Minister of Finance and Economic Development to grace us with prayers.

PRAYERS

Hon. Marco S. Archer, Minister of Finance and Economic Development: Thank you, Madam Speaker. Let us pray.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Premier, the Speaker of the Legislative Assembly, the Leader of the Opposition, Ministers of the Cabinet, ex-officio Members and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always.

The Speaker: Please be seated.

The House is now resumed.

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

The Speaker: None.

**READING BY THE HONOURABLE
SPEAKER OF MESSAGES
AND ANNOUNCEMENTS**

APOLOGIES

The Speaker: I am in possession of apologies from the Honourable Deputy Speaker.

PRESENTATION OF PETITIONS

The Speaker: None.

**PRESENTATION OF PAPERS
AND OF REPORTS**

**TENTH REPORT OF THE COMMISSION FOR
STANDARDS IN PUBLIC LIFE 1ST AUGUST 2015–
31ST JANUARY, 2016**

The Speaker: I recognise the Honourable Deputy Governor.

Hon. Franz I Manderson, Deputy Governor: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the Tenth Report of the Commission for Standards in Public Life, which covers the period 1st of August 2015 to the 31st of January, 2016.

The Speaker: So ordered. Does the Honourable Deputy Governor wish to speak thereto?

Hon. Franz I. Manderson, Deputy Governor: Yes, Madam Speaker, just briefly.

Madam Speaker, the report that I just laid covers the period 1st of August, 2015, to the 31st of January, 2016. The Commission continues to operate under the able leadership of Ms. Rosie Whittaker-Myles, along with its members, Mrs. Sheena Hislop and Pastor Shian O'Connor.

This report covers the progress made and the key issues arising from the work completed by the Commission during their second six months in office. During the reporting period, the new members have:

- engaged in the continued review and provision of feedback on the proposed Amendments to the Standards in Public Life Law 2014 (and, Madam Speaker, you would note that that Bill is now currently before the House);
- commenced discussions on the relevant content for the Standards in Public Life Regulation in order to make recommendations;
- engaged in discussions surrounding procurement and reviewed the draft legislation that is currently being prepared, along with these Regulations;
- examined the current Register of Interest in order to gain a better understanding of its accessibility and maintenance; and
- commenced discussion on the necessity for all board members to be properly trained in order to carry out their duties effectively and in observance of relevant laws and best practice.

The Commission also intends to explore fully training sessions in the upcoming months for our board members and to also identify ways in which to improve and enhance public relations and public education efforts in the community.

Madam Speaker, the Commission has held four meetings over the period and has met with a representation of the Office of the Auditor General to discuss in general terms their work, and with the Director of Procurement in order to discuss the procurement law, as recommendations were previously made to the Working Group on Procurement.

Madam Speaker, the next reporting period, the Commission intends to continue to work towards bringing in the Standards in Public Life Law 2014, finalise the review of those regulations, continue to work with the procurement team to ensure that we deliver a sound procurement legislation and regulations to this Honourable House, continue to review and monitor the existing Register of Interest and to work with the training of our board members.

Madam Speaker, the Commission intends to also engage with the private sector on its work and the need for everyone to be involved against corruption through greater transparency and accountability by all persons in public life, and of course, to engage in local and regional cooperative efforts, where possible.

Madam Speaker, I encourage all Members of the House to familiarise themselves with the contents of the report, which is available online on the Commission's website. Thank you, Madam Speaker.

CAYMAN ISLANDS HUMAN RIGHTS COMMISSION, PROMOTING, PROTECTING AND PRESERVING HUMAN RIGHTS—ANNUAL REPORT 2015

The Speaker: I once again recognise the Honourable Deputy Governor.

Hon. Franz I. Manderson, Deputy Governor: Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the 2015 Annual Report of the Human Rights Commission, which covers the period 1st of January 2015 to the 31st of December 2015.

The Speaker: So ordered.

Does the Honourable Member wish to speak to it?

Hon. Franz I. Manderson, Deputy Governor: Yes, Madam Speaker, again just briefly.

Madam Speaker, the report that I just laid covers the period 1st of January, 2015, to the 31st of December 2015. Madam Speaker, the Human Rights Commission continues to operate under the able leadership of Mr. James Austin-Smith, along with members Ms. Chelsea Rivers and Ms. Lisa-Anne Hurlston-McKenzie, Reverend Donovan Myers and Mr. Ben Tonner.

The 2015 reporting period saw the Commission continue to uphold its constitutional mandate of promoting an understanding and observance of human rights in the Cayman Islands through the acceptance and consideration of complaints of alleged allegations of breaches of human rights and the research of issues that dominate the public agenda.

While it continued to focus on numerous human rights, 2015 saw the reinforcement of the protection of private and family life; fair trial; non-discrimination; protection of children, environment and prisoners. The Commission also continued to review numerous policies and procedures and legislation developed by the Cayman Islands Government to ensure compliance with the Bill of Rights.

Madam Speaker, during the reporting period, the Commission received 31 complaints from members of the public alleging breaches by public officials of their human rights. Madam Speaker, the Commission reviewed and closed 16 of those complaints and continues to work resolving the remaining complaints through liaison with the relevant public authorities.

It is notable, Madam Speaker, that during 2015, the Commission considered numerous complaints which identified a potential breach of section 19, Lawful Administrative Action. The Commission noted that there in its correspondence with various Government officials they continued to encourage the Government to develop sound policies to manage the decision-making processes, public individuals engag-

ing on a daily basis in order to ensure that everyone understands the reasons for why decisions were made and that they comply with our Bill of Rights.

In the next reporting period, the Commission intends to continue to work on promoting and protecting and preserving human rights in the Cayman Islands. They will be doing that through their continued work in terms of reviewing complaints made against public officials, to reviewing legislation, engaging with the media and the public and conducting research on all matters identified by the Commission as important.

Of particular interest to the Commission is the enactment of policies and/or legislation surrounding the topics of mental health, education, conditional release of prisoners, deportation, prohibited immigrants, labour relations, data protection, disability and the use of CCTV. So, Madam Speaker, you will note that they have their plate full and lots of work for the Commission to get on with.

The Commission will continue to work to bring these matters and others to the attention of the Government and to the community. And the Commission also intends to continue to work towards increasing public awareness and education of human rights during the next reporting period.

Madam Speaker, as always, I encourage Members of this House and the public to review these reports, which are online on the Commission Secretariat. Thank you.

FINANCIAL STATEMENTS—AUDITORS OVERSIGHT AUTHORITY, JUNE 30TH, 2015,

The Speaker: I recognise the Honourable Minister responsible for Financial Services.

Hon. G. Wayne Panton, Minister of Financial Services, Commerce and Environment: Thank you very much, Madam Speaker.

I beg to lay on the Table of this honourable House the Audited Financial Statements for the Auditors Oversight Authority for the period ending 30th June 2015.

The Speaker: So ordered.

Does the Honourable Minister for Financial Services wish to speak to the report?

Hon. G. Wayne Panton: Madam Speaker, just to note, as we would all expect, that the audited statements represent a clean audited opinion from the Auditor General's Office. Thank you very much.

REPORT AND RECOMMENDATION OF THE MINISTER RESPONSIBLE FOR LANDS ON THE VESTING OF CROWN LAND TO CFGC SUNSHINE LIMITED (SUNSHINE SUITES RESORT) BLOCK 11D PARCEL 37/1

The Speaker: I recognise the Honourable Minister responsible for Lands.

Hon. D. Kurt Tibbetts, Minister of Planning, Lands, Agriculture, Housing and Infrastructure: Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Report and Recommendation of the Minister Responsible for Lands on the Vesting of Crown Land to CFGC Sunshine Limited (that is, Sunshine Suites Resort), Block 11D, Parcel 37/1.

The Speaker: So ordered.

Does the Honourable Minister of Lands wish to speak to it?

Hon. D. Kurt Tibbetts: Madam Speaker, just for the purposes of the record, as the full report which Members have explained the entire transaction. Block 11D, Parcel 37/1 comprises approximately six acres of land situated between the Esterley Tibbetts Highway and the West Bay Road, behind the Cayman Falls Plaza. The parcel is leased to CFGC Sunshine Limited. The present leasehold interest derives from a premium ground lease at nominal rental granted by the Crown to Benson Greenall, originally of 606 acres of undeveloped land for a term of 99 years. And that was done in April 1950.

Since commencement of the lease, the said land, which is known as Block 11D, Parcel 37/1, has been partially developed, specifically, construction of the current hotel and resort known as Sunshine Suites. Faced with the prospect of losing possession of the land and buildings without compensation upon expiry of the lease in 33 years' time and its desire to invest in upgrading the property, the hotel operator approached the Government to propose that the Crown agrees to modernise and extend the lease term back up to 99 years unexpired.

A report on this matter was considered by the Cabinet. And after careful analysis and consideration of the reports provided by the Lands and Survey Department, it was resolved in Cabinet Paper 1564 on the 22nd of March of this year that Cabinet advised Her Excellency the Governor to approve that the lease over Crown land Block 11D, Parcel 37/1 to CFGC Sunshine Limited, be modernised and extended to 99 years unexpired in return for a premium payment of US \$4,050,000, plus costs, stamp duty and the registration fee.

In accordance with section 10(2) of the Governor (Vesting of Lands) Law, 2005 Revision, three valuations were commissioned to determine the value of the premium to be paid by the ground leaseholder in return for an extension of the lease at a peppercorn annual rental—one from Government's Lands and Survey Department, and the others from private sector property valuation companies. And those three were as follows:

- Lands and Survey did the valuation at \$4,100,000;
- Blue Point did it at \$4,060,000; and
- IRR did it at \$4 million.

After negotiations regarding the size of premium payable by the tenant to the landlord, it was agreed that the extension of the lease be subject to the following terms and conditions, which is the Landlord being the Government; Tenant being CFGC Sunshine; and the block and parcel the size; and the lease to be extended back to 99 years, Madam Speaker.

Accompanying this report are all the documents specified in section 10(2) of the Governor (Vesting of Lands) Law, 2005 Revision, to ensure statutory compliance with the requirements for a disposition of Crown land.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

QUESTION NO. 54.—OWNERSHIP OF CANALS

The Speaker: Elected Member for North Side.

Mr. D. Ezzard Miller, Elected Member for North Side: Thank you, Madam Speaker.

Madam Speaker, I beg to ask the Minister responsible for Planning, Lands, Agriculture, Housing and Infrastructure the following question: Can the Honourable Minister say who owns the canals and other waterways that connect to the North Sound and if they are an extension of the “Queen’s bottom”?

The Speaker: Honourable Minister responsible for Planning.

Hon. D. Kurt Tibbetts: Now, Madam Speaker, there were similar questions to this prior, but not the exact question.

Madam Speaker, I am sure that the Member won’t mind. I just take this opportunity, with your permission, Madam Speaker, to advise that where the Port Authority owns the marina at Dragon Bay, there is a lifting station in working order, and it actually operates. So, effluent can easily be pumped from the boats by way of that pumping station.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I know. I know.

The answer, Madam Speaker, if the waterway or canal has a parcel number ascribed to it, then, it is a registered parcel of land with registered proprietors. That ownership can be either Crown or private.

In most cases, for privately owned canals, a developer constructs a waterway on his land and then

subdivides the property into lots contiguous to the waterway. He usually sells the lots, but retains the waterway as his property. And in most cases, the waterway runs to the open sea. The vendor may have agreed with the purchasers that they would have the right to use the waterway to construct piers to moor their boats. And usually, that right is extended to the lots that are contiguous to the canal.

The scenario is no different from that where in a subdivision the owner has reserved roads running through it for the use of all those who purchase lots in the subdivision.

Madam Speaker, waterways or canals without a parcel number, which are opened up to the North Sound, would be regarded as Queen’s Bottom.

The Speaker: I recognise the Elected Member for North Side with a supplementary.

SUPPLEMENTARIES

Mr. D. Ezzard Miller: Through you, Madam Speaker, in cases where there are launching ramps that are accessible by the general public, not being landowners contingent to the canal—

An Hon. Member: Contiguous.

Mr. D. Ezzard Miller: Contiguous to the canal, sorry. Is there any way of . . . or how does the Government preserve or give the right for the public to transition the waterway from the launching ramp to the open North Sound?

The Speaker: Honourable Minister for Planning.

Hon. D. Kurt Tibbetts: Madam Speaker, I believe that the Member would be, while he’s asking a general question, I believe he would probably be speaking about a situation now where we know as . . . we had a situation—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: —at the yacht club. And maybe the Member is speaking about SafeHaven also.

So, Madam Speaker, there are some quirks, which I recognise. And both the Lands and Survey Department and Planning have been looking at any amendments that are needed in the Law. Because there is a difficulty which exists right now, which causes there to be varying opinions from varying quarters as to who has control or who has the right. And I am awaiting a report so that if there is any amendment to the Law that is needed, we can deal with it because it certainly is not a situation that we would like to simply continue in the future in other locations, because all it does is cause trouble and grief and heartache.

So the Member's purpose for question, the supplementary question, is noted. And as I said, I'm just awaiting the report, because we've been trying to deal with it to get the matter sorted out in recent times. Thank you, Madam Speaker.

The Speaker: If there are no further supplementaries, we'll move on to the next question.

QUESTION NO. 55—AIS PROGRAMMES AT HEALTH SERVICES AUTHORITY

The Speaker: Elected Member for North Side.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

I beg to ask the Honourable Premier, Minister of Home Affairs, Health and Culture the following question: Can the Honourable Minister confirm that the AIS programmes, which were the subject of the recent court case, are still in use at the Health Services Authority?

The Speaker: I recognise the Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the answer: The AIS programmes comprise the CarePay Real-Time Adjudication Programme and the Suvarna Pharmacy system. The CarePay Real-Time Adjudication Programme is no longer in use. And the Suvarna pharmacy system will be discontinued on the 30th of November 2016. A transition period is required for the transfer from the Suvarna system, as there are patient refills that currently reside in the Suvarna system. It is anticipated that it will take an estimated nine months for these refills to be completely removed from that system.

The Speaker: Elected Member for East End.

SUPPLEMENTARIES

Mr. V. Arden McLean, Elected Member for East End: Thank you, Madam Speaker.

Madam Speaker, I wonder if the Minister can tell us what . . . Okay. I guess I'm putting this wrong. I had reason to go to the pharmacy recently and the back-and-forth that they were giving me that I had to do, prompt me to ask them what kind of system they were using, if it was the AIS system. And they said, no, they're not using the AIS system. They had to go back to the old system.

Can the Minister explain that to us whether it is the AIS system, as he says in the substantive answer, or is it that he is unaware that they're on a different system?

The Speaker: Honourable Premier?

The Premier, Hon. Alden McLaughlin: Madam Speaker, I am completely confused by that question. I'm not sure what the Member is seeking to ascertain or what he's saying. But I shall repeat the answer, which makes it clear that the AIS system is not operating.

Madam Speaker, the AIS programmes comprise the CarePay Real-Time Adjudication Programme and the Suvarna Pharmacy system. The CarePay Real-Time Adjudication Programme is no longer in use. And the Suvarna Pharmacy system will be discontinued on the 30th of November 2016. A transition period is required for the transfer from the Suvarna system, as there are patient refills that currently reside in the Suvarna system. It is anticipated that it will take an estimated nine months for these refills to be completely removed from that system.

So, Madam Speaker, what the HSA is doing is phasing out completely all of the AIS programmes and moving to a new system. But there is a transition period.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, the Premier says he is confused. Well, he's got me confused as well. Because the staff is saying they're not on it, and the Premier is saying they are using the pharmacy system. So, I guess I'm the one who is confused. That's why I couldn't explain it at first, because this is immediately on the heels of that case, within a couple of days or something. And they said the reason it was taking so long with me was because that system had been removed and they're back on the old platform.

Now, I don't know if they're running them parallel and trying to get that off, because that may be the answer to it. Because I don't know, but they're saying that it's off. What system then are we going to use in November for the pharmacy?

The Speaker: I recognise the Honourable Premier.

[Pause]

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Thank you, Madam Speaker.

Madam Speaker, they have—and this is my word, not theirs. They have revived an old system, which is being run in parallel, as the Member speculated, with the Suvarna pharmacy system while they are transitioning.

There is currently an RFP to procure a new system entirely that is with CTC for approval before that is actually published. And the plan is when that RFP goes out and the tender process is successfully concluded, there will be a new system ready to go in

place when the Suvarna pharmacy system is discontinued on the 30th November.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, that's a little better, because the staff members are right, and maybe the Premier is right, too. But it's running parallel trying to take it off. But it was confusing to me if this . . . Madam Speaker, I wonder if the Premier, because it's being decommissioned or discontinued, would mean that we are not satisfied with it? That's obvious. What were the conditions under which we installed the system that is to meet our requirements? Was it a period of time that it was guaranteed or not?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the system was procured through the tender process, through CTC. It was implemented on the 22nd of September 2014. Total expenditure in the system to date is \$159,980. And the HSA [Health Services Authority] pays \$500 a month for the license fee until the system is replaced.

The reasons for replacing it are that the system has been determined to be cumbersome, inefficient and have had several systemic failures, which have resulted in excessive delays in the delivery of care.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, did the Premier say only \$100,000-some was spent on it, thus far?

The Speaker: One-hundred and fifty-nine-thousand-plus.

Mr. V. Arden McLean: On the AIS system?

[Inaudible interjection]

Mr. V. Arden McLean: I'm talking about the AIS system. Because, man gone jail for more than that?

[Inaudible interjection]

Mr. V. Arden McLean: Yeah, yeah. I'm sorry, Madam Speaker. I'm sorry you misunderstood me. I'm talking about the AIS system, period. What are the conditions? I mean, even batteries last longer than two years, now. I'm wondering—what is our recourse now? Some have gone to jail; the people who owned the place are still outside. What is the Government's recourse, since this thing is not working the way it was intended to work? Because it had to be that they saw a model of it, a testing of it. And they agreed that

that's what they wanted. Now they're not getting that. What is Government's recourse now?

Because as I understood it, millions of dollars have already been expended on the contract. The entire system, I'm talking about.

The Speaker: Honourable Premier.

[Pause]

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, my information is that there are two separate systems. One was the pharmacy system, and the other was the claims adjudication system. It was the claims adjudication system that was the subject of the matter that wound up before the Grand Court. So this is a separate contract. So that's why the numbers and so forth that I have mentioned are quite less, quite a lot less than the situation that the Member is alluding to.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, you know, the Premier is confusing this whole thing. It's either he's getting bad advice or they didn't understand what I'm saying. I'm asking—

[Inaudible interjections]

Mr. V. Arden McLean: The question says: Can the Minister confirm that the AIS programmes, which were the subject of the recent court case, are still in use at the Health Services Authority?

My supplementary question is: What recourse does Government have on the entire system since it's not what we asked for? Now he's getting up here saying there are two separate systems—two separate programmes, under one system. All of it, I want to know, now.

The Speaker: Honourable Premier.

[Pause]

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, that question, the supplementary question, is not one for which I have the answer. I just had a quick chat with the Honourable Attorney General.

This, obviously, is a matter for the HSA board and its legal advisors. The House is obviously entitled to ask a question and to get an answer. All I'm saying is I don't have that information with me, nor does anyone who is advising me. So we will have to talk to the

HSA board before I could properly respond to that question.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, I am glad that the Premier pointed out that this House is entitled to the answers. So, I just want to know what time we can expect them.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, I will ask for the HSA board to provide us with the information as soon as possible. I'll ask today. And hopefully, I might be in a position to answer the question by tomorrow.

The Speaker: Elected Member for North Side.

Mr. D. Ezzard Miller: Through you, Madam Speaker, can the Minister say if it is the same people who prepared the RFP for the AIS system who have done the RFP for the new system, whether there are any lessons that have been learnt in the past failure to protect the public purse this time around?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the HSA has a procurement committee that deals with these matters before they are referred to CTC. I don't know, standing here, nor does the Chief Officer, who currently comprises the procurement committee, but we can inquire.

The Speaker: If there are no further supplementaries, we will move on to the next question.

Before you do that, Madam Clerk, I'll recognise the Honourable Premier for the suspension of [Standing Order] 23(7) and 23(8).

SUSPENSION OF STANDING ORDER 23(7) AND 23(8)

The Premier, Hon. Alden McLaughlin: Thank you, Madam Speaker.

Madam Speaker, I beg to move the suspension of Standing Order 23(7) and 23(8) in order that question time may continue beyond the hour of eleven o'clock.

The Speaker: The question is that Standing Order 23(7) and 23(8) be suspended to allow question time to go beyond the hour of 11:00 am.

All those in favour, please say Aye.
Those against, No.

AYES.

The Speaker: The Ayes have it
Madam Clerk.

Agreed: Standing Order 23(7) and 23(8) suspended.

QUESTION NO. 56— CHIEF MEDICAL OFFICER AND MEDICAL DIRECTOR AT HEALTH SERVICES AUTHORITY

The Speaker: I recognise the Member for North Side.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

I beg to ask the Honourable Premier, Minister of Home Affairs, Health and Culture the following question: Can the Honourable Minister define the roles and functions of the Chief Medical Officer and the Medical Director at the Cayman Islands Health Services Authority and what clinical specialty and/or administrative qualifications and experience is required for each position?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the answer. Historically, the role of the Chief Medical Officer and the Medical Director was a dual role performed by the same person. However, the roles were separated shortly after the Health Services Authority was established.

Currently, the Chief Medical Officer, appointed by the Minister of Health, is a part-time position. And the post-holder is appointed in an acting capacity. The CMO is responsible for all statutory functions and for the approval of CINICO referrals outside of the Health Services Authority.

The Chief Medical Officers carries out the duties and responsibilities as set out under the Births and Deaths Registration Law, the Health Insurance Law and Regulations, the Health Practice Law and Regulations, the Health Services (Fees and Charges) Regulations, the Mental Health Law and Regulations, the Misuse of Drugs Law, Personnel Regulations, the Pharmacy Law, Prison Rules Regulations, Public Service Management Law and the Public Service Pensions Law.

The Ministry has recently reviewed the job description for the CMO, and the duties have been revised. The recruitment process for a full-time CMO is expected to commence shortly. Qualifications and experience required in the revised CMO job description are to-

1. Have a medical degree from an accredited institution and a completed advanced degree in public health, or equivalent.
2. Be a board-certified medical practitioner registered in the UK, Canada, USA, Australia, New Zealand, Jamaica or South Africa.

3. Possess a minimum of 10 years' professional experience, with a minimum of 5 years' experience in senior management position in health care management and public health policy.
4. Have extensive knowledge of clinical workforce planning, clinical governance and performance management processes.
5. Have sound knowledge of health disaster, financial and fiscal management.

The Medical Director of the HSA plans and directs all aspects of the organisation's medical policies and programmes. The Medical Director's role covers three levels of work: strategic, leadership and operational that exists within the organisation. The role is primarily concerned with the leadership and the strategic clinical relationships with positions. The Medical Director oversees all clinical programmes of the HSA and operationalises the strategies required to deliver high-quality health care.

The Medical Director receives broad guidance from the Board and the Chief Executive Officer of the HSA. The post-holder is expected to identify initiatives for the improvement of service delivery and performance.

Qualifications and requirements are as follows:

- be a graduate from an accredited school of medicine;
- be able to register within one of the qualifying jurisdictions as a consultant in a clinical discipline, and be able to register as a specialist in the Cayman Islands;
- have at least 10 years' relevant management experience, most of which should have been spent in senior management positions in a health-care delivery environment; and
- possess excellent interpersonal skills and the ability to lead a large group of employees at all levels through the change process, for this is absolutely essential to the successful delivery of the accountabilities of the post.

The Speaker: If there are no supplementaries, we'll move on to the next item of business.

[Pause]

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

The Speaker: None.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

The Speaker: None.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

GOVERNMENT BUSINESS

BILL

SECOND READING

INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY (AMENDMENT) BILL, 2016

[Continuation of debate thereof]

The Speaker: I recognise the Honourable Minister responsible for Infrastructure.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

Madam Speaker, when we closed off on Monday evening, I was just beginning to thank all Members who had spoken on this Bill. And I had advised Members that I would do everything I could to be able to respond to some of their queries and their observations.

Madam Speaker, just to give a very brief outline on the state of play of the ICTA [Information and Communications Technology Authority] and its priorities and the progress that has been made in recent times. Madam Speaker, since the new Managing Director has taken over, in May of 2014, I dare say without casting aspersions to anyone previous, that there has certainly been a marked difference, not only in the style of operations, but also in the results.

The strategic direction of the Authority was one of the first things after discussion with the managing director that was looked at. And the board approved four strategic objectives. And they were, not necessarily in order of importance:

1. Protecting consumers—that is, in recognition that the consumers are the ultimate beneficiaries of a well-regulated and competitive ICT industry.
2. Protecting infrastructure, because ICT plays a very important role in our everyday lives—for that matter, in the overall economy. And that point was raised by several of those who made contributions to this Bill. And many lessons were learned even 12 . . . well, not quite 12 yet, but 11.5 years ago with Hurricane Ivan.
3. Promoting growth—that is, inward investment and economic opportunity, which the ICT in-

dustry represents. And that also, Madam Speaker, has to relate to job opportunities for Caymanians.

4. Promoting competition was the fourth strategic objective. I think the statement that needs to be made regarding promoting competition is that this is perhaps the most important of all of the founding principles for the existence of the Authority.

For the past six months, the Authority has been dealing with prioritising the many projects and initiatives which are underway. And, Madam Speaker, there are many of them. So again, in discussions with Ministry and the ICTA, they have outlined their top five priorities. That is not to say that everything else falls by the wayside, but we have to prioritise in order to accomplish in a timely fashion.

Any project or initiative demanding significant resources must fall under one of the four strategic objectives, which I spoke to a little while ago, and then be listed as one of the top five priorities.

Madam Speaker, the top five priorities which have been agreed upon are:

1. the 911 upgrade project;
2. quality of service;
3. choice and competition;
4. cyber-security; and
5. enforcement.

You will notice, Madam Speaker, those five top priorities all surround the points which were raised by those who contributed to the debate. And I just want to give a very brief update on these top five priorities.

Madam Speaker, the 911 upgraded project is a joint project with the Ministry of Home Affairs to leverage the knowledge and experience within ICTA to assist in upgrading the 911 system to a modern state-of-the-art emergency communications system. ICTA is project managing this effort and also is funding it as well on behalf of the people of the Cayman Islands. And that is a project that is ongoing as we speak, Madam Speaker.

Quality of service—it has been said by others, and I will say so again, Madam Speaker, consumers deserve the best service available from a licensed ICT service provider. Sometimes, when the competitive marketplace fails or struggles to deliver this, a regulator has to step in to make sure that consumers get what they are paying for. And that in itself, Madam Speaker, is one of the major complaints that were pointed out, and I hear them myself. I have the problem in my house, and I have to listen to my wife complain. I'm serious.

[Inaudible interjection and laughter]

Hon. D. Kurt Tibbetts: In 2014, Madam Speaker, the ICTA set up a new division with a focus on consumer affairs. And they have now developed a draft set of Consumer Protection Regulations, which are presently under review by the staff. And I expect this week for it to be sent to the Ministry so that we can get our input. Of course, Madam Speaker, the ICTA recognises that there have been almost two dozen major telecommunication outages over as many months. And this jurisdiction, which is recognised as a global financial services jurisdiction, for us to be able to compete effectively, it goes without saying, Madam Speaker, that reliable high-quality telecommunications is a must.

So, in 2014, working along with Her Excellency the Governor, the ICTA modified the licenses of telecommunications providers to ensure uninterrupted access to 911.

And so, as we follow the path, Madam Speaker, in light of the disturbing number of outages which continue to plague the networks, the ICTA has also drafted Regulations that speak to the location of telecommunications network equipment. In other words, the Regulations will make it mandatory for all the telecommunications network equipment necessary for a call to be located here in the Cayman Islands. And that is another major complaint. I heard the Member for East End doing his best to remember. It sounded like Chinese that he was hearing when he was making an inquiry.

These Regulations, Madam Speaker, have been drafted and will be sent to the Ministry this week also for input, along with the other regs. And we certainly will move that whole process along to get the Cabinet paper and get these Regulations approved and gazetted as swiftly as possible.

Now, Madam Speaker, when it comes to choice and competition, there are several issues which the Authority is addressing. There's a publication of a choice map indicating where services are available across the Islands. There's another continuous complaint about fibre optic cable rollout. And, Madam Speaker, the ICTA is going to be holding licensees accountable for their fibre optic rollout commitments to ensure that everyone in the country benefits from choice and competition.

One of the things holding that up, Madam Speaker, is what the ICTA refers to as *the pole attachment dispute*. There's an offshoot company of CUC called the Link, and of course, we know and recognise that CUC owns the T&D (the transmission and distribution) infrastructure, which part and parcel of that are the light poles. So, the ICTA has resolved a dispute among licensees regarding how to attach fibre cables to light poles. This long-awaited dispute determination was published last week and will pave the way for faster and less-expensive fibre deployment on CUC light poles. Now, Madam Speaker, this will make a real difference.

So, here we have a situation where the determination has been made. And whether you're a sceptic or not, it may well come to mind, *Well, will there be a JR* (that is, a judicial review) *by CUC on this matter?* Madam Speaker, there may well . . . I won't say *there may well be*. But I want to say this publicly today so people can understand. This Bill, once the House approves it, will cause every licensee to think twice about using the court system to draw out decisions either by way of appeals or by seeking judicial review, because, Madam Speaker, if the ICTA makes a determination and there are appeals or judicial reviews or whatever sought, these licensees need to understand that if a fine has been issued and the court system has attempted to be used, if any appeal fails, the daily fine continues. And if the judgment is not in their favour, they will then have to pay whatever that daily fine was, plus costs.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Madam Speaker, I am not a judge. I hear the Member for East End. But the truth of the matter is that whatever is said or done, we have to utilise what we have available to us by way of the law and utilise it to the best of our ability.

So, even though it seems like some people may not be very confident about how effective this legislation will be, I would ask them to allow it to work and we'll see where it goes. There are a couple of other things I have to say about that, which I'll say in a little while, Madam Speaker, which may also shed some more light.

Madam Speaker, there's also the problem of access to buried ducts. This is also a longstanding issue of contention. Similar to the issue with the light poles, it affects the ability of service providers to quickly build their networks and to reach customers who want their services.

Madam Speaker, I was in a meeting more than two years ago with the various licensees. And I recognised then and there that there were some immediate problems with regards sharing infrastructure. Madam Speaker, they don't want each other to know what their immediate or medium-term plans are. That causes a problem. And the other problem, which is not their problem, but our problem, is that if we do not have the shared infrastructure, then roads will always be dug up to create that infrastructure.

So, we need to allow for the sharing of this infrastructure to quickly allow the competing licensees to build their networks and to reach the customers who want their service.

The fifth one, Madam Speaker, is the universal service network. And right now, the Authority is exploring how to create a universal service network to reach the customers in North Side, East End and the sister islands in a more cost-effective way. And this network will speed up fibre rollouts and bring services

to customers in rural areas faster and for a lower cost than the model that is being used today.

Madam Speaker, one Member spoke to cyber security. Over the past year, we have experienced in the Cayman Islands a situation where these Islands have become a target for cyber criminals. Customers are being attacked by email and over the web. And these situations are not anymore what we read or hear about in the foreign press. But they are now affecting private and public sector entities right here in Cayman.

In October of 2014, Madam Speaker, ICTA established a national cyber security incident response team to help coordinate cyber defence activities in Cayman. In February of last year, the managing director and a member of the board met with the Interpol cyber security team and convinced them to add Cayman to their upcoming agenda of national cyber reviews. The Interpol team visited Cayman later that year, and they met with the RCIPS [Royal Cayman Islands Police Service], they met with CIMA [Cayman Islands Monetary Authority], they met with ICTA and other government agencies, along with representatives from the Cayman Islands Directors Association and Cayman Finance, among others in the private sector.

The draft report from Interpol is now in hand. And the ICTA is working with agencies such as the RCIPS to address its findings and to implement improvements across the private sector.

In October last year, the ICTA met with GCHQ [Government Communications Headquarters] in London to discuss cyber security in Cayman. An invitation was extended to experts from GCHQ on behalf of the Ministry of Home Affairs for them to visit Cayman. And in November, ICTA, working with E-Government and the Ministry of Home Affairs, created a public sector IT group, where IT professionals from across the public sector can work together to address cyber security issues, among other topics of mutual concern.

In December GCHQ accepted the invitation to visit and met with a number of public sector entities, including the RCIPS and the ICTA. These experts provided an overview of their findings to Cabinet. In December of last year, Cabinet issued a directive to establish a special cyber security working group to fix known cyber security issues across the public sector. The team consists of the ICTA, E-Government and the Ministry of Home Affairs. And this team, known as the CIG Cyber Team, working from the GCHQ report, the Interpol visit, the report by the Auditor General Information Services and their own experience, provided Cabinet with an information security plan in February of this year.

The plan called for initial funding to begin its work to fix problems. And the Cabinet has provided \$1 million of initial funding to this team. They have published two separate RFP's, one for core government network and firewall replacement equipment, and the

other for expert advice on implementing a global cyber security standard called the NIST cyber security framework. One of the RFP's is coming to a close this week, and the other will be completed before the end of May. And, Madam Speaker, that equipment should be installed over the summer.

On a separate, but certainly related note, the CIG cyber team has leaned heavily on the new procurement officer for the RFP's. He has provided us with a state-of-the-art cloud-based RFP submission scoring and evaluation system. And this system eliminates paper proposal submissions, speeds up the evaluation process and keeps a record of all notes, comments, reviewer scores and team assessments.

Madam Speaker, the Managing Director of ICTA has advised me that his opinion is that this provides an excellent platform for openness and transparency in the procurement process. Madam Speaker, when it comes to enforcement, the ICTA, for the very first time in history, issued an enforcement notice to a licensee last week. The notice, which includes a \$75,000 fine, was associated with a failure of the licensee to properly report outages which affected calls to 911.

Madam Speaker, let me again, without attempting to cast anyone in a bad light, say that unfortunately in the past, the leadership was very slow to act on such issues, and perhaps if the Member for North Side would prefer, I could stretch it and go as far as to say *unwilling* to act on such issues. And licensees, I believe, Madam Speaker, have become accustomed to a lack of enforcement by the ICTA. I think that's what has transpired over the years. But I also believe that it is fair to say that those days are over.

So, in the past the Authority never really fined any of the licensees. They had the authority, but it was never enforced. So these fines that were levied, by the way, Madam Speaker, were paid promptly. So I dare say that that quick experience alone and the message that has been sent says to me that it will work.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: So, therefore, that is exactly my point. They may have paid the fine and whatever may not be corrected, this legislation, which means the fines can continue on a daily basis as long as they don't correct it, will cause them to want to correct it, because certainly, a one-time \$25,000 fine may mean nothing to them. But if they're fined \$25,000 for every day that they don't fix the problem, that's a whole different matter.

[Inaudible interjections]

Hon. D. Kurt Tibbetts: Madam Speaker, I know Constant Spring very well. I know Hope very well, too. And

I hear Old Harbour; I know Old Harbour, too. I know a lot of harbours, just like the Member for East End.

[Laughter]

Hon. D. Kurt Tibbetts: I'm sorry for the distraction, Madam Speaker.

Madam Speaker, after just outlining where the ICTA are now and trying to give perspective to what presently obtains, just a few quick, specific situations to speak to.

Madam Speaker, it is important, I just want to reiterate the Consumer Protection Regulations, which I am very confident will be gazetted by the end of this month, will make a huge difference in customer service. And it will give the Authority the tools to work with. It also will address the business of off-Island network failures, which I think the Fourth Elected Member for Bodden Town has raised that point.

The Fourth Elected Member for Bodden Town also spoke to having some concerns about mergers and acquisitions. I just want the Member and everyone to know, as he said, the ICTA should have more of a say in how these transactions occur. Madam Speaker, the Authority, by law, must approve change of ownership of a licensee. And I can tell you the process that is utilised by the Authority is . . . And they have had experience with this because they have already reviewed several ownership changes in the past two years.

They review the financial records of the parties. They conduct background checks on the individual principals associated with the licensees. And they examine corporate records. Let me just say this, and I want to say this in a guarded fashion, and I want to be careful. But just so that the Member will understand, there's a transaction which is going on now. All of this process is taking place.

But what this process will extend to, is if there's a change of ownership involving any locally operating licensee, that is also a very good time when that request is made for the ICTA to approve, to be able to say, *We are content once we do our background checks to approve this. But here are some deficiencies which exist right now. Now, we are not minded to approve this until we know these deficiencies are taken care of.*

Madam Speaker, I am not one to stop progress or anything of that nature. But the reason why I bring this up is to say I cannot blame the ICTA for taking that stand. And while there is a balance to be created between enforcement and business, experience has taught that if you don't take care of certain things, when a real opportunity occurs, they'll nag you for a long time to come. So, I just want to alleviate any fears Members may have about the ICTA doing their job. They are and they will continue to do their job.

Madam Speaker, I understood either by inference or . . . I don't know if the statement was made

directly. But I think there is a thought among some Members that annual fees are outstanding by various licensees. And on checking on that, I just want everybody to know that there are no annual fees outstanding by telecommunications or FM broadcasting licensees. This was a problem in the past. But it has been rectified, and there are no outstanding fees.

As I said before, Madam Speaker, the ICTA in the past simply never, ever issued any fines. The first one that was done was last week. That was the first one that was done.

[Desk thumping]

Hon. D. Kurt Tibbetts: So it will get better. And those licensees will understand that life is different now.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Madam Speaker, this legislation that is proposed, again, as the doubts may spew forth, I believe will certainly make a lot of difference. I have, with your permission, Madam Speaker—I know that this windup may be a little bit long, but the points were raised, and I want to address them because I don't want either media or anyone else to be making what they consider straightforward factual statements when they're not.

So, Madam Speaker, false advertising is another issue. For example, 4G service advertised and sold, but not received, and there was much talk about that. The Regulations will protect the consumers in this regard. And part of all of that is that the ICTA is developing advertising guidelines, which will directly address the concern. "Text to Win"—stop the unsolicited text messages, not an opt-out, but should be an opt-in arrangement. As we speak, the ICTA is conducting an investigation relating to this subject. That investigation is in its early stages, but I can assure all Members that once the investigation is concluded, whatever actions are deemed necessary will take place.

We also heard, Madam Speaker, and as I said myself, I have my own experiences about the quality of mobile service. And members in referring to these dropped calls called the carriers not *carriers*, but *droppers*. The Regulations, again, Madam Speaker, will address network reliability. The ICTA has already begun collecting data to monitor call quality on mobile and fixed networks. And the Regulations will specifically address those.

There was also a situation which came to light in the debate, where a Member claimed that there was a three-dollar-per-month charge to receive a paper bill. And I certainly am not disputing that charge. But that too will be specifically investigated by the ICTA.

So, when a member stated that if the ICTA can't collect their annual fees, how will they collect the

fines from the same people? As I said before, and I want to reiterate, Madam Speaker, there are no outstanding annual fees by telecommunications or FM broadcasting licensees.

So, Madam Speaker, I think I have addressed the majority of issues raised. I want to take this opportunity myself to say a very special thank-you to the Managing Director and staff of ICTA, and also the Board of Directors, who play a very important role in developing policy and making decisions. And I am pleased to know that the Authority is right now beginning to fulfil the purpose which it's supposed to serve. And over many years prior to this it was really not doing all that it should do.

So, Madam Speaker, with regards the ICTA—or let me say it correctly—the Information and Communications Technology Authority (Amendment) Bill, 2016, I certainly commend the Bill and do give the undertaking to ensure that we will do all we can to make all of the improvements that we have spoken to, and to ensure that all changes to the Law and Regulations will be made in short order, even though it will be a continuing work in progress to make all of these improvements happen in real time. Again, I commend the Bill to all Members of this Honourable House, and I thank those Members who have either spoken to the Bill or who I anticipate will be supporting it. Thank you, Ma'am.

The Speaker: The question is that the Information and Communications Technology Authority (Amendment) Bill, 2016, be given a second reading. All those in favour, please say Aye.

Those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: The Information and Communications Technology Authority (Amendment) Bill, 2016, given a second reading.

The Speaker: We'll now take the morning break, and will reconvene at 12:15.

Proceedings suspended at 12:02 pm

Proceedings resumed at 12:21 pm

The Speaker: Please be seated.

Serjeant, can you utilise the next five minutes to summons the balance of Members so we can make up a quorum?

[Pause]

The Speaker: Madam Clerk, the House is now at quorate.

GOVERNMENT BUSINESS

BILLS

SECOND READING

CADET CORPS (AMENDMENT) BILL, 2015

The Speaker: I recognise the Honourable Minister responsible for Education.

Hon. Tara A. Rivers, Minister of Education, Employment and Gender Affairs: Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of the Bill shortly entitled the Cadet Corps (Amendment) Bill, 2015.

The Speaker: The Bill has been duly moved.

Does the Honourable Minister responsible for Education wish to speak further to the Bill?

Hon. Tara A. Rivers: Yes, Madam Speaker.

Just briefly to advise this Honourable House that the Bill in front of us seeks to amend the Cadet Corps Law, 2003 to change the ministerial responsibility for the Cayman Islands Cadet Corps in section 2 of the Law from the Minister charged with responsibility for Education to the Minister charged with responsibility for the Cayman Islands Cadet Corps.

Madam Speaker, it is, I think at this stage appropriate to look to the actual Cadet Corps Law, 2003 to look at what the functions of that particular law says, and in section 5 of the law it spells out that the functions of the Cadet Corps include the following:

- a. to provide a formal, well-regulated and highly disciplined organisation operating within all sectors of the school and youth communities in the Islands;
- b. to attract as cadets, significant numbers of young people between the ages of eleven and nineteen;
- c. to instil in cadets, spiritual, moral, national and humane values of honesty, justice, discipline and social responsibility;
- d. to maximise in cadets, self-respect, self-confidence, self-reliance, self-discipline and loyalty;
- e. to encourage in cadets, powers of leadership and the ability to work as team members;
- f. to provide for cadets progressive training of a challenging and exciting nature in order to foster alertness, physical and mental endurance, and camaraderie;
- g. to provide for cadets, military-style discipline, skills, achievements and values; and
- h. to establish the highest possible standards in all areas of operation of the Cadet Corps.

Madam Speaker, as you can see from the functions that I have just outlined, the Cadet Corps caters to youth between the ages 11 to 19, which is very much in keeping within the definition of youth being persons between the ages of 10 to 25 years old, which was adopted by the Cayman Islands through the adoption of the first National Youth Policy that was adopted in this House in September of 2000.

So, Madam Speaker, the Cadet Corps is a military-style operation with military and paramilitary aims, objectives, and practices. When the law was first introduced, it was introduced by the then-Minister of Education and in his own words it was introduced *purely as a matter of convenience* to sit within the Ministry of Education.

I am basically quoting from the *Official Hansard Report*, Wednesday, 10 December 2003, [page 1176] where he says, **“While it is true that it falls under the Ministry of Education, that is only borne of convenience. The Ministry of Education is responsible for the education, training, and upbringing of youth, and the Cadet Corps is an organisation comprised of youth.”**

So, Madam Speaker, when this Government took office in May 2013, and during the allocation and the kind of rationalisation of responsibilities, it was decided at that time that given the nature of the Cadet Corps, given the aims and its objectives and the age group that it caters to, both at the secondary and postsecondary school-aged persons, and the oversight and the support of the Cadet Corps would be better aligned with the Ministry responsible for Youth. And that is oversight and responsibility for the Cadet Corps was indeed allocated to be part of that Ministry's remit, in keeping with the role in relation to other youth development organisations.

Madam Speaker, I am aware that the Minister responsible for Youth is contemplating additional amendments to this particular law, but by making this initial change it will help to expedite and streamline the administrative process which is now required by removing the need for any further drafting instructions to be put forward via the Ministry of Education.

So, Madam Speaker, with that I basically would like to commend this Bill which has a small, but in this case, significant, change by reassigning the allocation of the responsibility from the Ministry of Education to the Ministry with [responsibility] for the Cadet Corps. Thank you.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call.

I recognise the Honourable Leader of the Opposition.

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, back, between 1992 and 1996, I proposed a Cadet Corps. There was quite a bit of fuss

over that, but like most things in this country, something new and they don't see the value of it, until perhaps a few years when somebody else has the reins, and they can move forward. Sometimes it is not, in this country it is not what is being proposed, but who is proposing it and then who is taking objections and for what reasons. The reason then was, *Oh, you are going to give young people guns*. All they heard was Cadet Corps.

The Member for North Side was not here then, but he would remember that early in our years in the House we, I think, proposed it even. Those days he used to second my motions and I used to second his.

[Inaudible interjections and laughter]

Mr D. Ezzard Miller: We still have the record you know, Mac; successful motions.

Hon. W. McKeeva Bush, Leader of the Opposition: [There were] 92 successful motions. And, Madam Speaker, over the years it got—

[Inaudible interjections]

Hon. W. McKeeva Bush, Leader of the Opposition: After the 2000 election, and the new administration, it came into being. I have always given it my support, and that is why I am standing here. Not to be long or be facetious in any way. It is that I ponder how [in] such a valid institution we don't have very many young people in the Cadet Corps, the same thing with Scouting.

Government expends all kinds of money, all kind of thoughts, headaches and time is spent to put such institutions in place. And then we have the phenomenon of so much problems among youth, and so many calls that, *There is nothing for us to do in this country*. That is what you hear [from] young people mostly. People who claim to be speaking on their behalf, for whatever reason, they say, *There is nothing for them to do*. At the Youth Parliamentary meeting the other day, I had to point out that we have dozens of very good young people, groups, that if young people moved into them, they cannot do anything else but come out knowing something good about life. And here we are, in a country where Government expends all kinds of money on social programmes, all kinds of money on education, and we still hear people on the outside saying, *The Government is not doing anything*. *Government is not doing anything*.

And then you have these kinds of organisation, units in Government, and they have good officers who know what they are doing. Why are we languishing to an extent for want of involvement in such a programme? Perhaps this is something that we need to go out on a very massive drive and it has been attempted before, to get people involved in that organi-

sation. From what I know of young people who are involved, and have been involved, they are proving to be, even with some missteps along the way, Madam Speaker, they are proving to be good citizens. And that is what we in the Cadet Corps were trying to do; build model citizens. Take young people and give them an opportunity where they can be impacted negatively in their own home, because we have that as well. It might not be meant to be, but it happens for various reasons, that we can get young people who are at risk in a young and growing country as the Cayman Islands are, so that they can be model citizens.

Every time that I see and hear about a young person in a problem, I inquire, or think in my mind, *Have they been a part of the Cadet Corps? Were they Scouts? Boy Scouts? Were they part of the many youth groups, youth organisations that the Adventist Church has? Have they been involved in the many sports organisations?* Because there again, as I said, I think it was included, or I meant to include that globally, in what Government puts forward. You see, Madam Speaker, whether I am on the Government bench, front bench or backbench, or whether I am in the Opposition, I have to be concerned.

I give credit where credit is [due]. Governments over the years have spent millions and millions and continue to do so in building facilities and building programmes and our people are not taking advantage of it. God bless those few who continue to take out their children to a sporting event or to be involved in a sports programme. Here again, the sporting programmes continue and the people put money into them, and the organisation itself works hard, and then you go and you find 50 or 60 people—when we know that in age group we have thousands! What in the world are we thinking about? Yet we are sitting down complaining, *Government nah doing nothing! Government nah doing nothing!* Oh, yeah? The community and Government—

[Inaudible interjections]

Hon. W. McKeeva Bush, Leader of the Opposition: Very few! I am reminded of the parks being utilised as we thought. I remember when we had none. Had one Princess Royal Park, right here where this Assembly is, and then we made this Assembly, and we had nothing left for probably, maybe, a whole generation. That was in 1972. Maybe we didn't get proper parks until—

An Hon. Member: [It was] 2003.

Hon. W. McKeeva Bush, Leader of the Opposition: Just about there.

So, maybe a whole 30 years. And the people . . . as I said, very few are being utilised unless it is a seaside park because we can say that areas like—

[Inaudible interjections]

Hon. W. McKeeva Bush, Leader of the Opposition:

Yes, the public spaces to an extent. Public Beach, Smith Cove, what I call . . . I think they got that named something else now. And that is another thing, we all need to put our foot down on—stop taking our traditional places and giving them names that nobody is familiar with; nobody knows, it has no connection to the cultural arena or cultural life of our country! None!

And we are not being disagreeable, and we don't want to complain because somebody came here and do something and find a name. I am not talking about that. Sometimes that can't be helped. But I just see too much of it, Madam Speaker. As I said, sometimes you see this name and *Where in the world is that?*—Smith Cove.

Mr. D. Ezzard Miller: I left Kiwanis over that, they changed the name and I haven't gone back since.

Hon. W. McKeeva Bush, Leader of the Opposition:

So, Madam Speaker, my thing is the young, elastic minds of our young people. And I speak about that not just today. I've done that my whole political career.

I do have three grandchildren . . . well, four now! Three that are 9, 13, and 14. I hear sometimes the same thing from them—*Papa, nah nothing . . . don't tell me it nah nothing to do.* And thank God they get involved. And, yes, I know that we live in the electronic age and young people clamber to their iPads and clamber to the various electronic gadgets and so they are sort of home bound. But that's not good enough. There are thousands of young people who need to be involved and here we are, we are not taking advantage of what the country is producing. We are just complaining about *there is nothing for them to do.*

And the truth is—Members of this House rarely want to speak to that because we don't want to upset anybody and lose a vote. Well, I have gotten to the point where you vote for me, or you vote for me. If you don't, God bless you all the same. It really does not matter much anymore. It sort of runs off like water off of a duck's back. Now because you don't go and try to beat me up afterwards, and think that I'm going to run off like [water] off a duck's back, it is not going to do so.

[Inaudible interjection and laughter]

Mr. D. Ezzard Miller: That's going to stick.

Hon. W. McKeeva Bush, Leader of the Opposition:

Yes.

Madam Speaker, I rise to support the Bill, but in thinking about what the Cadet Corps is and how much we do, and how much is done by Government, how much is done by staff of Government! Civil serv-

ants that spend over and beyond what they are paid to do to make it work, and try to put their life into certain programmes.

So, Madam Speaker, maybe in a roundabout way I am saying that we do need to make an effort in putting all the money forward in sort of marketing to see if that is going to improve, but families have to make sure that they understand. They see what Government is doing, that they listen and don't listen to the naysayers because a lot of that happens to our people. They listen to somebody else and, *Oh, yes, you know that's right, that's true* when all the while, Madam Speaker, nothing is so. It does not go so at all. And they are misled.

Through this avenue, hopefully, I'll catch some attention. Not too many licks, but will catch some attention and people will say, *Well, you know that's true. You know that Government is spending a lot of money here in our Islands.* And here we have less than what . . . I don't know what the number is of the Cadet Corps now. Scouting, maybe just 200, I don't know how many. Cadets, it can't be over 100.

[Inaudible interjection]

Hon. W. McKeeva Bush, Leader of the Opposition:

Okay. But we have thousands of young people who could benefit from it. We need to, as I said, probably look at somehow how we can market it. Whether it is through things like this, through avenues like this, or whether we make public declarations of any kind we encourage people, *Look, this is what's there. Go! Get yourself involved in the Duke of Edinburgh's [International] Award Scheme; it's going to make you a better young man. It's going to make you a better human being.*

And with all the negatives with the guns and the robberies and all the pants down around their backside and getting tripped up because the pants are so long . . . it looks like it belongs to me, instead of belonging to them. And, Madam Speaker, it is enough to worry, at least it worries me, what direction our young people are headed when they saying, *See, McKeeva, see Ezzard, see Kurt, see this one—they aren't doing nothing.* Yet, they have all of this in their hands? What did I have? I had one town hall field. One! One field full of rocks.

I can't remember that bush, but it was so high that if you touched it, it cut you too. I can't remember what that was. I didn't have any nice sneakers either; barefoot to play, and when we couldn't go out in the field, we went and played in the road. Thank God there wasn't much traffic. Played what we called "bat." Not even cricket. Bat! But we learned. And we had Scouting, and I could go as a Cub Scout and I could become a Sea Scout, and I could then help to revise Scouting after that died out in my church and in my district. We didn't have the facilities that our young people have. We didn't have a Government that put

money, or even had money that they could do what has been done in the country.

Madam Speaker, I know I am going the long way about it, but I am talking about the young of this country and opportunities that exist for them to become better men and women for this country.

Don't listen to the naysayers! Far too many of them who like to sit down and write on Facebook, and they know everything in the world—they know everything! Yet, they can't say that this is there and I am going to make sure that my neighbours' children go. If I am taking mine, let me see if I can take my neighbours. Do we do that anymore? I don't know. But I know this: That there are tremendous amounts of good, solid programmes. Cadet is one that I want through this medium to encourage our young people, our parents, first of all, take that interest to get the young people in to those programmes. I certainly support the efforts made by the Minister in this regard.

The Speaker: Does any other Member wish to speak?

I recognise the Honourable Minister responsible for Youth.

Hon. Osbourne V. Bodden, Minister of Community Affairs, Youth and Sports: Thank you, Madam Speaker.

Madam Speaker, I rise in support of the amendment to the Cadet Corps Law, 2003, to change the responsibility of the Cadet Corps from the Minister of Education to the Minister responsible for the Cayman Islands Cadet Corps.

Madam Speaker, I want to thank, first of all, the Minister for Education for her fine introduction in explaining exactly what the anomaly was and what the Cadet Corps is all about. I also want to thank the Leader of the Opposition. That is why I didn't rise immediately after the Minister of Education because I knew, I felt that he was going say something and it was good for him to speak because certainly he brings a background and a history to this that indicates the importance and vision held for the Cadet Corps.

Madam Speaker, following the last elections in 2013, ministerial responsibility was given to me by Her Excellency the Governor for the Cayman Islands Cadet Corps. Prior to that, under the previous administration the Cadet Corps was also assigned to the Minister responsible for Youth. That was the Honourable Mark Scotland at the time.

Madam Speaker, at its core, the Cadet Corps is a youth developmental organisation. It utilises military-style discipline to instil certain values to young people between the ages of 11 and 19. I will not go through the various functions because it would be repetitive. The Minister of Education went through those from section 5 of the Law. But it sets out in that, as

she rightly indicated, the various functions that the Cadet Corps is charged to carry out to do.

The Law at section 6(2) makes the Cadet Corps answerable to the Minister of Education currently for its acts and decisions. Today's amendment is therefore to correct, as I said before, an anomaly which has existed for some time. This will therefore make it that whoever has responsibility for Youth by Her Excellency, or His Excellency, has the Cadet Corps under them. That is the bottom line of what we are doing here. That way we do not have to go changing it each time from hereon. It is now designated as a youth activity by the Government.

I would like, Madam Speaker, to also note that my Ministry in collaboration with the Cadet Corps Committee is currently undertaking, and the Minister of Education said this as well, a more wide-ranging review of the Law to bring the Cadet Corps in line with other existing legislation and to improve on the structure of the Corps thereby improving its effectiveness as a youth development organisation.

Madam Speaker, I, and I'm sure Members of this Honourable House, apart from the actual numbers that is, [which] should be greater as the Leader of the Opposition correctly said. We are very proud of what has been done with limited resources in this area. Madam Speaker, it is important to note that there are very few people that are paid to work with the Corps. The Corps has been largely run by volunteers. We have a commandant, a training officer, and we have some admin staff, but apart from that, everyone else volunteers, usually people who have come here who have the services of Cadet elsewhere. We cannot say a big enough thank you, and through this medium I want to, as Minister responsible, make it clear that I am extremely grateful for the years put in and for the hard work, the use of personal resources, the use of vehicles, financial resources, and everything else these people have put in to ensure that the Cadet Corps has been a success over these years.

Madam Speaker, I want to make it clear also, that the Cadet Corps, as some people mistakenly believe, it is for bad children. The Cadet Corps is for young people—young boys and girls—anyone, any young person can join between that age of 11 and 19. And therefore, I think that we have to tie it—and this is why, I guess, it came originally under the Honourable Roy Bodden when he was Minister of Education. Because at that time he saw, along with his team, the need for the Cadet Corps to be tied in to Education, as it were, so that you could get the masses into it. It didn't quite happen that way. We have had varying degrees of membership. Right now it is just over 100. We have a chapter in the Brac which is fledging, and I think that has been integrated into the one here now. So, we don't have the numbers that we would like to see passing through.

What I can say is that the Cadet Corps has made a significant difference to many, many young

people's lives. You just have to talk to the parents and to those kids who attend. You can see the way in how they conduct themselves. You see when they are on parade, and on display, and whenever they are out helping with an event, or whatever it is, you can see the pride and the way those young people are really being taught. They are mannerly. They are conducting themselves in an admirably way. And that is what we want, Madam Speaker, because we are building good human beings.

There was a bigger vision, Madam Speaker, for the Cadet Corps. This is something that I plan to push in the direction, push the Corps in that direction. I think that the original vision, and talking to some of the original people that were involved, people like Ms. Lucille Seymour, Mr. Steve McField, Mr. Roy Bodden, Mr. Bush, and others, you will know that the vision was for this Cadet Corps to be a supply stream, as it were, for some of our uniform services, our police in particular, our fire, our Customs, wherever we needed people with discipline, Immigration, whatever.

You would be able to look at the Cadet Corps and you would find good, suitable employees as the mature and they go through college, and the like. I don't think that that has happened. We have to really—and any changes to the Law and everything, we are going to certainly be looking to make the Cadet Corps much more than what it is now, and that is just as passive, as it were, a group who are training quietly and doing their thing, but we are not seeing the more active onward involvement of these young people, although the skills and discipline they are being taught will never be taken away from them.

Madam Speaker, we are at the point where we have reached for the maturity of it that we are actually seeing young people who have passed through the Corps come back and become officers in the Corps. This is so admirable. There is one young lady who I watched from the time she was a little tot, and I admire her because she is a Bodden Townner, well, her Daddy is from West Bay and Mommy is from East End, living in Bodden Town. But Teresita Ebanks, whom I have no hesitation in calling her name, is certainly someone who we can all be proud of. She is now works at CIMA [Cayman Islands Monetary Authority], but she is an officer in the Cadet Corps. This young lady has conducted herself with decorum through her life, through university. And now her younger sibling, who looks just like her and will confuse you if don't know better, is actually following in her footsteps in the Corps. This is the kind of thing that you want to see.

Madam Speaker, we are in the process right now, proudly, of renovating an old Government building on Maple Road for headquarters, something they have never quite had. They have been for years, well, you know, they used to be over by the church, First Assembly, I think it is, over there by the Lions Centre. They then moved up to where they were . . . we've

housed them in the Bodden Town Civic Centre; that is, the admin of it. But they have never really had a home, per se. So, we are in the process of renovating and will hand over a home, a building which will become the Cadet Corps headquarters. It will be right next door to the Scout headquarters, which is about to open as well. Madam Speaker, that will be a very proud day because they will then feel that they have that much more of a base. The people, the executives and the officers that run the Cadet Corps will then feel that they now have a much better foundation, as it were, under them. We are looking forward to that.

I also plan to look at property where we can have a proper training ground for the Cadets. This is something that won't cost a lot, it is basically land and you have whatever it takes for them to do their training on. So, right now they go around and they do it at various school compounds or church compounds, but I think they warrant their own compound. It doesn't have to be acres and acres and acres of land. I think that a reasonable plot of land will certainly suffice for their purposes, some vegetation and the like. A few acres and they should be good to go. So that is something I certainly will be discussing with colleagues in the future as to where we can put that and discussing with the Cadets as to where will be most suitable.

Madam Speaker, I think that we really need to look, and the Minister of Education and I will have a discussion on that, but there must be a way that we can somehow or the other, not force, but encourage better participation from the school system into the Cadet Corps. Because I agree with the Leader of the Opposition, the ranks should be a lot higher and we have so many issues with our young people. We are constantly criticising, *Oh, they don't have enough to do*, or we have wayward youth, or whatever.

Youths aren't born to be bad. They end up in environments and situations that direct where they end up going. So, as much as we can direct them to positive outlets, positive arrangements such as the Corps, such as Scouting, such as Duke of Edinburgh, and the many, many others. All of the Government, as he rightly said, supports so many initiatives, so many NGOs that provide such great service through the community. And we do have, you know, because of my position, I certainly see, and unlike the regular citizen on a daily basis, I see the benefits and the great youth that we have in this country. Only the bad youths make the headlines, and to be honest, they are in the minority. We have fantastic youth in this country and the Cadet Corps is one of the main contributors and should be an even bigger contributor to positive youth in this community.

Madam Speaker, just this weekend past, we, myself, the Leader of the Opposition, the Premier, Honourable Minister for Planning, we were at the funeral, sadly, on Saturday of a Cadet. A young man that was. . . I have never heard any young person spoken about in the tone and the terms of how this

young man was revered. He was held in a regard that belied his years, Madam Speaker. He was mature; he was respectful; he was productive; he was a joy to be around. Sadly, he passed while having fun. Madam Speaker, I am proud to say that he was a Cadet. I am not saying that the Cadets made him all that he was, but I am saying that it enhanced who he was, I am positive of that, and he himself enhanced the Cadets from being a positive role model within that unit. He had a wonderful send off. It is a heartbreaker for his parents and we, once again, send them on behalf of all of us here, our deepest condolences because it is the one thing that none of us wants to do and that is bury our love, and bury our loved child. But, you know, Cadet John Shaw, was a special young man and may his soul rest in peace.

Madam Speaker, the Cadets were there and, of course, they were out in their usual fine form, and they ran that whole ceremony at the Lions Centre. And, again, they were there on perfect display of how good they are being trained, how well they are being able to handle themselves, how respectful the protocols they are learning, and this can only be good when you look . . . I've talked to . . . I look at society now and I know members who are productive in society and they have come here from other countries and they were in the Cadet Corps back in wherever it was, Trinidad, Barbados, Jamaica, and these are all people who have maintained that discipline. I can think of a number of them; police, one was a judge, gone on to become military people, whatever. They came out of the Cadet Corps.

Therefore, Madam Speaker, I believe that in the region, we have a lot of Cadet Corps compatriots, and we can build on that. The Commandant, Commandant Bobeth O'Garro, is extremely keen; she has been in it a long time. Before that we had Philip Hyre and we know that he was very good with the job that he did. Bobeth took over from him and she performs admirably. She is very interested; she is very keen to develop the Cadets to that higher level. Therefore, Madam Speaker, I am here as Minister, to support them in every way that I can.

They have been offered in the past, a marine vessel, and I would like to see that offer taken up and a marine section developed. Because I am of the firm belief that with our seafaring tradition, we should be very proud of what we, our forefathers, accomplished and we should never, ever let that slip away. The Cadet Corps with a marine section would be one such way of keeping our young people interested in the sea and what goes on in terms of handling yourself on the water and learning about the environment. And, of course, being, again, to be able to go from that to, let's say, our police where we are in to the marine section of that and provide a useful service, a very important service, the safety and well-being of these Islands.

So, Madam Speaker, I am very, very keen on boosting, as the Leader of the Opposition has called for, and rightly so. I am also imploring, like him, that all of us parents out there, let's get away from this *I'm bored and there is nothing to do*. There is a lot to do in these Cayman Islands. There is so much to do. It is more putting in the effort, and there are those who do. But those that don't—spend time with your kids. Take them out. Don't let others raise your kids. Don't let the helper raise your kids. Take them to games. You take them; you take them to the Cadet Corps; you take them to the Scouts and you will see the difference in the community that we will have.

“Train up a child in the way he should go, and when he is old he will not depart. . .”, and we will build a better Cayman Islands. We will have less dependency on social services. We will have less dependence on the courthouse and our jail. We will have a Cayman Islands for us to be proud of.

With that, Madam Speaker, I lend my full endorsement to the change that will take away the anomaly that we have battled with for some time and just make this a lot smoother and seamless process going forward. But I just would like to once again commend our Cadet Corps for what they have achieved with so little for so long, and I think it is time for us to give them that added boost, and certainly the headquarters compound where they can have their own, and of course, it will come with added needs for manpower. But they tend to generate a lot of their own manpower, so that is a good thing that we don't have to spend a lot to get more out of the service.

Madam Speaker, with that I commend this Bill and thank you and this Honourable House.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call. Does any other Member wish to speak?

I will call on the Honourable Minister responsible for Education to wind-up.

Hon. Tara A. Rivers: Thank you, Madam Speaker.

Madam Speaker, I would just like to thank both the Leader of the Opposition and to say that I fully endorse what he has said with respect to there being a number of youth organisations, a plethora actually, of youth organisations that are available for the young people in this country. In many respects there really is no excuse to hear that there is simply nothing to do. I think what we do need to do is to, again, I made reference to it, or I alluded to it when I did the opening introduction of this particular Bill, by drawing our attention back to really the kind of blueprint for what the country has adopted as being the policy guideline, the framework to help us to address some of these issues. That is a National Youth Policy, Madam Speaker, which the Minister of Youth, I know is well versed on in terms the activities, the programmes, the outline, the strategies, that comprehen-

sive document that was put together and many, if not most, people in this Chamber know that I have always been and continue to be an advocate for youth development, even when I was a young person myself. So, certainly, to the Leader of the Opposition's point, that document in itself outlines in great detail—I know it is a bit dated now, in that it is from 2000, but I do believe that there was some sort of update that was done during the last administration. But, again, the document gives a clear indication about the number and the breadth of activities, youth development organisations, youth development activities available to the public.

Madam Speaker, in 2000, since the adoption of that policy as being the, as I said, blueprint for youth development in the country, the Government has developed certain mechanisms or vehicles; namely, the Youth Services Unit, which came about as a result of the work that was undertaken by the very committed, young National Youth Policy Task Force members. And, Madam Speaker, the National Youth Commission is another vehicle that was established that really has the mandate to help to raise the profile of, certainly, the Cadet Corps, but all of the other very notable and worthy youth development organisations that are operating in the country.

So, to the Leader of the Opposition's point, again, I agree the fact that there should be a concerted marketing effort to some degree, and that is something that certainly can be facilitated through the auspices through the Youth Policy and, in particular, either that of the Youth Services Unit, or the National Youth Commission, which is the kind of overarching umbrella to kind of help organise and coordinate it, and coordinate youth development activities and programmes in the country.

Madam Speaker, I also want to mention, certainly, with this change, and to just lend my whole-hearted support to the Cadet Corps, and even though I will no longer be the named Minister responsible within the auspices of the law, from the Education perspective we certainly, and I certainly, will continue to do what we can do to try to help promote the growth of that particular programme. And in one instance, Madam Speaker, I want to recognise that the Cadet Corps (from my understanding) has adopted an Education platform, so to speak, through the offering of certain qualifications; namely, the BTEC [British and Technology Education Council] course qualifications, which they offer to some of their cadet participants as well. So, certainly, Madam Speaker, there is the ability to not only develop into a well-rounded, develop into a disciplined and organised young person, but there is all those opportunities to increase your actual, technical qualifications that are offered through the BTEC programme as well.

Madam Speaker, to basically address the statement that the Minister of Youth made about, again, trying to foster the collaboration between the

ministries, I just want to say for the benefit of the listening public, and you have heard me say in this Chamber on a number of occasions, the Government, i.e., the civil service and all the machineries that make up the Government, and of course the political directorate, we need to develop a whole Government approach to how we tackle the issues that the country face, and address the concerns of the people of this country. Certainly, the Minister of Youth and myself will work closely to try to see how we can, not just, as I said, foster the participation, specifically, in the Cadet Corps. We do know and we have heard in this Chamber already the values the Cadet Corps espouses, which are values that we want all of our young people to achieve, but as the Leader of the Opposition mentioned, the Scouts, you know, there are Girl Guides, there is Pathfinder, there are a number of youth-related organizations that also has similar values to be aspired toward. So, one of the ways within the Ministry of Education, or the education system, which we are looking to try to foster that sense of civic responsibility and developing a responsibility for self, but also responsibility toward the community, is that the Ministry will be introducing a requirement for community service.

So, I just want to say this publically on the floor of the House because it is timely and it is appropriate for what we are discussing here which is to try to encourage more participation of our students in noteworthy extracurricular, or youth development-type programmes, such as this. And so, moving forward, there will be this aspect of community service that will be enshrined in the graduation criteria, per se, and it will be trickled down to the younger students as well as time goes on. So, certainly, this is something that the Ministry of Education has already anticipated in terms of a need that we need to fill to get back to this sense of responsibility.

Again, going back to some of the concerns that the Leader of the Opposition expressed, when you hear people say, *The Government needs to this, and the Government needs to do that. The Government isn't doing enough.* But, actually, Madam Speaker, we are the Government. And I say "we" as in the people of this country. We have a responsibility whether we sit or we participate in these hallowed halls or whether we are members of the various communities in which we live. We have a responsibility to ensure that we take responsibility for our children and for what is happening around us. And so that sense of civic responsibility and social responsibility is something that in many respects, Madam Speaker, is not being taught in the homes, or not being taught in the communities to the extent that it should be. So, certainly, through the education system we are trying to find ways to foster that sense of responsibility by introducing these types of activities. But, again, the education system is but one vehicle. And, of course, Cadet Corps and other notable youth organisations, as

well as other opportunities that we know exist in the country, will also help in that.

So, Madam Speaker, again, I just want to thank the Honourable Members that spoke and also to thank the Honourable Members who didn't speak for their tacit support to this, as I said, small but significant change which will hopefully help the organization which we are talking about today. Help them to continue in their aims and help the Ministry to advance the types of changes that we know that needs to happen in a more efficient manner.

Thank you.

The Speaker: The question is that the Cadet Corps (Amendment) Bill, 2015, be given a second reading.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

Agreed: The Cadet Corps (Amendment) Bill, 2015, given a second reading.

The Speaker: We will take our luncheon break and reconvene at 2:30 pm.

Proceedings suspended at 1:13 pm

Proceedings resumed at 3:13 pm

The Speaker: Please be seated.
Proceedings are resumed.

GOVERNMENT BUSINESS

BILL

SECOND READING

NATIONAL PENSIONS (AMENDMENT) BILL, 2016

The Clerk: The National Pensions (Amendment) Bill, 2016. Second Reading.

The Speaker: I recognise the Honourable Minister responsible for Education.

Hon. Tara A. Rivers: Thank you, Madam Speaker.

Madam Speaker, I beg to move the second reading of a Bill shortly entitled the National Pensions (Amendment) Bill, 2016.

The Speaker: The Bill has been duly moved.

Does the Honourable Minister wish to speak to the Bill?

Hon. Tara A. Rivers: Yes, Madam Speaker. (If the Serjeant could bring the podium, it would be helpful.)

The Speaker: Perhaps Minister, you could start, I just sent him to get some material for me.

Hon. Tara A. Rivers: Sure.

The Speaker: Thanks.

Hon. Tara A. Rivers: Madam Speaker, today we have reached a significant milestone in the evolution of the pension regime in the Cayman Islands, which Madam Speaker, was established almost 20 years ago for the benefit of the workers of this country.

Madam Speaker, this Bill represents the first time that the National Pensions Law has been substantively reviewed and revised since it was enacted and came into force in 1998 with respect to coming to this House at this time in this fashion during an administration, that is.

Madam Speaker, given the catalogue of issues which have plagued the system which we are all very familiar with through the various accounts of pension infractions and issues covered in the press over the years, as well as captured in the Office of Complaints Commissioner's 2010 Own Motion Investigation entitled "Penny Pinching Pensions." This is an important piece of legislation because, Madam Speaker, it aims to address to a large extent some of the long-standing concerns such as the culture of noncompliance which previously existed and, Madam Speaker, it also aims to address the limited attention to regulation of pension plans and pension providers that has also been deemed to be an issue as well.

Madam Speaker, to the point about addressing the culture of noncompliance, I think it is important that I point out and I remind the public that the Government has already begun to address this issue prior to bringing this particular Bill by taking measures to encourage proactive behaviour of employers, by linking pensions compliance to the issuance of the renewal of the Trade and Business Licence under the Trade and Business Licence regime as well as linking it to Builders Law permits under that particular piece of legislation as well.

So, Madam Speaker, in a statement made in October 2013, just less than six months of getting elected for the first time and being appointed Minister with responsibility for Pensions, I informed this House that the Government was committed to bringing legislation to the Legislative Assembly to try to address some of the concerns identified by the (then) Complaints Commissioner along with other critical areas of concern. Madam Speaker, as discussed, as I said, that time in October of 2013, I really had hoped to get the Bill to the Legislative Assembly sooner, but of course, admittedly, being a first-time legislator and Minister, I didn't quite appreciate the length of time

that it takes and the process involved in reviewing and preparing legislation within the civil service machinery.

However, Madam Speaker, even though later than initially anticipated, the process has been a highly consultative one, highly consultative in nature, and a good example of true participatory democracy in action! Madam Speaker, this major review of the Pensions Law to this extent, being the first time in nearly 20 years from the time that this piece of legislation (the National Pensions Law) was introduced, this process by no means represents the end of the journey. I want to stress that, Madam Speaker, because even though as we will see when I talk this House through some of the major changes proposed in the Bill to strengthen the regime, I want to recognise upfront that there is still work to be done, but that is life, Madam Speaker. The more you do, the more you seem to need to have to do.

It is with those preliminary words that I would like to actually talk now about the scope of the law. For the benefit of the listening public in particular, the National Pensions Law regulates the private sector pension regime in the Cayman Islands, including pension plans, the administrators, and the employers who have the responsibility to pay in to the various pension plans on behalf of their employees. Madam Speaker, the Department of Labour and Pensions [DLP] through the National Pensions Office, which is currently recognised in the current law, is the regulatory body responsible for overseeing private sector pensions in the Cayman Islands and they receive guidance through the Government-appointed National Pensions Board.

Madam Speaker, for clarity sake, the matter of pensions as it relates to employees of the Cayman Islands Government, civil servants and the like, those are covered under a separate piece of legislation. And those pensions are administered by the Public Service Pensions Board. So, the Bill I will be presenting today on behalf of the Government does not speak to the Public Service Pensions legislation, Madam Speaker.

Madam Speaker, dating back to the 1970s or even some would argue mid-1960s, the Government recognised the need for a policy on retirement planning and in the mid-1980s, and again in the early 1990s, the Government attempted to introduce a Government-administered scheme to build upon retirement savings. Madam Speaker, from my understanding, in both instances the introductions of these plans were viewed negatively and was not met with huge success, and contrary, met with huge opposition as people were concerned about what the Government would do if it had direct control over the assets for those purposes.

Madam Speaker, following the change of the Government at that particular time, it was also a change in policy and a new approach developed to the introduction of private sector competitive model with Government serving as the regulator. Madam

Speaker, this approach that was adopted at the time is the structure that remains today. At that time the then-Government found itself in a position to introduce a new reform that it had, and in order to so it had to include all the stakeholders from the outset. From my reading of the situation, back in those days the Government attempted to consult with a wide range of stakeholders from various interests and varying industries.

So, Madam Speaker, the National Pensions Law was initially enacted in 1998 for Caymanians and became applicable to non-Caymanians in 1999. Since the implementation of the National Pensions Law in the late 1990s, only a few discreet amendments have been made to the legislation in the last 18 years, even though, Madam Speaker, as was recognised from the onset when the Pensions Law was adopted in 1998, further amendments would likely be necessary.

Madam Speaker, again, just to recap for the benefit of the listening audience and for those of us in the room that may not have the background, in April 2010, the National Pensions (Amendments) Law, 2010 was passed and it implemented what was known as the "suspension of pension contributions" or otherwise known as the "pensions holiday" for a temporary period. Then again, in September 2011 the National Pensions (Amendment) Law, 2011, was enacted, which allowed pension plan members to access their pension benefits to purchase or construct a dwelling unit, purchase residential land, or pay off an existing mortgage.

Therefore, Madam Speaker, the current National Pensions Law, 2012, is a consolidation of these discreet amendments with essentially the same National Pensions Law which was enacted in 1998 and remains in effect today.

Madam Speaker, according to the 2014 Compendium of Statistics from the Cayman Islands Economics and Statistics Office, we have a population of over 58,000 persons, including over 100 nationalities. With a labour force size of approximately 40,000 persons, the private sector pensions' regime consists of 16 registered pension plans, with a combined number of membership accounts totalling an estimate of 55,000 members. Of these, 16 registered pension plans, six of the plans are considered to be multi-employer pension plans that comprise the vast majority of employee and employer members. It is estimated that the assets under management for the entire pensions' regime is approximately US\$1.2 billion.

So, Madam Speaker, the pensions' regime as I have just outlined, has been pretty much essentially the same since it was first introduced. We have had the benefit of approximately two decades to see where some of the issues that may not or may have been anticipated but not further acted upon with consecutive governments thereafter, have had a chance to manifest themselves, and so, we are now at the point where we need to look critically at how we

move the process forward for the benefit of the hard-working people in this country to ensure, Madam Speaker, that we provide a framework for them to be able to provide for themselves through the pensions regime for their golden years.

Madam Speaker, given that this was, as I said, the first real attempt to have this type of extensive review of the pensions' legislation, it was important that the Government undertook a very robust and comprehensive public consultation process. And so, Madam Speaker, I would like for the benefit of the Members in this House, as well as the listening audience, to go through what exactly the public consultation process entailed and what was undertaken by the Ministry over the past year in earnest, but the work had certainly started before then.

So, Madam Speaker, the goals of the public consultation undertaken by the Ministry starting, as I said in earnest from June of last year, were to inform the public and especially the key stakeholders of the changes being proposed. It was to educate the public on the impact that these changes will have for them, specifically, as well as it was to establish a specific opportunity for the population at large to share their viewpoints, share their concerns, and to share their feedback on the proposed changes. So, Madam Speaker, by creating this opportunity we therefore invited people to inform us of their perspective on these legislative changes, which in many instances were in agreement and in some instances were not in agreement with what was considered to be the proposed changes.

Madam Speaker, one of the goals also of the public consultation process was to broaden the public's understanding of the pension regime, and in doing so, to help build confidence in the overall pension system. Again, Madam Speaker, additionally, the public were given multiple opportunities to participate in the reform process by way of public consultation. By doing so, Madam Speaker, the intension and the hope is that for people that certainly took advantage of those opportunities—and we will hear more about how the Government and the Ministry responded to some of the feedback we received during this process—the hope is that for people to have a greater buy-in in the reform process because they were a part of the process once the changes have been approved in this House.

Madam Speaker, with these goals in mind, the Ministry and the Department of Labour and Pensions engaged in an extensive public consultation process to discuss the draft Pensions Amendment Bill during the summer of 2015. Madam Speaker, at that time the Ministry produced what was considered to be a consultation draft of the Bill and that was the subject of public consultation starting on the 29th of June of last year when the draft was first released into the public domain. The initial consultation period was due to be over 60 days until the end of August; however, Mad-

am Speaker, again, in response to requests received by the public seeking additional time to comment, the Government agreed to an approved additional 30-day extension, which extended the public consultation period to receive feedback until the 30th of September 2015.

So, Madam Speaker, in total, the public had three months to review and submit comments on the consultation draft of the Bill through the variety of mediums which, as I said, included public meetings in each and every district, including Cayman Brac. It included media appearances on Radio Cayman [One]; *For the Record*; *Talk Today*; Rooster 101.9; *Crosstalk*; *Money Sense*, which is a programme sponsored by the CFA Society, a talk show programme on Radio Cayman [One], as well as on CITN *Daybreak*. There were multiple stakeholder meetings including meetings directly with the multiple member and single employer pension plan administrators. There were meetings with the Cayman Islands Society of Human Resources Professionals [CISHRP]. Madam Speaker, they hosted a panel discussion which consisted of myself, I participated in that meeting as well, as well as the DLP staff to discuss (at the time) both the Labour Relations Bill and the Pensions Amendment Bill with their members in July of last year. And, Madam Speaker, it also involved the attendance by some of the Ministry and DLP staff at the Chamber of Commerce "Be Informed" session.

Although, Madam Speaker, the Ministry was originally asked and had agreed to participate in the Chamber Member Information session to discuss the Bill, the Chamber of Commerce hosted their own "Be Informed" session in the end with private sector attorneys presenting information on the consultation Bill. Nonetheless, Madam Speaker, the Ministry and the Department of Labour and Pensions representatives attended that meeting to hear the views expressed by their participants and their members and to also be available to act as a resource if called upon.

Madam Speaker, the Chamber of [Commerce] sought the views of the membership and provided detailed feedback to the Ministry on the Bill as well. They also assisted the Ministry and the Department of Labour and Pensions by promoting on their own website amongst their members, the details about the district meetings held during the public consultation period.

Madam Speaker, the Ministry and DLP and I, had meetings with the Caymanian Bar Association and representatives of Cayman Islands Law Society to discuss their comments on the Bill because they actually proactively offered to provide commentary on both Bills as well. So, once they reviewed the Bills they provided the detailed feedback to Ministry in that regard. I want to say that they also took time to review and comment on the Bill that is being presented today during the 21-day consultation period, and have submitted comments accordingly.

So, Madam Speaker, following this very extensive public consultation process embarked upon, the Ministry received over 450 comments from over 40 different sources, including, as I said, six district meetings, three talk shows, one stakeholder meeting with pension administrators, feedback from 19 individuals submitting in their own right, 14 organisations such as the Single-Employer Pension Plan [SEPPA] Administrators, Multi-Employer Pension Plan Administrators [MEPPA], individual employers, Caymanian Bar Association (CBA) and the Cayman Islands Law Society (CILS), the Chartered Financial Analyst (CFA) Society, the National Pensions Board, and the Cayman Islands Society for Professional Accounts (CISPA).

Madam Speaker, at this stage I would like to thank everyone, each and every one that participated in some way during the public consultation process, either by coming out and voicing your concerns or stating your views at the various district meetings, or by submitting your comments in writing, or by participating in the stakeholder meetings that I just discussed. The process, Madam Speaker, has truly been an engaging one, and it has been highly constructive in nature.

So, following the close of the public consultation on the 30th of September, Madam Speaker, the Ministry reviewed and collated the comments received, and along with the Department of Labour and Pensions reviewed and evaluated the feedback receiving during the public consultation phase. Following that, a presentation was made to the Government in January of this year to discuss the feedback received and to get guidance as it relates to key policy decisions to be made to act as a reference for the refinement and amendment of the Bill. So, as a result of the presentation to the Government and the Cabinet approval provided at the time, provided the necessary drafting instructions in order to create the second draft in the form of a National Pensions (Amendment) Bill, 2016, of which we are debating today.

Madam Speaker, I took the time to highlight very painstakingly the thorough public consultation process carried out by myself as Minister with responsibility in this area, and by members of the Ministry and the Department of Labour and Pensions to demonstrate that throughout this process we valued and we appreciated very much, and we also very much tried to balance the interests and concerns expressed in coming up with the final Bill.

Madam Speaker, important to recognise is that the process in which we have embarked on was not only one that was quite remarkable from a local perspective, but it was also heralded internationally or regionally as a model to be followed as well when it comes to carrying out pension reform. Madam Speaker, I say that to say because I was invited to speak, and actually indeed had the pleasure of speaking at the Caribbean Association of Pensions Supervisors

Conference held in Port-of-Spain, Trinidad last year as a keynote speaker to discuss the process of which we were about to embark on in the Cayman Islands. The Caribbean Association of Pensions Supervisors, Madam Speaker, is multi-jurisdictional association of pension supervisors and its mission is to facilitate an efficient and effectively pension supervisory and regulatory system in the Caribbean through the sharing of policies, procedures, and methodologies relating to pension regulation.

Madam Speaker, the Caribbean Regional Technical Assistance Centre, or CARTAC for short, in conjunction with the Caribbean Association of Pensions Supervisors (CAPS) and the Central Bank of Trinidad and Tobago presented this conference and workshops to their annual general meeting which was attended by over 40 representatives from pension regulatory bodies of 20 countries in the region. From the Governor of the Central Bank of Trinidad and Tobago, inspectors of the Caribbean financial institutions and pension regulators from around the regions, to representatives from the largest regulator appointed pension administrator in Canada, the attendees represented a wide cross-section of persons who work within the pension regulatory industry in their respective countries.

So, Madam Speaker, many Caribbean countries are in the process of effecting pension reform, and some just beginning to create legislation or a legislative framework for their pension systems at all. Madam Speaker, while there is no denying that our pension regulatory framework is in need of further development even beyond what this Bill presents, it is quite clear, especially from attending this conference, that the Cayman Islands is one of the leaders in the Caribbean region when it comes to established pension systems. Therefore, Madam Speaker, under the themed topic, "Delivering the Message: How to Effectively Communicate Pension Reform in the Caribbean", I was able to share on behalf of the Cayman Islands with the participants the historical perspective as well as the present day perspective of the Cayman Islands experience of communicating about our pensions reform, the lessons we learned from the past, and the suggestions for best practices to communicate pensions reform going forward.

Madam Speaker, one of the clear messages stressed during the presentation at the conference was that it was critical to create a clear explanation for why reform is needed because it is important for both the internal as well as external stakeholders to identify the objectives that we are trying to achieve. Madam Speaker, the Ministry did this from the outset with respect to the legislative reform process in the area of pensions by producing a summary document which outlined the Government's objectives of the consultation draft Bill launched last year as well as it summarised the major changes that were being proposed in the Bill to make it user-friendly, so to speak, for the

average person that doesn't relish the idea of picking up a piece of legislation and wading through it.

Madam Speaker, these documents were widely distributed along with the actual Bill itself for those that enjoyed reading laws. These were widely distributed through the Islands as well as it was available to anyone who visited the Ministry's website, or the Department of Labour and Pensions website.

Madam Speaker, I trust from the information provided thus far on the public consultation process that we followed, as well as the information to be provided during the course of my presentation of this Bill, that Members in this House and the listening audience will appreciate that we have followed our own advice by engaging in a robust communications plan that included a participatory approach with a wide range of stakeholders as we embarked on this major pensions legislative reform exercise. As I said, Madam Speaker, the first of its kind carried out since the law was enacted 18 years ago. Therefore, Madam Speaker, the legislative reform process undertaken over the last year was not only a significant milestone locally, but as I said, is being heralded as a model to learn from on a regional scale.

Madam Speaker, I would like now to move on to discuss the main impetus for the proposed legislative changes in the amendment Bill, 2016, which I will be referring to either as the Bill or the amendment Bill going forward, the overall objectives as well as key legislative changes contained in the Bill.

Madam Speaker, one of the resources which the Ministry and the department used quite extensively to inform the proposed changes to the law as contained in the Bill, is the 2007 Mercer Report. So, in 2007 the then-Government hired the Mercer Human Resource Consulting to review the Cayman Islands National Pensions Law and to make recommendation for amendments to the pension system. The scope of the work at the time included actuarial, legislative, and investment analysis.

Madam Speaker, the review of the Cayman Islands Pensions Law completed by Mercer—the Mercer Report, as I will be referring to as—included recommendations to increase the normal age of pension entitlement which is known currently under the National Pensions Law to be the normal retirement age. It included recommendations to increase the level of fines, that is, in the National Pensions Law, as well as it included a recommendation to allow access to additional voluntary contributions and to introduce victimisation protection.

Madam Speaker, I guess shortly on the heels—well, I guess “shortly” is all relative—but in 2010 the Office of the Complaints Commissioner issued its Own Motion Investigation report entitled, Penny Pinching Pensions, as I said, for which the terms of reference of that particular report were to investigate the ability of the National Pensions Office to effectively investigate, charge, and convict private

sector companies who are noncompliant with pension contributions as mandated under the law. Madam Speaker, this was another report that was used to act as a reference and as a guide for many of the recommendations that have come forward in this Bill today. And the report, as I said, resulted in a series of recommendations which a number of them required legislative changes as will be discussed during this debate.

Madam Speaker, as discussed, when the National Pensions Law was first introduced in 1996 (actually it was when the Bill was first brought to the House), the primary advantage of the pensions legislation was stated to be protecting the future financial security of the population. Madam Speaker, the aims of pensions' legislation really is looking at helping future retirees to have a reasonable standard of living and not place an undue burden on the Government or an undue burden even on their own families. Madam Speaker, the purpose of pensions is really to promote independence of our senior citizens, giving them the ability to remain and retain their sense of independence and pride and enjoy their retirement in what is often referred to as their “golden years.” Madam Speaker, those aims still remain today. In particular, looking at the state of play with respect to pensions and the proposed changes in this Bill, the overall objectives of the proposed amendments to the National Pensions Law contained in the Bill are as follows.

Madam Speaker, one of the aims is to recognise and to appreciate the longevity of people in today's society and the fact that we are living longer, the fact that we are capable, willing, and able to work longer, and in some instances, needing to work longer in order to have the standard of living that we hope for all of our seniors.

So, Madam Speaker, one of those aims is specifically addressed by looking to increase the age stated in the Pensions Law from 60 to 65, at which time persons become entitled to access their pensions. And I use the word “entitled” because, Madam Speaker, this is not just a semantic change from using the word “retirement” but it is a very significant change in trying to shift the mindset of the community as it relates to the people's ability to access their pensions voluntarily, as you would say, as opposed to being forced to retire, which in many instances we are hearing is what is happening today.

Madam Speaker, another important objective of this Bill is to introduce more requirements for pension plans to educate and inform their members, including the requirement for annual general meetings, and an increase in their availability of pension statements, as well as a notification from the administrator if their employer becomes delinquent.

Another aim is to introduce new and enhanced mechanisms to improve compliance with the National Pensions Law and especially the strengthening and broadening of the Department of Labour and

Pensions power and the introduction of an administrative fine regime as well as verification of compliance provision.

And finally, Madam Speaker, another key objective is to align the National Pensions Law with the reorganisation of the Labour and Pensions Services in the Cayman Islands by including in legislation the establishment of the Department of Labour and Pensions which is the office that is charged with the responsibility of carrying out the obligations of the law.

Madam Speaker, before I discuss in detail the changes to the National Pensions Law purposed in the Bill, I would like to briefly touch on a few of the proposals contained in the original Consultative Draft of the Bill which was circulated, as I said, in 2015, which were not in fact carried forward in this amendment Bill being debated today. Madam Speaker, I do that from the outset because I want to demonstrate to the Honourable Members in this House as well as to the community at large that this consultation process was not an exercise in futility. This consultation process was true to its intended goal and that was to hear from public, to hear how they felt about the proposals that were being put forward to get their views, and in many instances to make the necessary adoptions or amendments or revisions as may be needed based on the consultation that did ensue.

So, Madam Speaker, following the consideration review and analysis of the viewpoints expressed as a part of the public consultation process, a number of changes were made to this Bill that does not carry forward from what was presented in the consultation draft, and therefore some of the recommendations put forward in the consultation draft were not accepted as part of the amendment Bill being debated today.

In particular, Madam Speaker, the consultation draft proposed an amendment to the definition of "employee." During the consultation, the definition of employee was proposed to be amended to exclude persons consistently working less than 15 hours per week. This proposal was made as a way to reduce, as we stated during the consultation phase, the cost of employment, but also looking to try to spur employment opportunities for persons who may be working in this particular situation, less than 15 hours per week. That was what was originally floated to the public for discussion for consideration, and, as a result, if that recommendation had been carried forward, those persons would no longer be pensionable and therefore neither the individual nor the employer would be required to pay pensions.

However, Madam Speaker, during the public consultation process the viewpoints received, expressed significant concern about this proposal. The public concerns which were especially communicated during the district meetings focused on the potential for employers to take advantage of those persons who would fall into this group, that, in many instances, would not be seen to be able to fully represent them-

selves. There were other concerns, Madam Speaker, represented to the Ministry staff regarding the potential for enforcement challenges in the case where a person had, say, more than one part-time job, working less than 15 hours each.

Madam Speaker, I am also made to understand that during the consultative process the Ministry did not receive any kind of expressed support or overwhelming support from the public or business community for the continued inclusion of this proposed change to the definition of "employee." So, Madam Speaker, in response to the feedback received during the public consultation phase, the amendment was made and the decision was taken to remove this provision for the less than 15 hours carve-out, as was introduced and floated for discussion in the consultation draft. I would, however, like to point out, Madam Speaker, that there is a proposed Committee stage amendment that I can discuss at that time dealing with the definition of employee.

Madam Speaker, another section of the then-consultation draft that has not been carried forward in this particular Bill—actually, not so much about that there isn't agreement, but it was more the fact that the concern expressed at the time was how is it going to be administered. So, basically, Madam Speaker, as it relates to the removal of the change regarding early age of pension entitlement and the ability for persons that claim early retirement to go back to work if they elect and continue to collect pension benefits. The feedback on this proposal, Madam Speaker, which came from both employers as well as pension plan administrators, expressed concerns on the need to ensure that there was established conditions in the law that would govern the applicability and the implementation of this provision before actually moving forward with the proposed change. Again, Madam Speaker, it wasn't so much about the fact that they were in disagreement or there was disagreement on this particular point, but it was more of a practical, *How are we going to administer this?*

Madam Speaker, in recognising that this change needed further development before it should be fully implemented, the decision was taken to remove the proposal at this time with a view that it would be addressed at a later point. But, Madam Speaker, I say that to say that the staff of the Ministry and the Department of Labour and Pensions, have already been instructed, certainly by myself as Minister, to begin to work in this area to develop a suitable proposal as the matter is a priority for the Government to be able to take forward. Because, again, it looks at increasing the ability for people to resume work and gainful employment, but those who may need to still (to some degree) draw on their pensions during this time, where if they have taken early retirement, is a reality for some as well. But, again, Madam Speaker, I am sure I don't need to explain to you and certainly not to any Member in this House, but for the benefit of

the listening public, Pensions legislation is a very technical, a highly technical piece of legislation. I certainly don't claim to be an expert in any shape or form, and so we did heed the concerns expressed by those who would actually be responsible for administering this section and decided not to move forward until the regime, as it had been fully fleshed out and developed.

Madam Speaker, moving now to the overview of the changes in the Bill as compared to the actual law that is enforced currently. The definition of "normal age of pension entitlement" as can be seen in [clause] 19 of the Bill, which would amend section 26 of the law, there has been, as I said, a . . . well, not really subtle, there has been a deliberate terminology change.

Section 26 of the Pensions Law established what is known as the "present normal retirement age" for pension purposes at 60 years of age. Again, Madam Speaker, the key definition changed in the amendment Bill presented today is the introduction of a terminology of "normal age of pension entitlement" as the Government recognises that employers are incorrectly treating the normal retirement age of 60, contained in the Pensions Law, as the time when employees must stop working, which is not, Madam Speaker, the intent. The age limitation in the Pensions Law is simply the time when the member may fully access their pension benefits under the National Pensions Law. And, Madam Speaker, even though we are not here to discuss the Labour Law, I think it is important that we point out to the public that there is no such definition of "normal retirement date (or age)" in the Labour Law in that regard.

Madam Speaker, there is also an age change that would be contained in the definition section of the National Pensions Law, but as contained in the Bill. The report, as I said, the Mercer Report of 2007, identified that our present normal age of pension entitlement, that is, 60 years of age, was inconsistent with most developing countries. In addition, the report highlighted the effect of the normal age of pension entitlement on the income replacement ratio at retirement. Madam Speaker, the replacement ratio of 60 per cent to 70 per cent of preretirement income is considered adequate in most developing countries. However, it is also important to note that the actual replacement ratio is also likely to vary greatly by individual. A replacement ratio of less than 100 per cent of preretirement income is considered adequate in most countries because, Madam Speaker, of the anticipated reduction in preretirement spending, such as the elimination of mortgage payments or the cost associated with caring for dependent children, employment-related costs, and in relevant countries the reduction of income taxes payable.

So, Madam Speaker, as a result of this, the amendment Bill is also proposing to increase the normal age of pension entitlement from 60 to 65, as I

mentioned before. This is in keeping with the recommendations of the 2007 Mercer Report, as by increasing this normal age of pension entitlement from 60 to 65 we expect to improve the income replacement ratio at retirement for all employees. This increase also recognises the longevity of people in today's society. And it is more in line with international standards. Madam Speaker, I am made to understand that many countries are increasing their retirement from work or their pensionable ages.

For example, the pension entitlement age in the UK is now 65, and is being proposed to increase to 67 in 2026 to 2028. I understand that in Singapore the retirement age is 62. In the US, pension eligibility is being discussed, or until recently had been discussed, to increase from 65 to 67 years old. And in Canada access to the Old Age Security and guaranteed income supplement is at age 65, and there was a proposal to increase the age to 67 in 2029. So, Madam Speaker, by increasing the normal age of pension entitlement from 60 to 65, this is expected to improve the income replacement ratio at retirement for all employees.

Again, the income replacement ratio basically, Madam Speaker, is representing the amount of money that the retiree would have to be able to live on in lieu of any sort of fixed salary that they would be making if they were actually in employment. This increase also recognises the longevity of people in today's society, as I said. Especially given that the life expectancy in the Cayman Islands, I think, is stated to be 83 years of age, or somewhere between 80 to 85 years old, depending if you are male or female.

Madam Speaker, reference to the normal age of pension entitlement instead of the normal retirement age, and the consequential changes reflected in this new age being 65 that will be made throughout the Bill is, as I said, a reflection of our goal to recognise this fact of longevity and the willingness and ability of our people to continue to work and to provide for themselves.

Madam Speaker, also arising from the Mercer Report, the amendment Bill proposes to increase the years maximum pensionable earnings, which is currently reflected in the National Pensions Law to be at CI\$60,000. The increased amount in the Bill is reflected to be CI\$87,000. And, again, this is an inflation-adjusted figure reflecting the 2007 recommended figure of CI\$72,000, at the time when that report was done.

Madam Speaker, this is justified as it seeks to increase contributions in line with inflation since the original figure was set back in 1998. In order to keep the figure updated going forward, the amendment Bill allows for the years maximum pensionable earnings to be adjusted by order made by Cabinet. The year's maximum pensionable earnings determine the amount above which an employee and an employer are no longer statutorily required to pay pension con-

tributions on. However, Madam Speaker, there is nothing in the law and nothing proposed in the Bill to prohibit the payment of contributions of earnings above this amount. Madam Speaker, in regard to the rationale behind increasing the year's maximum pensionable earning figure, this change also impacts the issue of benefit adequacy that was mentioned earlier. With the increase of the year's maximum pensionable earning as recommended by the Mercer Report, the replacement ratio for members will increase from the range currently of 24 per cent to 50 per cent to a new range of 39 per cent to 53 per cent, getting us that much closer to the accepted income replacement ratio of 60 per cent to 70 per cent.

However, Madam Speaker, this increase in the maximum pensionable earnings coupled with the increase in the retirement age and the reduction of the impediments to access additional voluntary contributions, which I will speak to in just a bit, the cumulative effect of these recommended changes proposed in the Bill are estimated by the Mercer Report to increase the replacement ratio in the Cayman Islands to 57 per cent to 78 per cent as a national figure. Of course, Madam Speaker, this figure will differ for different people depending on their different circumstances—their savings, lifestyle, et cetera. Madam Speaker, this new expected replacement ratio as a result of the proposed changes in the Bill, would bring our rates in line with the adequate replacement ratio of 60 per cent to 70 per cent, as I discussed previously.

Madam Speaker, as it relates to the publication of pension plans, in section 4 of the National Pensions Law, as well as in the Bill, there was a change made to this provision in the wording as it was revised to highlight the specific pension plan utilised by each employee and must be selected in accordance with the general regulations, which outlines the need for an employee vote. Additionally, Madam Speaker, this section was revised to introduce the requirement for the director to publish a notice of each pension plan registered along with key parties, such as the administrator, et cetera.

Madam Speaker, the purpose of this amendment really was to ensure that the public continues to be aware of the registered pension plans operating in the Cayman Islands, as well as their pension administrators. This change is an important one because it will empower employees and allow them greater access to information that they may not have had until this change is made and comes into force.

Madam Speaker, as it relates to fines, starting in [clause] [42] of the Bill and really throughout the amendment Bill, the level of fines under the National Pensions Law is proposed to be increased as well as some fines added. The fines currently in the National Pensions Law have not been amended since its implementation in 1998, again, stressing the need that these areas should be revised and as were recom-

mended by both the Mercer Report and the Office of the Complaints Commissioner report, to do so. So, the increases in the Bill as it relates to the fines are in line with the recommendation, as I said, from both of these reports. The significant level of fines, give the National Pensions Law more teeth (as you would, Madam Speaker) and is another step in the process of building the culture of compliance that I spoke to earlier. It should be noted that some of the fines will now include the possibility of imprisonment periods. However, Madam Speaker, as usual, such penalties will be determined by the courts.

Madam Speaker, while employers will face stiffer penalties for breaching the law, particularly with regard to not paying into their employees' pension funds, and the new administrative enforcement regime proposed, the increased penalties are justified given the massive issues of noncompliance which has plagued the system and which is widely known and the negative impact that this has had on people's faith in the pension system as a whole and the impact that it has had on vulnerable populations in particular.

Madam Speaker, it is important to note and point out and to discuss and to put anyone's mind at ease or fears to rest that employers that are in compliance with the National Pensions Law or employers who are committed to working with the Department of Labour and Pensions to become compliant, should not be afraid or concerned about these changes. These changes are necessary in order to deal with those employers, Madam Speaker, that unfortunately despite the efforts of the Department of Labour and Pensions, remain unwilling to comply with the National Pensions Law and it gives the department then greater ability to engage with those noncompliant employers if there is a greater fear of such penalties being levied on them, if the matter goes before the courts.

Madam Speaker, turning to section 9 of the National Pensions Law and the Bill, although there are no revisions that were initially proposed in the consultation draft of the Bill in 2015, again, as a result of feedback received from the National Pensions Board, during this process, they were concerned about the need to reduce to the types and parties or groups that can serve as administrators under the National Pensions Law. And the fact that this provision did not give them the ability to make the determinations that they thought they needed to make. So, Madam Speaker, as a result of the concerns expressed to us by the Pensions Board, to ensure that there was a consistent standard being applied to the registration of pension administrators and also by providing grounds to process applications for new funds or administrators who may present without the necessary expertise, this led to the amendment being made in the Bill to include a new requirement or new requirements under the section 9 of the National Pensions Law, as reflected in the Bill, regarding the initial registration of plans to ensure that there is a requirement for the knowledge

and skill of the administrator to be demonstrated on application.

Madam Speaker, as it relates to the administrators duties and functions, again, found in section 16 of the National Pensions Law, which is reflected in [clause] 11 of the Bill, and a new section 16A proposed to be inserted in the National Pensions Law as contained in [clause] 12 of the Bill, there has been a change that has been made with respect to the duties of pension plan administrators contained in section 16, the content has been revised to reflect the requirements previously contained elsewhere in the National Pensions Law and Regulations. Again, this was a way to kind of clarify aspects of the law in how the various provisions were kind of scattered and it was a way to try to consolidate what these responsibilities were.

In addition, the administrator's duties have also been expanded, Madam Speaker, to include that there is a submission to the director of the Department of Labour and Pensions of evidence of yearly administrator training to ensure that the persons serving in this capacity as pension administrators have the capacity to do so and fully understand their significant responsibilities as they undertake this critical role.

Madam Speaker, the purpose of this particular change is as the responsibility and the regulation of pensions evolve in the Cayman Islands, it is critical that the key parties involved in the management of pension funds, remain abreast of the developments. So having this professional development-type requirement was seen as being an important tool to ensure that those persons charged with the responsibility of administering pensions, actually have the ability to do so.

In addition, clause 12 of the Bill introduces a new section 16A(1) which states that "**An administrator shall ensure that the administration, custodianship and investment of a pension plan or pension fund are undertaken by persons qualified and experienced to be administrators, custodians, investment advisers and investment managers, as the case may be.**" So, Madam Speaker, from the outset, you have to demonstrate that you have certain core competency to act in this capacity. And, again, Madam Speaker, this goes to address the concern about whether or not people are being hired to do positions that they do not have the necessary requisite skills to do, especially when you are talking about managing other people's money, in particular, the workers in this country. This was an important amendment that the Government felt needed to be made to ensure that we are looking out for the best interest of the employees, to be pensioners in this way.

So, Madam Speaker, there was also a new requirement for mandatory annual general meetings for members which create an opportunity for members of the plans to hear directly from the pension plan

administrator and to hear directly from the key service providers about the activities about the pension plan. Madam Speaker, the Government wants to ensure that as members of a pension plan, there is a clear and established forum for members to raise their questions and concerns with the pension plan administrator.

Madam Speaker, as members of a pension plan, persons have a right to be fully informed of the details of that pension plan and this new requirement in the Bill organised a dedicated time for education and information sharing between the membership and the administrator, which does not currently exist in the Law.

Madam Speaker, the Bill also introduces a requirement to publish investment returns and expense ratios of the pension plan to ensure that the general public is aware of these key performance figures of each pension plan and to enable the public to equitably compare pension plans. Madam Speaker, this was a concern because in many instances when people go to make their decisions as to which pension plan to go with versus another, the comparisons weren't necessarily made on an apples-to-apples basis. And so by making this requirement to publish these types of returns and expense ratios, people will be in a better situation to be able to make those determinations. And, Madam Speaker, it is important to state that while some pension plan administrators have published this information in the past or will publish this information, neither the practice of releasing such information nor the type of information released is consistent within the industry. So, this new provision addresses this point and ensures that the important information is available to everyone going forward and it will be in a form that will allow the public, the members, to be able to make the kinds of comparisons to determine whether or not they want to elect to go with one plan or the other.

Madam Speaker, the obligations of the employer, there is a new section 18A being proposed to be inserted in the National Pensions Law, which is contained in [clause] 14 of the Bill. And, Madam Speaker, the purpose of this particular change is that while the current National Pensions Law envisages that there will be records available for review when visiting a workplace, the current National Pensions Law does not stipulate the content of these records, which has proven to be a challenge when dealing with delinquent employers.

Madam Speaker, given these enforcement challenges this new requirement is especially important as the Department of Labour and Pensions increases the number of inspections of employers as they work to build the culture of compliance. Additionally, Madam Speaker, this information will also create greater opportunities for employees to obtain the information as employers will be legally required to keep proper books and records in relation to their pension-

able employees, including information such as employee's names and employment dates; gross and net amount of pay; name of the pension plan utilised by the employees; all pension deductions from employee's earnings; as well as all pension contributions paid into pension plans.

The Speaker: Member, you have one hour remaining.

Hon. Tara A. Rivers: Thank you.

Madam Speaker, in addition, the requirement to establish and maintain such records is coupled with the penalty for noncompliance. In response to feedback received during the public consultation, again, showing that the Government listened to the concerns expressed during that time, the original proposal for keeping such records was to be seven years. However, Madam Speaker, the Bill reflects the requirement to be for five years, which is consistent with the Companies Law as it relates to records being kept. Again, this was a way to reflect the concerns expressed about the length of time, but also to bring the Pensions Law requirement in line, to some degree, with what is required under the Companies Law. Even though the types of records required under the Companies Law is not identical to the types of records required under the Pensions Law, it does acknowledge and establish the similar retention time frame, which will avoid confusion about the issue going forward.

I know this is a section that we might have heard or we may hear a lot of criticism about being more bureaucracy, more paperwork for the businesses and employers to take on, but, when you are dealing with people's money, it should be widely accepted that proper administrative procedures must be in place to account for that money on demand, and how that money is being handled. Madam Speaker, it is important to reiterate the purpose of pensions because apparently this is a concern amongst some quarters. The purpose of pensions is not to prop up a business's cash flow, or it is not to prop up the working capital of a business; it is a deduction made by employers for the benefit of the employees and they must then demonstrate the compliance that the pension deductions and contributions are made. In order to do that, it requires the keeping of proper accounts in that regard.

Madam Speaker, in section 20 of the National Pensions Law, as contained in [clause] 15 of the Bill, there was a change proposed where the member will be provided for information immediately upon their application for membership. And that information will include details of the returns and expense ratios of the pension fund. Again, Madam Speaker, under the current Pensions Law such information is not expressly required to be provided to the new member, and the information that is provided to the member is released 30 days after becoming employed.

Madam Speaker, again, I would just like to point out that there will be a Committee stage amendment to this particular section just to clarify the language that is being proposed in the actual Bill.

Turning to frequency of member statements, under the current National Pensions Law, the pension statements are only required to be distributed to members on an annual basis. However, it is important to point out that there are several pension plan administrators that actually issue statements with greater frequency, but under the law currently, the law only requires a minimum of annual statements. During the consultation draft, Madam Speaker, the proposal was to amend that frequency from annually to quarterly. However, Madam Speaker, during the public consultation process, we received considerable feedback from the pension plan administrators on the subject, in particular. The viewpoint expressed, in summary, focused on the likelihood of the increased cost to the pension plan members with increased administrative requirements in this regard. So, while the Ministry seeks to provide members with greater frequency of information, this must be balanced against the possible cost implications to the plans themselves which inevitably would be cost implications borne by the employees paying into the pension plan.

Currently, Madam Speaker, the field is very dependent on the administrator. Some multimember plans issue statements on an annual basis, some on a semi-annual basis, and some are actually already issuing on a quarterly basis. So, Madam Speaker, as a result of the feedback received during the public consultation process, the decision was taken to change the frequency proposed from quarterly, as was originally proposed in the consultation draft, to a compromise of semi-annually, which is what is represented in the amendment Bill today.

Madam Speaker, it is important to point out though that the new requirement for the semi-annual reporting still represents an increased release of information to the pension plan members as compared to what currently exists for at least two of the multiemployer pension plans. So the employees and members of that particular plan would now immediately benefit from having this semi-annual reporting going forward.

Madam Speaker, in order to educate and inform members and to provide them with information on a greater frequency, this amendment was made to increase the frequency of statements. Again, going to the point about ensuring that members are kept abreast with what is happening as it relates to their pensions. It also allows members to be able to better monitor the activities of the plan as well as timely payment of pension contributions by their employer into their plan as well. But, Madam Speaker, we live in an age of technology. And in recognising this enhanced use of technology today, the amendment Bill expressly authorises statements to be issued to

members electronically with members' written consent. Since members' written consent will be required to issue statements in soft copy, or electronically, and if this consent is not received, then the pension administrators will continue to be required to provide statements in hard copy because even though we live in an age of electronic communication, not every employee is electronically savvy, so to speak, or prefer to get their official documents electronically. So, that option is there at the option of the employee.

Madam Speaker, section 23 of the National Pensions Law, as seen in [clause] 17 of the Bill, includes the fact that persons, including former members and employers will have access to pension plan records held by the administrator and the Department of Labour and Pensions. Madam Speaker, currently the frequency of access is only once per year, again. However, the amendment Bill increases this ability to access the information to every six months, in line with the objective to inform the members. But, Madam Speaker, the Bill clearly also establishes that the access to information is permitted only by those persons limited to the National Pensions Law and Regulations which includes the former members and employers participating in the pension plan. So, Madam Speaker, this does not open that access to that information to anyone that is interested in going on a fishing expedition.

Madam Speaker, the eligibility for membership section, under the current National Pensions Law, Caymanians are pensionable immediately and non-Caymanians are pensionable after nine months of employment. This is section 25 of the law, as seen in [clause] 18 of the Bill. In the amendment Bill being presented today, there are no changes to the eligibility period for Caymanians. For non-Caymanians however, the timeframe for eligibility has been reduced from nine months to six months, which is consistent with the timeframes for the temporary work permits. The six-month timeframe also allows for employers to bring into the Island, if necessary, truly temporary workers for a reasonable period before those employees become pensionable. Madam Speaker, it is important to point out that this is a change from what was originally proposed in the consultation draft as well, because the consultation draft last year actually had a provision where both Caymanians and non-Caymanians would become pensionable following six months of working on the Island. However, Madam Speaker, again, this change came about as a result of listening and appreciating and analysing the feedback received during the public consultation process, which showed considerable concerns and disagreement with the proposal as it relates especially to Caymanians having to wait six months before they become pensionable. The public view was that Caymanians should remain pensionable immediately as currently required under National Pensions Law, or the employees, that is.

For non-Caymanians, or actually, it is Caymanians and permanent residents, those who have permanent ties would be pensionable immediately, but those that don't have the permanent ties, per se, some members of the public felt that these persons should be pensionable immediately. Others recognised or felt the need that employers should be able to bring in the temporary workers for the fixed-term contracts, for a timeframe before the individuals become pensionable because by their very nature they are only expected to be here for a short period of time.

So, Madam Speaker, as I said, in response to the public consultation, no changes were made to the eligibility requirement for Caymanians and permanent resident members who will remain pensionable as contained under the National Pensions Law. However, Madam Speaker, non-Caymanians will remain as proposed in the consultation draft Bill and become pensionable after six months of employment on the Island. Again, Madam Speaker, it takes into account the requests by several industries to accommodate the non-renewing seasonal workers who come and go just for the season, or who may just come for a season.

Madam Speaker, dealing with the provision under section 25 of the law, and [clause] 18 of the Bill, there is a section that deals with amending the reference in that section to make it consistent with the definition that is found in the Labour Law, 2011. And in particular, the Labour Law refers to a "household domestic" as a person who is employed in a private home as a maid or gardener. However, Madam Speaker, in the Pensions Law there is no such definition of a person who is employed to do housework in private residences, so because of the Pensions Law not having this definition there was confusion in the market as to who should or should not be included in that particular definition.

So, Madam Speaker, this particular change goes to try to bring the definition of the Pensions Law and the Labour Law in line in this regard. Madam Speaker, it makes sense because labour legislation as well as pension legislation is dealing with legislation related to employees. So, having discrepancies that are vastly different in both Bills can lead to problems as it relates to enforcement or even the benefits that employees can or can't receive.

So, Madam Speaker, moving to transfers in section 34 of the National Pensions Law, in clause 24 of the Bill, the only requirement for a transfer is the termination of employment. The amendment Bill expands these requirements with respect to overseas transfers only. And this relates to transfers of monies from one pension plan to another. So, the amendment Bill does not affect the ability to transfer as it relates from one private sector pension to another private sector pension that currently exists if it is being transferred to locally registered plans, but it does propose a change to overseas transfers.

The new [section] 34(1)(c) is being proposed to be introduced in the National Pensions Law that will permit transfers from registered pension plans under the National Pensions Law to pension plans administered under the Public Service Pensions Board. So this is an additional change that is being reflected in the Bill to allow for this transfer ability between the public service and private sector and vice versa. And for clarity, Madam Speaker, there is already a provision in the Public Service Pensions Law to permit these transfers of pension plans from the public service to pension plans registered under the National Pensions Law. So this is just to create a reciprocal relationship.

But going to back to the overseas transfers, Madam Speaker, the amendment Bill expands the criteria that must be met before overseas transfers can be executed. The proposed criteria, is as follows: The member's employment must be terminated. There must be no contribution to their pension account for two years and the member must no longer be resident in the Island for two years or more. And, Madam Speaker, there is a minor Committee stage amendment to that particular provision clarifying again the language being used.

Madam Speaker, this revision also reflects the Government taking on board the feedback received during the public consultation phase because in the consultation draft the original timeframe set was three years [of] no contribution into the account and three years being non-resident in the country. However, the Government has made the amendment to this section, as I said, as a reflection of the kinds of concerns expressed during the consultation phase.

So, as the Government seeks to minimise the possibility of persons accessing their pension benefits and then subsequently becoming wards of the state in later life, this expansive criteria for overseas transfers is deemed necessary. We do know, and again, based on feedback, not just during the public consultation phase but also the experiences of the Department of Labour and Pensions, that by having this immediate ability to transfer pensions overseas was leading to situations where people would leave for a short period time, return to the country, and having to start back from scratch. And so with the fear of actually becoming future wards of the state if this type of behaviour happened on a consistent basis.

Madam Speaker, the pre-pension entitlement death benefits, section 39 of the National Pensions Law as seen in clause 25 of the Bill, although there were no changes proposed to this section in the consultation draft of the Bill, feedback was received during the Chamber of Commerce, the CBA, and the CILS, in particular, regarding this apparent inequity between the treatment of a spouse as compared to either say a common-law partner or an unmarried significant other or just any named beneficiary on the death of a member. So, Madam Speaker, this section

and the amendment language being proposed is really just to clarify the understanding or the intention of the law. Some would argue the law is clear on its face; however, there seems to have been considerable comment in this regard, that people were being disenfranchised the way the law was actually being applied. So, this is just a way to make it very clear that there is no detriment to the spouse as compared to any other named beneficiary upon the death of a member.

Madam Speaker, turning to additional voluntary contributions, as I spoke to earlier, under section 47(10) of the National Pensions Law, and in particular clause 28(d) of the Bill. In the Mercer Report it recognised and recommended an alternative approach to improve the income replacement ratio discussed previously. And it was also recommended that members be given access to their additional voluntary contributions without restriction to encourage members to build additional savings in their pension plans and to improve their replacement ratio.

Madam Speaker, what the Government did at that time during the consultation draft Bill was that we floated that recommendation by including it in the consultation draft Bill in such a way that the additional voluntary contributions would be made accessible to the members prior to retirement without any restrictions. However, during the public consultation process the Ministry received feedback from various individuals, namely our sources, the pension plan administrators, the National Pensions Board, and other persons who raised concerns regarding the operation of this initial change. Currently, the additional voluntary contributions are locked in and members can make these additional contributions but can't have access to it.

Those changes proposed to be without restrictions caused concern and were expressed by some persons. It is envisaged that the general regulations would be developed to provide the framework for the operation of the section in particular, and with establishing the individual rules, per se, as it relates to the pension plan. But, as I said, as a result of being responsive to the community, responsive to the consultation process, the decision was taken to retain the ability to access the additional voluntary contributions basically to encourage additional savings for retirement. That is the key, Madam Speaker. The purpose is to encourage people to save and put away for retirement because, as we know, in many instances, the mandatory contributions is not going to be sufficient for them to be able to necessarily have the standard of life that they are accustomed to or that they would like to have upon retirement, but having this ability to access additional voluntary contributions would be seen, and hopefully, would act as an impetus for people to save more. But instead of keeping it open without any restrictions for persons to access, in an ability to promote consistency as well as to how this provision would be applied across the various pension

plans, the definition has been refined and several categories have been introduced in this Bill as compared to the consultation Bill.

Moment of interruption—4:30 pm

The Speaker: Honourable Minister, we have reached the hour of interruption.

I recognise the Honourable Premier.

SUSPENSION OF STANDING ORDER 10(2)

The Premier, Hon. Alden M. McLaughlin: Thank you, Madam Speaker.

I move the suspension of Standing Order 10(2) in order that the business of this House may continue beyond the hour of interruption. We propose to conclude the debate on this Bill this evening.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the business to continue the house of 4:30 pm, until the conclusion of the Bill which is currently before the House; namely, the National Pensions (Amendment) Bill, 2016.

All those in favour please, say Aye. Those against, No.

AYES and one audible NO.

The Speaker: I believe the Ayes have it.

Agreed: Standing Order 10(2) suspended.

The Speaker: Honourable Minister for Education, please continue.

Hon. Tara A. Rivers: Thank you, Madam Speaker

As I said, the change that was made in the amendment Bill, as compared to what is in the public consultation draft that was earlier floated, is that it allows members to access the additional voluntary contributions if need be prior to reaching the normal age of pension entitlement; however, the amendment Bill contains several categories under which the additional voluntary contributions can be accessible. These categories represent a measure of reasonable control and rules that are envisaged to inhibit the use of the pension savings account to be that of a personal savings account, Madam Speaker. Again, the purpose is to put away for retirement, therefore having some limit and control was deemed necessary by the Government on further reflection as it relates to some of the comments and feedback received during the public consultation phase. The amendment Bill introduces the following four categories that will be permissible with respect to accessing the additional voluntary contributions prior to the age of pension entitlement, and that is: housing, medical, temporary unemployment, and education as being permissible reasons for mem-

bers to withdraw from their additional voluntary contributions. Madam Speaker, there is a proposed committee stage amendment, just to make a change to one of these as well that we can discuss at that time.

Madam Speaker, additionally, as required in relation to the withdrawal due to housing-related purposes, the pension plan administrator will need to report to the director on the amounts and categories of the additional voluntary contribution withdrawals made. So, for clarity, the definition of an "additional voluntary contribution" has also been refined to ensure consistency across pension plan administrators. Upon receiving the additional voluntary contributions, pension plan administrators will need to code these contributions accordingly in their system to denote that they are additional voluntary contributions and not mandatory contributions. When a member wishes to access these funds, the pension plan administrator will then be able to code and determine the amount available.

Madam Speaker, dealing with the issue of arrears of contributions, as the Government works to build a culture of compliance, we remain cognisant of the need to continue the issues as it relates to non-compliance. As a result, section 48 of the National Pensions Law has been amended to facilitate the enforcement of employer pension contribution delinquency. Under the law, section 48 requires that an administrator notify the superintendent which will through this Bill become the director, within 45 days of the arrears becoming aware to them. Recognising that the current wording in the law needed some clarification in revision, the consultation draft, and indeed the subsequent amending Bill today, introduces fixed timelines and deadlines in respect of determining delinquency and reporting and processing of delinquency reports.

Madam Speaker, the consultation draft initially suggested that the pension plan administrator should notify an employee of their employer's arrears at the same time that they notify the Department of Labour and Pensions. However, as a result of the public consultation process and the recommendations and suggestions received, it was determined that the employer should be given some more time to remedy the arrears before the employees are directly notified by the administrator. Considering that the administrator has to actually take action now to address the delinquency, it was suggested that the additional time would allow for actions of the administrator as well as the department, and so a change was made. So, Madam Speaker, essentially, the reporting requirement that was initially proposed to be made simultaneously from the pension plan administrator to the Department of Labour and Pensions, as well as to the employees impacted, a further decision was taken and is reflected in this Bill that the initial period of notifying the employees would be 60 days after the delinquency report had been filed with the Department of Labour and

Pensions. Again, Madam Speaker, that actually gives time for the department to try to engage the employer to be able to get their arrears up to date, as well as for the administrator to take whatever action is now required under them to get that compliance as well without the undue need to inform employees of what may really only be a temporary delinquency.

Madam Speaker, the interest payable on money due to be paid by the employer as pursuant to section 50 of the law, and seen in clause 30 of the Bill, that seeks to basically repeal and replace the current section 50 in order to outline the manner in which interest is to be paid by the employer on monies due to be paid into the pensions on behalf of employees.

Madam Speaker, I do want to point out though that in the previous section where I spoke about the reporting mechanism of delinquency, the amendment Bill also establishes that it is the relevant employer and not the pension plan (i.e., the funds in general that are available to the pension plan), that would be responsible for the costs associated with delinquency, including the cost of the administrator and the director. So, again, that creates more of an impetus for employers not to fall foul of the law as they will be responsible for any action that may need to be taken as it relates to trying to bring them in compliance.

Madam Speaker, under section 53 of the National Pensions Law and the proposed clause 34 in the Bill, the current National Pensions Law allows for refunds to be permitted once the members meet the requirements of the current law. That is, once you can demonstrate your employment has been terminated, once there are no contributions for two years, and once you cease to be resident for six months. As we discussed earlier, there is a similar type of criteria imposed now for transfers except the period is two years as opposed to the six months for refunds.

Madam Speaker, the change that is being proposed in the Bill under section 53 [of the National Pensions Law], has been amended to remove the ability to obtain refunds regardless of a person's immigration status or work status in that regard. The amendment Bill establishes a provision for Cabinet to issue an order in relation to this section. So, the order basically will determine the date when the pension plan members will no longer be allowed to obtain a refund under the current provision allowing for this section to be introduced at a time that is deemed to be appropriate by Cabinet. But, essentially, once that order is made going forward, refunds will only be available under two specific circumstances, and that is under section 42 at the administrator's discretion where the commuted value is less than \$5,000. And this, Madam Speaker, is currently permissible under the law, so no changes are being made in that regard. The other opportunity for a refund under the Bill would be where the member reaches the age of normal pension entitlement, i.e., the proposed 65 years old, and wants to but is unable to transfer their pension benefit

to an approved pension plan retirement savings account. Madam Speaker, the current Bill refers to overseas—or I should say, refers to outside the Islands, and there is a proposed Committee stage amendment to remove that particular reference to allow for the members to demonstrate that they can't actually transfer it locally or overseas. Therefore, in order to get access to their funds they actually have to get a lump sum. But, again, those would be the only two conditions that would allow you to be able to get refunds; that is, less than \$5,000 or you have reached the age of 65 and you are not able to demonstrate any way of getting funds otherwise.

So, again, Madam Speaker, the purpose of the provision for allowing refunds, from my understanding, this ability and this concept to allow for refunds under what is currently provided for in the Bill seems to be a bit of an anomaly and unique to our pension system. Madam Speaker, as far as I am aware, in most, if not all, employers and employees must pay into some retirement scheme and access to these funds are either locked in until retirement, if they are accessible at all. Because, Madam Speaker, in some jurisdictions where a person goes to live and work, you are required to pay into that jurisdiction's pension regime, whatever that regime is, and sometimes there is a qualifying period that you need to be able to demonstrate that you have worked in that jurisdiction in order to be able to access pensions at all, an example of that would be in the US, the Social Security system.

So, Madam Speaker, this idea of having this pension refund as a forced savings, the pension process is a forced savings for retirement, but the concern that has been expressed in some quarters, *Well, it disenfranchises people from getting their money when they leave.* The fact is, pensions shouldn't be seen as some lump sum windfall to begin with. The purpose of pensions, as I said going back to the policy objective, is to provide for future income security of people when they are about to either retire or live out their years with relative independence. So by allowing this change the Government is bringing the pension regime more in line with what the policy rationale is, and that is, the forced savings for retirement and unless you can demonstrate that you can't transfer these monies into an analogous retirement system, then only then you would be in a position to get these monies upfront.

So, again, Madam Speaker, the changes have been made to curtail the practice and prevent the mischief of people leaving the jurisdiction for a stated period of time, collecting a lump sum payment of their accumulated pensions, to only return to the jurisdiction to have to start afresh to accumulate pensions and they run the risk of becoming a burden on the country years later because they have depleted their pensions in their younger years.

Madam Speaker, in the new section 79A of the Pensions Law, as proposed in clauses 38 and 39 of the Bill, under the current law there is a title of "Superintendent of Pensions." So this section really looks to bring the administrative and the reorganisation of the Department of Labour and Pensions and recognising the reorganisation that has taken place as it relates to who the administrator and the regulator of pensions are. So, basically, these two sections speak to no longer referring to a "Superintendent" going forward; it will be replaced by the "Director of the [Department of] Labour and Pensions." However, it does recognise that prior decisions or actions previously taken by the National Pensions Office and the Superintendent of Pensions will be recognised and honoured.

Madam Speaker, in similar fashion to try to better align the system that had been set up with what I think what was intended and kind of what some of the challenges and difficulties that have existed over the years, under the duties of the National Pensions Board, in section 80, even though there were no changes to the duties proposed initially during the consultation draft, there were actual comments received as it relates to trying to better define the roles of the Pensions Board versus the Department of Labour and Pensions.

The Speaker: Minister, you have 25 minutes remaining.

Hon. Tara A. Rivers: Thank you, Madam Speaker.

As a result of the conflicting roles and comments received, there has been a change to this section dealing with better defining the role of the National Pensions Board.

Madam Speaker, dealing with the statutes of limitations, there has also been a change to this section, section 90. This provision was floated in the consultation draft as well to be from a period of seven years. We have listened to the public in that regard and it has now been reverted to five years, which is in keeping with the five years to keep records, as I spoke about previously. But there has been a change, Madam Speaker, that has been carried forward and that is the change to the summary proceedings timeframe being calculated based on when the matter was reported to the director as opposed to when the matter occurred or alleged to have occurred as is currently in law. Because, Madam Speaker, in many instances the Labour and Pensions Office is not even aware of the matter, so to be able to say you have to take forward proceedings was causing a bit of concern in that regard.

Madam Speaker, in new section 90A proposed in the Pensions Law, as seen in clause 47 of the Bill, the amendment Bill introduces liabilities for directors under the National Pensions Law, when an offence was committed under that law by a body cor-

porate. This amendment is consistent with other financial services legislation when an offence is committed or alleged to be committed by a body corporate. The amendment proposes to hold the directors or other officers concerned in the management of the body corporate liable as they would if they have committed the offence themselves, unless the infraction was done without their consent or unless they exercised reasonable diligence to prevent the commission of the offence.

So, Madam Speaker, the inclusion of this provision is another proactive enforcement measure in that it now puts the responsibility on directors to stay vigilant as it relates to compliance with the pensions regime.

Madam Speaker, another important change to this law as being proposed in clause 48, is that the Pensions Law currently doesn't address the issue of inter-ministerial or interdepartmental cooperation. And as we move toward developing this culture of compliance and also as recommended in the Office of Complaints Commissioner's report, there was a provision to address the collaboration of Government departments in order to build this compliance.

Madam Speaker, the proposed section 94A of the law, in clause 49 of the Bill, also introduces protection against victimisation, which the current law does not include any such protection. The amendment Bill, as recommended by both the Office of the Complaints Commissioner as well as the Mercer Report, introduces such a provision. Under this provision if the employee feels that they have been victimised due to a disclosure of information to the director, the employee would then be able to file a complaint which would be heard under the Labour Tribunal.

Finally, the verification of compliance, the last section that really is being addressed substantively in this Bill, is the new section 95A of the National Pensions Law and that is seen in clause 51 of the Bill. Currently, the National Pensions Law does not have any present or past procedures regarding compliance verification by the department. Under the proposed Bill, there is a new section to be added to enable an employer to apply to the director or administrator, if so authorised, to obtain this sort of verification. The certificate of compliance which is similar to the letter of good standing will become increasingly important as we continue to improve the inter-ministerial cooperation necessary to build the culture of compliance in this country as it relates to demonstrating compliance with the various regulatory regimes.

Madam Speaker, I do want to point out again that there is a minor Committee stage amendment just to clarify the language intended in this particular section.

So, Madam Speaker, the National Pensions (Amendment) Bill, 2016 is an attempt to help the Government achieve a number of its strategic policy statement goals as outlined in broad outcome 1,

strong, thriving and increasingly diverse economy. It also helps to try to achieve broad outcome 2, work ready and globally competitive work force. It looks to try to achieve broad outcome 4, culture of good governance, and finally, Madam Speaker, it looks to achieve broad outcome 12, equity and justice in a society that values the contribution of all. And it also helps to try to see that the country is keeping with international standards and regulatory frameworks while promoting accessibility of good culture of governance and equity and justice. And, Madam Speaker, the Government should be encouraging good governance ethos amongst the private sector by requiring that entities contracting with the Government comply with all local laws, including the payment of pensions, health insurance and due diligence requirements as well in that regard.

Madam Speaker, while I spoke earlier about the extensive consultation process that we engaged in to reach this point, I want to highlight another critical aspect of the process, and that is the role of ongoing communication and education about pension schemes. So, while communicating about the pension reform that we have carried out to date, we also are thinking about the communication and the public education as an ongoing process that exists even after the legislative reforms have completed and so there is a communications plan in this regard that will be rolled out once the Bill has been approved and obviously before it comes into force to some degree. There are clear amendments being proposed in this Bill that relate to the expansion of duties and functions of the administrators that the Government is committed to ensuring that the pension plan members become more informed and more educated about their pension plans in this regard.

So, Madam Speaker, as I said, the aim and the goals of the pension regime remain the same; that is, to protect the future and financial security of the growing population in this country, by promoting independence and a decent standard of life for our future retirees.

Madam Speaker, the pension system in the Cayman Islands is of crucial importance to the country's continuous prosperity. As I said, with assets under management of roughly US\$1.2 billion, it is in fact a national treasure. We must try to improve upon the system which was put in place nearly 20 years ago, and create a system that helps us to better effectively regulate this national asset for the benefit of the future retirees.

Madam Speaker, over the past two and a half years the Ministry of Employment, Department of Labour and Pensions, and the Government as a whole has been extremely busy with work related to the establishment. Firstly, it was the national minimum wage regime for the Cayman Islands, first-ever comprehensive approach taken to determine such a regime, which we have recently implemented on the 1st of

March this year, as well as floating two critical pieces of legislation which we have been discussing since June of last year, and that is the Labour Relations Bill, as well as the National Pensions (Amendment) Bill which is now before us in a refined and amended form based on the consultation that we received.

So, Madam Speaker, it's clear that this Government, as difficult as these issues are, as difficult as they have been, as much as they have been talked about, certainly, this coalition Government is committed to tackling the real issues that exist and improving the lives of the people as it relates to labour relations, as it relates to retirement and security of our people, and as it relates to the dignity and self-reliance of our people.

So, Madam Speaker, I am happy to commend this Bill to the House, but let me state again, I am under no illusions that what we have in the form of this Bill, it is not the end of the road. It is certainly getting us a lot further to where we need to be—

[Inaudible interjections]

Hon. Tara A. Rivers: We are a lot further than where we need to be then when we first started, but Madam Speaker, the work continues. The refinement of the pension regime must be a regular work in progress. Although, like I said, as I have outlined extensively in my introduction, there is much that the Bill achieves by way of improvements, by way of enhancements to the system. We now, given the highly participatory approach that we engaged on, and the consultative nature of the legislative process which we undertook, we also have a clearer understanding of some of the issues that we still need to address that are of concern to the various stakeholders in the country.

So, Madam Speaker, again, one of the reasons why the Bill has taken this long to get here, I believe, is because as we kept looking at the Bill and we kept trying to make further amendments and further changes and further improvements, you know, it is a bit of sinkhole. We start to make the progress and then we realise there is more to do. But, Madam Speaker, at some point we needed to produce a Bill that addresses some of the key, critical issues that we know we just have to address now and the work, as I said, continues. The Ministry is aware of that. They are already working on what the next steps will be to further refine this Bill—this law, I should say.

Madam Speaker, again, in addition, the extent of the constructive feedback received has been very instrumental in helping us get to this point. It helped us to make a determination as to which proposals were widely accepted, which proposals should be kept, which proposals should be amended, and in some instances which proposals should be scrapped. And so, Madam Speaker, I want to publically thank all those that participated in this process. I certainly want to thank the staff and the Ministry of Employment as

well as the Department of Labour and Pensions who worked very hard and, as I said, are continuing to work as we speak to see that we engage with the information that we have to hand now through the process and to determine ways how we can take this process forward. But the first step, or as I said, journey of a 1,000 miles starts with a first step, and this first step has been 18 years coming. So, we are here now and we certainly, as I committed on the Floor of this House, we are here to address some of the critical concerns which have been outstanding for a number of years.

I am sure, Madam Speaker, needless to say, I expect that there will likely be some healthy debate here today which will help us to maybe further improve or prove and produce a Bill that would be beneficial as well as helping us to achieve the revised National Pensions Law that we are seeking to produce in order to benefit the people of our beloved country. As the Leader of the Opposition said before, certainly, this debate might open a whole set of debates that initially took place when this Bill was first introduced in 1996. But certainly, Madam Speaker, it underscores the importance, the complexity, the difficulties, the interests that need to be balanced in order to try to make sure that we are producing a regulatory regime that benefits the ultimate aims and objectives, as I said, which would be the future financial security of future retirees in this country.

So with that, Madam Speaker, I look forward to presenting this Bill and to hearing the contributions of the Members in this regard.

The Speaker: Does any other Member wish to speak?

I recognise the Honourable Member for the district of North Side.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

Madam Speaker, I rise to make a contribution to the debate on this National Pensions (Amendment) Bill, 2016.

Madam Speaker, I have been here for a couple of moons, and I have had to read and reread confusing, complicated, unintelligible legal language and try to find some common sense definition to it. But I must say, Madam Speaker, in some respects this amending Bill is the best in that vein I've seen for a long time. I will give you one quick section.

It says normal pension entitlement age, and I quote clause 19, which amends section 26(1). And the words are, "**The normal pension entitlement date under a pension plan submitted for registration under this Law is the date, not later than three months after attaining the normal age of pension entitlement, on which a person becomes entitled under a registered pension plan to collect that person's pension benefits.**"

Why didn't we just say three months after the person turns 65? I believe I figured out that that is what it means, but I am not sure.

Now, Madam Speaker, this amending Bill, in my view, is really nothing more than fancy window dressing. It fits quite well the phrase I use often: Wings flapping, no birds flying. Because, Madam Speaker, while this Bill seeks to improve the National Pensions Law by adding administrative procedures, expanding administrative roles, increasing fines, and allowing extra judicial or administrative fines to be put on certain persons affected by the law, this Bill will not in any way whatsoever improve the chances of a poor person working for \$200 a week in this country ever earning a pension under this law.

The Bill does not in any way increase the growth of the fund. In fact, Madam Speaker, I am going to suggest that in many ways it eats away at a person's contribution because there are places in the law, for instance, where, if an administrator is not functioning properly, the director can replace that administrator and those expenses come out of the pension fund.

I remember now, Madam Speaker, that in the last 20 years, the Government under the National Pensions Law has collected millions of dollars in pension fees and spent them in administering and trying to regulate a bad law. We heard the Minister moving the Bill speak to the Office of the Complaints Commissioner own initiative and we saw hundreds of companies that should have been prosecuted under the law, companies that collected pension from people and never paid into the pension fund—not prosecuted. But somehow we believe that increasing a fine from \$5,000 to \$10,000 or \$15,000, or in some cases, as much as \$100,000, is suddenly going to improve the administration of these funds.

Now, Madam Speaker, I say the National Pensions Law is a bad law. It was a bad law when it was passed in 1996 because the premise of the law was a compromise worked out with the financial industry and the Chamber of Commerce to provide them with additional sources of income in creating pension funds, managing them, investing them, and all of them getting paid. And, Madam Speaker, I can make that statement because the Minister referred to—I think she called it, the controversy of the early 1980s, late 1980s, and early 1990s, because I was here. It was me who they were all vexed with, and who they made sure that they spent enough money and told enough lies in the 1992 election to get me out of government, because this Bill could not have happened under any Government that Ezzard Miller had responsibility for pensions in. It was never intended to provide poor working Caymanians with adequate income replacement.

Madam Speaker, if there is anything that this National Pensions Law has proven over that 20 years since it was enacted in 1996 (because July it will be

20 years ago, as it was originally enacted on the 15th of July 1996), is that the Government through a Pensions Board cannot provide the resources to adequately regulate 16, 18, 20 pension plans in the private sector. But here we are, as the Minister says, moving down the road. We have not reached the end, but we are going down that road. Madam Speaker, the problem with that is we are on the wrong road. And the people that we are pretending and we are trying to convince ourselves that we are doing this for, are getting nothing of it.

So, Madam Speaker, let's talk a little bit about the history since the Minister brought it up in her opening remarks. This bad law was originally enacted on the 15th of July 1996, and the history of the law in this Parliament clearly indicates it was bad law. It had to be amended 23rd of December 1997. Good law. Don't need to amend it.

It had to be amended the 9th of April, 1998. Good law. Don't need to amend it!

It had to be amended 23rd of April, 1999. Good law. Shouldn't need to amend it!

It had to be amended 1st of March, 2010. Good law. Shouldn't need to amend it!

It had to be amended again on the 30th of September, 2011. And here today, Madam Speaker, we have a Bill before us that is amending 51 clauses in the law—out of a total of 95—and the Minister says there are more amendments to other clauses that need to be brought.

There has to come a point of diminishing returns, where we have to admit that the legislation needs to be repealed and replaced with something that is more effective, less costly to the pensioner, [and] less costly for Government to regulate. Because, Madam Speaker, any law needing that many changes—more than 50 per cent of the clauses in the Bill, are being changed in this amending Bill—it cannot meet the test of being good legislation.

And if you talk to the people in the private sector who contribute to these pension plans, the people at the bottom who have been contributing, some of them, 10, 15 years, and they are being told they are going to get \$90 a week, \$100 a month, and they are expected to be able to live comfortably on that? The Minister referred to the need to have 60 per cent to 70 per cent income replacement if you are going to retire. Well, what are we doing here, Madam Speaker, is we are telling people who are making \$6,000, \$8,000, \$10,000 a month, because they are only paying in a maximum of \$60,000, they can retire and they can live comfortably on \$1,000 a month. Madam Speaker, I'm not asking anybody that; that's what they did me.

That is personal experience with this Chamber of Commerce pension plan. I contributed the maximum for six years. When I retired, they had less money in the fund for me than I had paid in. And they told me, I don't remember the exact numbers, but I

think I should have had \$45,000 and I only had \$43,000, I believe it was. So they told me I would get four cheques. Each year I would get a cheque for \$12,000. So I got three cheques for \$12,000. Even when you retire, Madam Speaker, they won't take the money out of their investment funds that are losing money, because they invested it in oil fields, and utilities in California, but they can't invest it locally. They won't take your money out on the day you retire and put it in a CD, at a local bank. You might not gain anything, but you are not losing anything.

In the three years plus, or the three years of those cheques, they managed to lose almost a \$1,000 more out of my fund. But all these people here who are running around touting the value of these private sector funds because they are not Government controlled, I will talk a little bit, Madam Speaker, about the 1980s and 1990s here in a little while. And I am going to remind the country, most of you are too young to remember, primary school, high school. I was sitting right over there. I piloted the Bill. I had to deal with the likes of Truman Bodden, representing the Chamber of Commerce and others on this side. And they flew people here from all over the world to deal with this little North Side boy.

An Hon. Member: They did?

Mr. D. Ezzard Miller: I was little then. I was only 225. I used to get up every morning and do a hundred jumping jacks, a hundred sit-ups, a hundred [INAUDIBLE], and run three miles. I had a black belt in two styles of karate. Don't cross me; these hands are registered weapons, if I so chose to use them that way.

[Laughter and inaudible interjection]

Mr. D. Ezzard Miller: Seventy-nine, 80, 81.

So, Madam Speaker, what happened in the 1980s was Mr. Benson Ebanks, who was the Minister responsible for Pensions from 1984 to 1988, tried to put in place a pension fund for the regular working people. The Chamber of Commerce went up in arms and, of course, when you do it in '83 you're getting close to election in '84, and those people would say anything about people like them to try to get them out of office, so he couldn't get the legislation to the Legislative Assembly.

My peers elected me to the Executive Council in 1988 and Government gave me the responsibility for Pensions. The first thing I did was to call Billy Adams. Unna remember him? Unna know him? He was president of the Chamber of Commerce at the time. On the proposal from Mr. Benson, the Chamber of Commerce had 30 concerns why they couldn't accept it. We worked together over about a six-month period to select a consultant firm, you know.

We collectively Towers Perrin and Company, which at that time, Madam Speaker, was the largest

actuarial firm in the world. I don't know whether it is today or not, but they also had huge pension consulting aspect of that. I worked with the Chamber of Commerce for almost two years and we addressed every single concern they had, 28 out of the 30. Me and the consultants working with the Chamber of Commerce satisfied 28 out of their 30 concerns. The other two was impossible to do: Legislate against future Parliaments—can't do it. Legislate against future Governments—can't do it. But they could not accept that. The fact that they got 28, you know, because they couldn't get those two . . . I'll never forget it, Madam Speaker; it was a touching moment in my life.

I went to the old Pagoda Restaurant to make a presentation to the Chamber of Commerce after we had worked together and the agreement going in to this association was: *I am going to put a National Pensions Law in place. I am willing to work with you all, but at the end, what we decide I expect the Chamber of Commerce to endorse.* Went there, made the presentation, and said, *Okay, Chamber of Commerce, this was the agreement. Can I now have an endorsement for the plan?* The new president of the Chamber of Commerce, Ms. Berna Murphy, got up and told me, *Ezzard, you can't come here and run nothing down our throat.* That's after [INAUDIBLE] two years, you know. Madam Speaker, I didn't bother to answer her, I simply folded up my books and walked out of the meeting, and proceeded to bring a Bill to the Legislative Assembly, which we referred, after the second reading, to a select committee of the whole House to give the Chamber of Commerce and the opponents of the plan another opportunity for input into the legislation.

Madam Speaker, at that presentation I quoted some projections from Towers Perrin as to what the fund would look like. Madam Speaker, you could see those accountants, bankers and lawyers, their ears were spinning around and around. Not even was their brain . . . how they were going to get control of this money, so they could be the ones investing it and making the profit on it. So, they went out on a big campaign against me and the pension plan. Got me kicked out of office in 1992. National Team rolled into town. Unna remember them? Heard about them? They threw away the legislation.

Madam Speaker, I had one caveat to that legislation. That it must be simple and it must be understandable by every working person in this country. Not written in a language like that.

Madam Speaker, unfortunately, the Parliament can't find a copy of that Bill, at the present time. I do have one at home in my study, but I have gotten some of Hansards, and if you want to see what Parliament was like back in the 1980s and 1990s, I invite you to get copies of the Hansard, the second reading of the National Pensions Bill 1990, and see how well the debate flowed. But we did find a Bill, another Bill that I piloted. What I want to demonstrate with this is

the simplicity in the legislation, which was, Madam Speaker, the Bill that we passed in 1991 which established the Civil Service Pension Fund. Because when you hear some of these new politicians getting up in Parliament and talking about the civil servants don't pay for their pension plan, it started in 1991. And when we hear the people out there talking about the civil servants are not paying this and they aren't paying that, and they aren't entitled to this and they aren't entitled to that, this is the law that started it.

When I tell them that, *Oh, you don't know what you're talking about. You don't know what you are talking about. They don't pay. They don't pay. The Government gives it to them and takes it back.* That is true. Unlike this Government, we are not trying to overload the civil servants by taking all their. . . whatever the co-pay is going to be out their health care without them knowing. What we did was we sat down with the civil servants and we said, *Look, we are giving you a huge salary increase* (I think it was average between 35 per cent and 40 per cent at the time. And a regrading of the civil service.), *but we are going to take 8 per cent back from you to start your pension fund.* That is what the legislation did.

But this is how simple it is, the way it was written, Madam Speaker. Just to show the difference. "Powers and duties" . . . no, let me read one even simpler. "Establishment of the public service pension fund. There is hereby established a fund to be called a public service pensions fund into which shall be paid (a) all contributions." [UNVERIFIED QUOTE] No long-winded stuff about there has to be dollars, cents, Chinese franks, whatever, none of that—all contributions. Right? Whether it is paid in cash, whatever, all contributions. "All rent, interest, dividends, income and other sums derived from assets of the fund." [UNVERIFIED QUOTE] Simple. "Such other sums as to be provided by the Government for purposes of the law. Such other sums as may be received and accepted by the board on behalf of the fund." [UNVERIFIED QUOTE] Simple. That is what we need in pension legislation.

While I don't have a copy of the Bill here, Madam Speaker, let me just give the House, for completeness, in gist, what the National Pensions Law did in 1990. We established one plan for the whole Island. At age 18, every working person would get a number. Don't care who you work for, the pension contribution was paid to that number. Simple. Easy for anybody to follow the pension plan. If you changed employers, you didn't change the number. Right now, under this complicated thing, if you change employers they tell you that you got portability and you can change the funds. Try to do it! Most working Caymanians are finding themselves members of more than one fund in a short time. You try to get them amalgamated into one. See how easy it is.

It was a fully funded, defined pension plan. You purchased 1/720th of the average of your final

salary of the last three years of working, as your pension for each monthly contribution that you made. Most of us work 40 years, 20 to 60 . . . the retirement age was 60. So you paid 480, 720 is the two-thirds. Easy to follow.

This here, this pension thing, that these people have created here, one of the things they expect you to do when you retire, because it is a defined contribution, but there's no defined nothing. You contribute what you want. There is a fixed amount that you are obligated legally to contribute, but you can make voluntary contributions as well. But that contribution is not based on you getting any percentage of your salary at the end of the day.

Here is what they tell you. When you retire, you get all your cash back. Everybody likes that idea. You get all of the investment earnings for your funds. That is all they tell you though, you know. They don't tell you that they are going to charge you for auditing the accounts. They are going to charge you for actuarial reviews. They are going to charge you for all the reports that the administrator is going to make under this law, and we are increasing those now. Right? They don't tell you that you got to pay the investment people who do it, a percentage of whatever fees structure they have. And whatever the sum is left, you must go and buy an annuity. That annuity could buy you . . . you get the impression that because you got a \$100,000, \$200,000, \$300,000 you can a nice annuity because it sounds good.

I took the time, Madam Speaker, some years ago when my father was retiring from the civil service, and he was retiring on a defined benefits plan. He had paid his contribution. So, I wrote to four insurance companies here telling them I wanted to buy an annuity for him that was going to pay him the \$2,000 a month that he got from Government pension. I wanted a 50 per cent benefit for my mother, if she survived him. I wanted a death benefit for each of the two for \$5,000. Only one insurance company responded to me. And the fee that they wanted was over \$500,000 to set it up. They use a simple formula, Madam Speaker. You want \$2,000 a month, you are 60 years old, life expectancy at the time in Cayman was 74, right? So you are going to live 14 years; it is just a multiple, plus their commission, and their management fee, et cetera.

Now, Madam Speaker, understand that my father at the rate of which he was contributing to the Government pension plan, granted, it wasn't the fully funded amount because we knew when we put on the 8 per cent that the real cost of funding 100 per cent would have been 15 per cent. But it was to start at 8 per cent and it was to go up slowly. He would have had to work for Government for over 200 years, even including if they gave him a fixed return of 10 per cent.

You see, Madam Speaker, when we tell these poor people in the street that these financial wizards we have around here that don't trust Government to

do anything except bail them out when they get in trouble for whatever they do. Madam Speaker, you know, one of the big battles we had then was you couldn't have this fund set up by Government that was managed by a board because Government could spend the money. I can remember Mr. Truman clearly stating what I just read here a while ago, he wasn't supporting any legislation that allowed Government the pension fund to buy Cayman Islands government bonds. But we could buy Canadian. We could by US. We could by UK.

Madam Speaker, the way the fund was structured, Government could not go in and get the funds. As for them believing that we have some security today against future governments, where they can't access that \$1.2 billion the Minister is talking about, it's a simple thing called "nationalisation" with the funds. So the people to have a responsibility to elect people who are responsible enough not to do that. But that is not written in this legislation that you cannot do it. Because it is not possible to do that.

So, Madam Speaker, this Bill, this law, is not fit for purpose. If the law is intended to provide a retirement benefit, a salary replacement of up to 60 per cent to 70 per cent of what the poor people in this country are earning at the age of retirement, whether that is 60 or 65, it is not doing it. It cannot do it.

Madam Speaker, you know, I had some fun with some of those people because the legislation I brought here, unlike most of theirs at the time, was 10 years vesting, which I believe is still the civil service.

Mr. Deputy Governor isn't it 10 years to vest pension in the civil service?

We were going to change that to 3 too if we had gotten that law passed. It was okay for them to be in charge of it, and they can—as has happened—steal the money, invest it in losing entities.

Madam Speaker, here, you know, the law doesn't say that if an investor invests the funds of the pension fund and he loses it, he even has to pay back his fee. He still gets paid. The poor pensioner loses more funds to pay him. But one of their big things was that, you know, let them do it. They could administer it. They could invest it. They could double the fund through investment.

We know what happened to their funds a couple of years ago. And for those people who were forced to retire then, they took a beating. So, when they said to me, *Well, you know, you want to have a three-year vested. So what about me? I'm here on a work permit and I pay for two years, I don't get anything back?* No, sir, you don't. That's the privilege in working in the sun and the fun. You must make a social contribution to my country while you are here earnings your millions that you can't earn at home. Because if you could earn them at home, you wouldn't be here! But those are the kinds of things. . . oh, they called me socialist and communist and all kinds of things, Madam Speaker. That's fine.

So, Madam Speaker, that's how we got in the mess we are in, because the pension legislation was high-jacked by the Chamber of Commerce and the financial industry and modified so they could make money out of it.

You know what Towers Perrin predicted the administrative costs of a national pension scheme to be as a percentage of the income on an annual basis? [It is] .00045 per cent. That was the scheme that I brought here. Because there was only had one audit. There was only had one administration. But every one of these pension plans that my working people are contributing now to has to do all those things. And it was substantial funds that we collected; there is no doubt about that. The other thing that got the bankers upset was because for the first time—and we still need to get to that in this country—we were going to have long-term money available deposited at banks in this country at reasonably low rates. We would no longer have to rely on somebody from Timbuktu to come here and put a \$100,000 in the bank for three months and the bank lend it to me the next day for five years, so they charge me 18 per cent on it, just to cover their loss. We would have money deposited at banks for 30, 40 years. Think of what that could do to improving the social structure in this country in terms of pension members borrowing their own money from the banks to build the houses for 30 years at very low rates.

[Inaudible interjections]

Mr. D. Ezzard Miller: Basically.

[Crosstalk]

Mr. D. Ezzard Miller: And, Madam Speaker, until a Government understands that the size of the pensioners in this country cannot sustain 16, 18, or 20 pensions plans, and that what we need is one single plan to which everybody contributes . . .

[Inaudible interjections]

Mr. D. Ezzard Miller: I tell them point blank. You all are going to have to do something similar with health insurance, because that is another law that that same National team—I passed a law here—repealed and they won't put it back to what I passed because they don't want to say, *This is the law that Ezzard passed.*

[Inaudible interjections]

Mr. D. Ezzard Miller: *I throwing corn, I nah calling no fowl right?*

[Inaudible interjection]

Well, you got elected not as a member to the national team, but you were here.

[Inaudible interjections]

Mr. D. Ezzard Miller: I know, I know.
[Crosstalk]

The Speaker: Order.

Mr. D. Ezzard Miller: If you check the Hansard, you will see that yourself and the Leader of the Opposition brought the original Private Member's Motion which spurred Mr. Benson to do the pension fund, you know, because some of his National Team here . . . or, who became the National Team, that tall, slim one that you like so much.

[Inaudible interjections]

Mr. D. Ezzard Miller: Well, he . . . [INAUDIBLE] that he look tall.

[Laughter]

Mr. D. Ezzard Miller: He like that one that Arden talks about, he was so short you got to tie his shoes. He is so meagre, he looks tall.

Hon. D. Kurt Tibbetts: That's my friend.

Mr. D. Ezzard Miller: Good. Mine too.

Hon. W. McKeeva Bush, Leader of the Opposition: That's the one you were going to beat up, up in here.

Mr. D. Ezzard Miller: Mine too.

Hon. W. McKeeva Bush, Leader of the Opposition: Yeah, right!

Mr. D. Ezzard Miller: But until the Government understands that the role of Government is to provide income replacement for its working people, and not to provide opportunities for people in the private sector to make money . . . and, Madam Speaker, do you would think if they weren't making money we would have 16 of them?

That is like the health insurance. I passed the Health Insurance Law. Trust me, those things that we are here rowing about that wasn't in it and they couldn't eliminate anybody? What the health insurance companies in this country do today is that they insure the healthy people for as long as they are healthy at exorbitant rates, and when they sick they throw them out. And Government is willing with open arms to accept them, and they pay \$10 for premium and \$20 for families, which only meets the cost of indigent care, not even 50 per cent of it.

We just did a Bill about it. But we couldn't increase the contribution. We know what it is costing us—\$21 million. Why are we accepting \$6 [million]? And they tell us that that is how we do it.

Again, Madam Speaker, I digress a little bit, but the way Towers Perrin handled that in the health insurance plan that I did, Madam Speaker, was we set up a local risk fund, and each licensed health insurance provider paid 10 per cent of every premium that they collected into a fund that they managed for their catastrophic. So, if I signed up with them today, and had a heart attack a week later, they could appeal to their peers to get assistance and they didn't have to charge everybody in my plan.

We allow the industry to dictate the legislation. And we are afraid to stand up to them. I went to one of their presentations a couple of years ago, Madam Speaker, and they said that they were losing money. So, I went up to the presenter afterwards, during coffee break, and I said, *Sir, I need you to tell me. You are really losing as much as you say, because I own shares in this thing, me and my family, if we are losing money like that, I want to sell them tomorrow.* [He said,] *No, no, no, no, we're not really losing money, but you know how it is, Ezzard, we have to present it like that.* And that is the truth.

So, Madam Speaker, the point I want to make is that increasing fines from \$5,000 to \$10,000—increasing fines from \$5,000 to \$100,000 for operating an unregistered pension plan—unless those monies are going to go specifically to the pension board to hire proper staff and resources to regulate the plans, I am saying here today that the Government cannot afford to fund the resources that are needed to administer this legislation under the Department of Labour and Pensions in the 2016/17 Budget. But we are making up and increasing all these fines. Nobody is going to be prosecuted.

We are raising the retirement age from 60 to 65. Madam Speaker, I want to ask the Government a general question, because we are doing the same thing for the civil service. I see we got a Bill for the next session on that. I want to ask the Government a serious question, a general question. Why is it necessary to have a fixed retirement age in Government or the private sector? Your Labour Department, Minister of Labour, allows the private sector to use it to retire people at 60 and they are doing nothing about it. So, whether the law says it or not, that is what they are doing to my people. They are telling them that *because you come 60, you got to retire.* That is what the Government is doing too. They are offering some on contracts back at the bottom of the scale. How is that possible? A man is doing a good job for you, you need his expertise, but because he is 60 years old in one day, he is worth \$3,000 a month less?

What we need, Madam Speaker, in my view, and in this legislation as well, is a minimum age at which people can opt to retire. And you can provide

for medical retirement, et cetera, separate, but if the person is doing a good job, coming to work every day, needs the income, why must he be retired? Now, Madam Speaker, a lot of them are using it because the person is not really performing and they do not want to get rid of him, so they tell him that he has to retire. But, Madam Speaker, if you are not performing it should apply when you are 21 years old as much as it applies when you are 60. But Caymanians—who I would put to you, Madam Speaker, who the Government cannot function without—are being told that they have to retire at 60, *but we will give you a two-year contract at the bottom of your scale.*

[Inaudible interjections]

Mr. D. Ezzard Miller: Well, the Deputy Governor said that it isn't that way anymore.

I don't know what you did my constituent, member. And that hasn't been corrected. He hasn't gotten paid for the case he won yet, but we are going to deal with that by motion here next session—been waiting now nearly three years for you and the Minister of Financial Services to deal with it, because it is his department.

[Inaudible interjection]

Mr. D. Ezzard Miller: You know what I am talking about.

[Inaudible interjections]

Mr. D. Ezzard Miller: You want me tell you what I'm talking about? I will tell you, you know?

So, Madam Speaker, the point I am trying to make is, that all of these amendments are not going to get us where the Minister is hoping to get us. When you increase these fines to \$100,000, these people are going to lawyer up on you. And they are going to paint it all the way to the Privy Council in London. So you are not going to be able to enforce nothing.

Madam Speaker, we know that there are at least over 100 companies that the previous Pension Board didn't get to court. And those employers [*sic*] have no hope of getting any of that money back or getting any pension from them.

[Inaudible interjections]

Mr. D. Ezzard Miller: Employees, sorry.

The Speaker: Member for East End [*sic*], are you going to be finished anytime soon, or can we take the afternoon break?

Mr. D. Ezzard Miller: No ma'am.

Mr. V. Arden McLean: No, ma'am.

The Speaker: Sorry. It was a Freudian slip, Member for North Side.

Mr. D. Ezzard Miller: No, Madam Speaker, I have a quite a bit more to say.

The Speaker: All right. We will take the afternoon break and reconvene at 6:15 pm.

Proceedings suspended at 5:49 pm

Proceedings resumed at 6:54 pm

The Speaker: Please be seated. Proceedings are resumed.

BILL

SECOND READING

National Pensions (Amendment) Bill, 2016

[Continuation of debate thereon]

The Speaker: I recognise the Honourable Member from the District of North Side continuing his debate.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

Madam Speaker, before I continue I need to ask a question. I seem to be the only one having a legal green Bill, so, I am trusting that is the same as what everybody else has on 8.5 by 11, because this is the official Bill, but nobody else seems to have this but me.

The Speaker: Might the Chair inquire where did you so obtain?

Mr. D. Ezzard Miller: I got this in the mail with my *Gazette* last week, Thursday.

[Inaudible interjections]

Mr. D. Ezzard Miller: No, not this time.

The Speaker: This is all I have.

Mr. D. Ezzard Miller: I guess it is safe to say that it is the same. I don't want to quote from this and there is something else, something different. But I will run that risk.

The Speaker: I note the point, Member.

Mr. D. Ezzard Miller: Huh?

The Speaker: I note the point—

Mr. D. Ezzard Miller: Okay.

The Speaker: —technicality, the issue and concern.

Mr. D. Ezzard Miller: Now, Madam Speaker, one of the things that I noticed in the Bill is that in addition to changing the title from "Superintendent" to "Director" (and I guess that is so they will sound more important at cocktail parties) they are not only making him the Director of Pensions, but they are making him the Director of Pensions and Labour. I am a little concerned because the Bill increases some of the functions for the Director and places some awesome responsibility on the Director of Pensions. Knowing the problems we have in the labour market with the Labour Bill, I am concerned that one person is going to have enough time to do both properly because—and I know that this was a proposal by the former Minister, Mr. Rolston [Anglin] to combine the two. So, I just wonder whether the Minister is comfortable that one person can do both roles and also that the Government is going to be in a position to provide him or her with the supporting staff going to be needed to police this law. Because, Madam Speaker, the things that are added in this Bill are going to require more staff than they currently have. I believe I can say that without fear of successful contradiction.

Madam Speaker, I was speaking a little while ago about the complicated way in which the legislation is drafted and that is not unique to the section that I quoted. That is throughout the legislation. Even the short section that I quoted carries with it another five subsections, some of which have three parts, simply to define "normal pension entitlement date." So there is going to be plenty of room here for lawyers to interpret and re-interpret and differently interpret.

Madam Speaker, I don't understand why it is necessary to combine the two roles in one person. And, when we took a break I was talking about the law setting retirement age at 65, rather than 60 and making the point that I don't think there should be a forced retirement age. I think there should be a minimum age at which one could opt to retire, but as long as you are healthy, willing, able and performing your job satisfactorily, you should be able to maintain the job.

This other section of the law, Madam Speaker, says that if you retire and draw your pension and you get another job, you can keep your pension but you have to make pension contributions. I don't see the point of those pension contributions being made at that stage either because most people who go back to work after retiring are only going back to work for one reason, and that is because their pension is so small that in order to maintain a reasonable lifestyle they have to get job to increase their income. And if you are going to take some of it back in pension contributions, I don't know how that is going to go into the calculations with the pension they currently get or whether they are going to retire a second time from a second job and then they are going to get another pension?

Those are some of things, Madam Speaker, which I don't see how in the legislation it is going to be achieved. I think it would be simpler if the legislation simply provided that people who went back to work after retiring did not need to make pension contributions. Because, Madam Speaker, the person who retired and went back to work because their pension was too small and they stopped getting their pension, for instance, and they wanted to increase their pension when they get a little older, say at 70, they can increase their pension through the Voluntary Fund, if they want it like that. But I think it should be voluntarily and certainly not compulsory.

There is a section in the [Bill], I think, in clause 4, which provides for multiple offences. . . let me see. Yes, clause 4 which amends section 4 of the principal Law. [new section] 4(4) reads **“An employer who fails without reasonable cause to comply with the requirements of subsection (1) commits an offence and is liable—(a) in the case of a first offence, on summary conviction to a fine of twenty thousand dollars or to imprisonment for a term of two years, or to both; (b) in the case of a second offence, on summary conviction to a fine of fifty thousand dollars or to imprisonment for a term of three years, or to both; or (c) in the case of a third or subsequent offence, on conviction on indictment to a fine of one hundred thousand dollars or to imprisonment for a term of five years, or to both.”**

I am not sure whether that repeated offence has to be with the same employee for it to be a repeat offence, or whether it is a repeat offence because he has done it for more than one employee. Because if it is for other employees and the first employee is one offence, second employee is another offence, third employee is another offence—and you have 10 employees, does that mean he only pays the \$20,000 for the first, \$50,000 for the second, and all the rest of the employees who were so affected, he has got to pay \$100,000 for? Or is it that it has to be the second or third offence on the same employee? I think it will have a substantially different meaning, depending on which way it is meant to be.

And, Madam Speaker, this is wonderful, legal prose. [Clause] 11 [repealing and substituting section 16(3)] reads: **“An administrator shall use that administrator's best efforts in the administration of a pension fund using all relevant knowledge and skill that, by reason of the administrator's profession or business or calling, that administrator ought to possess.”**

What does that mean?

We should be able to more clearly define what we expect an administrator to do or what kind of skills he is supposed to have because that is fairly wide.

And then subsection (4) goes on to say, **“The administrator of a pension plan shall—”** a number of things, and [16(4)(d)] says, **“every three years during**

the continuation of a defined benefit pension plan with the assistance of an actuary, review the financial operation of the pension plan and file with the Director an actuarial report within six months of the completion of the review, or any longer period the Director may allow.”

I wonder why it is confined to a defined benefit plan. I don't see a subsection that deals with defined contributions, which is what basically all—as I understand it, none of the private sector pension plans (I am aware of) are defined benefits. There are some civil servants who have opted to keep their defined benefits, but anybody joining the civil service since 1996 or 1998, are all on defined contribution too, so I don't see why it is confined to defined benefits because I believe we need—

[Inaudible interjections]

Mr. D. Ezzard Miller: No, no. Defined benefit plan and defined contribution plan are two distinct plans.

[Inaudible interjections]

Mr. D. Ezzard Miller: Again, Madam Speaker, I come back to this business of where when the administrator of the plan fails, and the Director has to appoint another administrator to do his job, that the cost of that is paid for from the Pension Fund, as opposed to being covered by the administrator's employers, or somebody. Everything seems to come back to reducing the fund that the pension needs.

[Clause 11, amended] section 16(5) says, **“If an administrator fails to comply with any requirement under this section, the Director may dismiss the administrator and act as or may appoint another administrator of the plan.”** Is there any appeal to that decision by the Director? That could be a big decision to just be made administratively and no right to appeal it to the pension board, or somewhere else. I mean, we know we are all human and people might just disagree with other people.

Madam Speaker, when the Minister was making the presentation, I know she dealt with [clause] 18, which had to do with the reduction in the time from nine months to six months. I just want to make sure that that only applies to work permit holders. The idea that was presented in North Side that we were going to equate that by allowing employers not to pay pensions for Caymanians for six months, I want to make sure that that's not what has happened, in that the six months only applies to people on work permits. Because I have this great fear that in my community some of my workers could spend half their working life on six-month contracts and earn no pension. Believe me, there are employers who would do exactly that.

Now, Madam Speaker, the other big concern I have about this—and the Minister mentioned it in her presentation, and I won't call it bureaucracy—is with

the additional reports, recordkeeping paperwork. We want to make sure that those are not at the level where they are also going to be a cost to the pensioners. Because I believe that if you have a company that is providing an administrator for a pension plan by one of their employees, and part of that fee that they are getting from the pension fund as an administrator, should cover this and it should not simply be a pass-through, as it appears to me, to be the pension fund, and the pensioners pay it as opposed to the company, which the pensioners are paying to administer the fund or the person.

Madam Speaker, I noted that the Minister said they needed to change the words used in the Bill from "normal retirement date" to "normal pension entitlement date." Very important words, but I still don't understand the need to change it from "normal retirement date" to "normal pension entitlement date." I think, in reading the legislation, it is just more wordage and more verbiage for people to try to understand. I am not blaming the Government for this, Madam Speaker. I want to make that clear. But I know from experience in dealing with the private sector, they don't want any regulations; that these are the kind of quirks that they create in order to prevent you and the board and other people from doing what they need to do. From my experience, I am just a little bit paranoid about some of the things that they would do.

Madam Speaker, I know that the Minister said that they have altered the maximum pensionable earnings from \$60,000 to \$87,000, which I think is a curious number. I think she said it was based on the inflation. But Madam Speaker, I would suggest that at this point in time, 20 years after this original pension legislation was put in place, that when this was put in place, \$60,000 was a lot of money in terms of salaries.

Today's salary scale of \$60,000 is not a lot of money. I believe it is important to have sufficient people contributing sufficient amount of money to this fund to give it an opportunity to succeed. I would recommend that instead of just doing an inflation adjustment, that we double it and make it \$120,000. We just can't give people the excuse to pay it because what can happen is they can be earning \$300,000 but they are only paying on \$60,000, so the pension that they earned is going to be calculated on that \$60,000. Unless they have made other investments from which they are going to get income replacement on a monthly basis, they are going to have to take a substantial drop in their standard of living.

And to tell somebody who is living nice on \$10,000 to 12,000 a month, to come down and live on \$1,000 or \$2,000, they are going to be at Needs Assessment [Unit] looking for additional income. If we are doing this for the right reason, we should have less people who retire having to come to the Needs Assessment Unit to increase their monthly income. If

we are not doing it for that reason, we are wasting the paper and time.

[Inaudible interjections]

Mr. D. Ezzard Miller: Yes, but they have adjusted up to 87 for inflation, but it needs to be more than that.

Madam Speaker, my recommendation to the Minister is that she should withdraw this legislation and come back in the new session and we set up a Select Committee to look holistically at how we are going to address the needs of our elderly. Part of that needs to be looking at what the Financial Secretary spoke about a couple of days ago [regarding] the health care costs. We need to provide a more adequate social security system for our elderly to which our younger people are giving the opportunity to contribute. Because we have all this legislation and the Children Law and Family Law and all this kind of stuff about social services can carry children to court and make them pay for looking after their parents, that has never happened and it ain't going to happen. We have to get away from the system we have now where it depends on who recommends you to the Needs Assessment Unit what you get. It needs to be a comprehensive social support that is properly funded. We need to identify what the benefits are going to be in health care and income replacement, and other things, and we have to find a way to fund it properly. Otherwise, the country is going to get into serious financial difficulty down the road.

In the meantime, our senior citizens who need the help the most are not getting it. These amendments to this pension plan are not going to help our senior citizens in income replacement. This is only going to cost Government more money to administer and Government is going to have to provide more resources to administer these changes we are making today. And we are missing the point because we are not helping the people that need the help.

Madam Speaker, that is my final plea. Because this hasn't worked, and, as I said earlier, in my view, it was bad law when it was made law in 1996. It is still bad law and amending it 45 times ain't going to make it good law.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call.

The Fifth Elected Member for George Town.

Mr. Winston C. Connolly, Jr.: Madam Speaker, I rise to commend the Minister in bringing an amendment to the National Pensions Law in the form of this National Pensions (Amendment) Bill, 2016. I think she said it well in that it was something to get us down the road, but it wasn't ideal.

Madam Speaker, I do think that the Minister may have brought the Bill to the House so that it could be aired—and I think she said it herself—and [have] a healthy debate ensue, and possibly by this process we'll make some common sense amendments and by the time we are done with it, it may be further down the road yet still.

Madam Speaker, I believe it is time that we stop building on past failures. I think that as a collective group we have to sometimes look at what we have and not be afraid to scrap it and start over if we feel that it is not working. When I read the Bill, Madam Speaker, I asked myself, at the end of it, *How has the Bill achieved its goal to ensure workers have enough savings to retire comfortably?* I echo the sentiments put by the honourable Member for North Side in that I don't think \$87,000 in this day and age, as a maximum pension amount, is enough.

Sometimes in this role, Madam Speaker, we have to do things that are not politically expedient, that aren't initially palatable. We have to come up with a balance. In this session, Madam Speaker, we have gone through the whole ambit in terms of talking about welfare and pensions, [and] education is coming. Madam Speaker, as we sit here and look at that bouquet of Bills and amendments, I think it is time for us to take stock and really try to figure out what we are trying to achieve for our people. We absolutely have to update antiquated laws and I think that in this law, one of the most important amendments is raising that age to 65, because if the other Members have experienced what I have experienced in the lead-up to this session, a number of people who are closing in on 60 are waiting impatiently for this Bill to be passed and moved into law. With that being said, Madam Speaker, we should not just have a knee-jerk reaction and to try to put ad hoc things in place quickly without looking to the future.

Madam Speaker, when I was reading the proposed amendments, I too yearned for simplicity in language and otherwise. At the end of the day, Madam Speaker, what I think everybody is trying to achieve is what the Minister said when she started in her lead-up. It is something that I think every single Member needs to be cognisant of. It is: Are we putting in place the proper system, the proper laws that will allow our people to have enough savings when they retire? Because if we are just doing this to top it up with social assistance, if we are just doing this to top it up with the amounts of money that the Members of this Assembly give in addition to that, then, we are doing our people a disservice. We have, we have, we have—to take stock, Madam Speaker, and really try to put in place laws after a holistic review.

Madam Speaker, I would like to look particularly at page 26. I have to make sure I have the proper copy because I have both a white and a green [copy], so I am going to use the green. I'll look at both of them just to make sure they match.

Madam Speaker, [clause] 28(d), which relates to the amendment of section 47, deals with the contribution rate. I think it is meant to allow persons to access their additional voluntary contributions.

An Hon. Member: For education purposes?

Mr. Winston C. Connolly, Jr.: Exactly, for education purposes.

Because, Madam Speaker, [clause [28](d) [new] section 47[(10)](d), simply reads, "... **for any educational purposes whatsoever.**" Madam Speaker, I don't think it is clear if that means the education of the member, or their children, relatives, spouses, adopted children, anyone in that household. So, I would ask the Minister in her wrap-up to perhaps confer, or if she knows the answer, let me know and maybe there are other people in the Chamber who will have the same question. I would think it would be for the AVCs or the voluntary contributions could be used by the parents to fund their children or their step or adopted children's education.

[Inaudible interjections]

Mr. Winston C. Connolly, Jr.: Yes, absolutely. [Clause 28(d), new section 47[(10)](d) is not. Exactly.

Madam Speaker, just in general as well, I do think that there are still some unnecessary restrictions. If we go through the whole process of trying to determine if people are competent to administer and invest and do all those things, I think that we need to allow some of the experts to be experts. I believe there is a 5 per cent rule, Madam Speaker, for things like mutual funds. Madam Speaker, again, I would say that we cannot be overly restrictive. We have to let the experts do what they do best.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Yep, investment regulations. Yep.

On reading the Bill—and maybe the Minister or her team can point me in the right direction if I missed it—I also don't see a requirement to display all the necessary comparisons of each of the service providers, the administrators, and the lot. In this age of putting public utility commissions and all of these things in place to have transparent information for the consumer to be able to make educated choices, this would be an opportunity to perhaps put it into the regulations but not in any kind of hidden language and text and numbers; something that is very easy to read and transparent, and to see comparisons of the planned performance, net of all fees—well, including all fees, Madam Speaker. That way, there can be apples to apples comparisons where employers and employees alike can see exactly.

Madam Speaker, the one area where I think it could be a bit more robust is strengthening the Pensions Office to go after delinquent accounts. At the end of the day, if people are not held accountable, what is going to happen is that the people that do follow the law to the letter, at some point in time they are going to have to ask themselves, *Why are we doing this when we don't see or we don't feel that the penalties for the ones that don't, are sufficient deterrents from that type of action?*

I note, Madam Speaker, that there is no definition of the Monetary Authority and I think that at some point in time we were talking about them having an oversight on pensions. I don't know if that is an oversight or if that was deliberately left out. Maybe the Minister can address that as well in her wrap-up.

[Pause]

Mr. Winston C. Connolly, Jr.: Madam Speaker, in the definition of "employee"—and this goes in line with my point on using some of the funds for education, and it depends, I guess, on the answer from the Minister—but I was thinking that in that employee section, we could carve-out a full-time student—

[Inaudible interjections]

Mr. Winston C. Connolly, Jr.: Okay. The Minister says it is in the Committee stage amendment.

[Pause]

Mr. Winston C. Connolly, Jr.: Madam Speaker, I started by saying that at some point in time we need to take stock. We need to look at these laws to see whether or not they are fit for purpose. Are they achieving what we need them to achieve as a country and a people? Madam Speaker, when I reading the law, and, as I have said in the past, when I look at other jurisdictions and what they have accomplished over the years, I often look at Singapore. They have built a holistic approach that is an alternative to the European-style approach which we tend to follow. For all the reasons why people turn to Government, Madam Speaker, in other developing countries, including retirement income—which is the topic of the hour—housing, education, medical care, et cetera, all the things that we are talking about in this session, in Singapore people are required to save to take care of these needs themselves. I don't suggest or say that we mimic what they did directly. What I am talking about [is] the holistic approach.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Exactly.

We do have to find a way, Madam Speaker.

In Singapore today employees under the age of 50 must set aside 20 per cent of their wages. Employers must contribute another 16 per cent, because that is the amount of money that they have decided through actuarial and other studies that keeps a person in the standard that they have grown accustomed to.

Madam Speaker, these funds in Singapore go into accounts where they grow over time until specific needs arise. For example, one of the uses for these savings is housing. In Singapore, 90 per cent of Singapore households are homeowners—the highest rate of homeownership in the world. Maybe they have something right, Madam Speaker. For health care, Singapore started an extensive system of Medisave Accounts, as far back as 1984. Today, 7 per cent of the 36 per cent that I spoke of earlier, the 20 and the 16 goes for health care and is deposited in an interest-bearing separate Medisave Account for each employee. Individuals are also automatically enrolled in catastrophic health insurance, although they can opt out. When the Medisave Accounts balance reaches about \$34,000, which is what they equate to a little less than half of the median family income—any excess funds are rolled over into another account and can be used for non-health care purposes. So when they get older, Madam Speaker, they can take that out as well.

Madam Speaker, I give this as just a brief snapshot of what we can do if we look at these things holistically. If we sit down and, again, look at what is best for our people and what is less of a burden later on for Government and the next generation who will end up paying the bills for some because of the \$50 million a year that we already spend just on welfare. That is not including health, pensions, et cetera.

Madam Speaker, the Minister says that we have some Committee stage amendments, and I don't want to keep harping if some of things are going to be covered. But I just wanted to stress the point as well, that we can't take a course of action and then, when the pressure comes from the electorate, start dipping into funds and doing other things for other purposes. We have to stay the course. I think that is our role as politicians, representatives of the people. And at sometimes we have to look further down the road than our own election cycles. We have to look at what impacts those things will have on the system and also what impacts they have on the people down the road. Because when people are in a panic, Madam Speaker, they will grasp for all straws. What happens when we take too many straws away? Everything crumbles. So, sometimes we have to collectively stand firm and do what is right for not only this generation, but the generations coming afterwards.

Madam Speaker, the Honourable Member for North Side covered some of the things that I have here in notes, so I won't go into them. But I just rose to say, again, that I understand where the Minister is

coming from. I understand that we needed change to the Pensions Law, but with any amendments with any changes the first question we should ask is, *Is it working in the first place?* If it is not working, if we have to make so many amendments, perhaps it might be better to start from scratch. Because, Madam Speaker, especially with this type of legislation that impacts our elderly and their quality of life and their enjoyment of life, we need to get it right. We need to ensure that they are not in a panic at the end of the day, and coming back beholding to the same legislators that put the law in place.

There have been too many people, Madam Speaker, that have come to me in the last three years that are in a panic. Like I said when I started, I have had people coming to me since the session was announced and asking, almost on a daily basis, *Have we gotten to the Pensions Law amendments? Are we putting in that 65?* Because they are deathly afraid of being forced out of their jobs at 60 when they know they do not have enough to take them for the rest of their life. And that is why this legislation and these amendments are so important, Madam Speaker. We have to be balanced. We can't be Government heavy, but we always, always, always have to look at the person and how it affects our people.

So, Madam Speaker, I would suggest to the Minister and the entire Government, let's take stock of these laws and these Bills. Let's try to come up with a holistic approach that not only saves the Government money and in the long run, a more efficient system, but let's try to achieve something that we can all be proud of and not just have to Band-Aid situation. I dare say, Madam Speaker, that with the technocrats with the people in this room, I have to believe that we can achieve that if we collectively put our heads together. Because this is not about credit, this isn't about party, this is about people.

Thank you, Madam Speaker.

The Speaker: I recognise the Honourable Leader of the Opposition.

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, I do not believe that I want to start to debate at a quarter to eight.

[Inaudible interjections]

Hon. W. McKeever Bush, Leader of the Opposition: Well, I just looked over to the Premier, hoping that I would get some sympathy, but he said, *Make it short.*

[Laughter and inaudible interjection]

Hon. W. McKeever Bush, Leader of the Opposition: No, there is none.

I don't think, Madam Speaker, as a person who has been through hellfire to get benefits for the

working man in this country, that I can—quarter to eight or not—do not make a point here.

Madam Speaker, certainly, I want to see pension legislation to be helpful, but I am also aware probably more aware than anyone else here that to get pension legislation in Cayman, we can sit here and talk at eight o'clock at night, but that was no joke. When I talked about hellfire, it was hellfire. It was a mammoth undertaking, recognising that I had to deal—not deal—firstly, had to fight the Chamber of Commerce and the Association of . . . I can't remember all of what it was, but every group in this country had a say on whether we should have legislation or not.

[Inaudible interjection]

Hon. W. McKeever Bush, Leader of the Opposition:

Well, it is said that the Pensions Law was bad in its entirety from the beginning, but I would say that after 20 years we are still saying that, even in the face of not having anything for the worker before the coming into effect of this first law, 1996, bearing in mind that the country did not start in 1996, bearing in mind that people worked for years and years and years in this country with nothing! They walked out the door and they held their hand behind them when they were going out after 40 years, just barely able to drag their feet and maybe they got a little Timex watch, maybe. Maybe! But I would say no matter how imperfect the law is or purports to be, people have something now. They didn't before. I certainly agree with all that has been said that we must make necessary changes.

I too would like to see a complete overhaul of this legislation and here we have several amendments, I guess. But have we come to a stage after 20 years that we must go and look at a different system as far as pensions versus a social security system of some kind? I don't know. I don't know. But I certainly, in the meantime, there has to be some amendments because we have people who have reached . . . and it seems to be, because as far as I am aware of, in this legislation there is provision for people to go on after year 60 to work. I thought it was in the legislation. From looking back at my delivery in presenting the Bill on, I guess it was 1996, in July, I thought that I said that, but I will come to that. I want to get out of here before eight o'clock. I want to finish before eight, but I might not finish before eight-thirty.

The law has a lot of good parts in it and there are things that need to be done now to benefit people, and then perhaps we should put on our agenda that we come back to this and see what the appetite of the country is at this time. Because at that time the idea was it shouldn't have any pension whatsoever, and they only gave it grudgingly. Looking at people who were making \$200 a week, they said, *Well, how are they going to get a pension? [For] 5 per cent it would only be \$10 a week, so \$40 a month you are saving.*

That is not going very far. And then they forced their hand to say it will stop at \$60,000. So the person who is making \$200,000 a year is not really putting in to make it spread, make the pot bigger and better.

Madam Speaker, in 1984 I got elected. In 1980 we ran on the basis that there had to be protection for the working man. And don't think that that wasn't fought. Fought enough to make me not win. And that was a huge part of my platform. Had to have proper labour legislation, we had to do away with the Masters and Servants Law at that time and the Truck Law at that time, which governed legislation at that time. In those days, they took the poor old Jamaican and when Immigration came, they locked him up in the cistern and Franz couldn't find him. And paid him nothing! That is a fact.

We go down to have meetings based on people making representation to us and Mr. Miller nearly gets in a fight, and I, of all the fights that I have gotten into, I am supposed to be the peacemaker in that scenario. They run us off the property. You are not supposed to talk to none of them about business there. The environment was not in favour of having any kind of benefits. And people still feel that way today. That the worker is better off if he has all his money and there is no savings and there is nothing for him. People feel that the construction industry would have done better if they never had to pay insurance or pay pensions. I don't know that that is so. And a lot of them have good arguments, but in this day and age that cannot work. You have to have some benefits for the working man. I am not Bernie Sanders in any shape or form. I like to think that I and my party is middle of the road, but you have to have some social legislation or the state of your affairs goes bad.

Madam Speaker, in 1985 we proposed a motion that didn't go anywhere. It passed; but what we were trying to get, it just didn't seem that the business people of the country would accept it. I tried to have a balance between having a complete social security system because history was showing us with the US Social Security system, and places like Chile, that was supposed to be progressive communities, were falling apart with their social security. So I wanted something sort of in between. Didn't happen.

In 1989, Mr. Miller, the Member for North Side was elected, to Council that is. We were both re-elected. He was elected to Council. He tried to put something forward. Madam Speaker, the fact is that they found 50 reasons that his Bill was bad. Fifty! There was a Bill put forward between 1984 and . . . well, between 1987 and 1988. That didn't go anywhere. That Bill didn't go anywhere.

After the elections of 1988, the Member from North Side went to Council and he started a process. That is the one that the Chamber zoomed in on and this is, I think, what they said. They wrote to Mr. Miller, the Member for North Side now, they said, and I am quoting from the Hansard as I read the letter in the

Hansard on the 30th of May 1990. They said, "These recommendations which are contained in the Chambers 30-page report representing the input from a broad cross-section of employers and employees. The Retirement Plan Committee comprises of representatives of the following associations: Contractors Association; Bankers Association; Insurance Managers Association; Water Sport Operators Association; Cayman Society of Surveyors; Investment Managers Association; Law Society; Hotel Association; Restaurant Association; Architects and Engineers; Taxi, Holiday Inn Association; Heavy Operator's Association; Society for Professional Accountants; Young Caymanian Businessmen Association; Insurance Underwriter's Association; Business and Professionals Women's Club; Caymanian Bar Association; Real Estate Broker's Association.

"Some of the main points of these comprehensive recommendations on the draft Bill are, they say, the overwhelming power given to the Government over the operations of the Board and the fund by the appointment of all key personnel; that is, the Chairman of the Board; the Director; the Deputy Director; the Investment Advisor; the Investment Committee; Auditor and Actuary; Executive Council under the other Legislation would have been appointed." All of those that are different from today.

"Other shortcomings that were pointed out by the Chamber included No clearly defined or realistic provision for opting out of the other pension plans; no provisions for the monitoring of private pension plans; the absence of consideration for the civil servants; conditions under which retirement benefits can be disallowed; the composition and tenure of board members or items which are also cause for concern. The Chamber fully supports the concept of pension plans for all workers in the Cayman Islands. The Chamber, however, feels that the Government's role in this matter should be that of protector, that is regulator, and not the provider. The Chamber feels that under a framework of worker flexibility and freedom of choice all workers will have greater incentive to pay into plans which best suit their particular needs in a free market economy." [UNVERIFIED QUOTE]

So, if anyone reviews that letter, the 25th of May, 1990, which was sent to Mr. Miller on the shortcomings of his legislation, they will see that there were some 50 of what they call shortcomings. And they commissioned a consultant in 1989 to assess the Government's proposals, but in 1987 or 1988 the then-Member Mr. Benson Ebanks, who was responsible for such legislation, put forward his. And they call that "social security." And the Member did say at that time that the funds could be used for roads and for other things, a lot of what people are saying today. But that is one of things that the public was up in arms about. They didn't want that. They did not want their money to be taken and used for housing or used for

roads, or claiming that Government could just go and grab from it. So they fought it all the way.

So, when I had the chance, then, I had to deal with all of that and I had to do with that what I have done with to get a stadium. Turned it down first. And then I decided. . . I got to get a stadium. Some called for a stadium.

[Inaudible interjections]

Hon. W. McKeeva Bush, Leader of the Opposition: I didn't say that; you said that.

But I got it done. I got it done!

[Inaudible interjection]

Hon. W. McKeeva Bush, Leader of the Opposition: No.

The story of the failed social security programme by the 1988, Mr. Miller's Government, and that legislation, and Mr. Miller did bring his legislation and brought it to the House. It was referred to a Select Committee, and Madam Speaker, there it died because it could not get the support from the public or the Members.

No more was heard about it. We won the elections in 1992 and we proposed new legislation. After much of a big fight with them, they wrote, after I had to buckle in to get something for the working man, they wrote: "After 10 long years, legislation has finally been proposed which follows the recommendation of the employers and employees in Cayman. The Chamber is in an enjoyable position of providing encouragement to Government to move forward with legislation. Government may be confident that its proposed legislation is on the right track. We wish to thank Government for the manner in which this legislation has been developed. It should serve as a textbook case of the true following of the democratic system." [UNVERIFIED QUOTE]

That was the Chamber of Commerce. But, of course, they were getting all that they wanted in the Bill. Today the Bill is said to be out of place, no good.

Come along 1996, Madam Speaker, but before that, 1994, I proposed as the Minister responsible for the Social Services Ministry, we took it on, and as I said, again, all hell broke loose. But we formed a Committee in 1994 which put forward a position paper in 1995, I think by September, and that position paper went in discussion from 1995 straight into 1996, with, I think, five draft laws, one after the next. Couldn't please anybody! It was all out war!

That Committee, the draft in September 1995, Madam Speaker, consisted of all of Cayman business people. I was the Chairman, Mr. Truman Bodden, who was Minister of Education, was the Deputy, and Mr. Mario Ebanks was my senior assistant and he was the secretary and acted as Chairman of the Board and took the matter through most of its stages, Madam

Speaker. But all the rest of them were—belonged to unna.

[Pause]

Hon. W. McKeeva Bush, Leader of the Opposition:

And there were Mr. Billy Adam, Chamber of Commerce representative; Ms. Juliet Johnson, Hyatt Regency representative; Mr. Carlyle McLaughlin, accounting sector representative; Mr. Greg Merren or Mr. Adrien Briggs, water sports sector; Mr. B. Nights, (I think, Mr. Bernard Nights), Star Sanford;—

[Inaudible interjections]

Hon. W. McKeeva Bush, Leader of the Opposition:

Star Sanford. That's a company. The group he was representing.

There was the Banking and Financial representative, Mr. B. Nights; the late Mr. Hubert Bodden, heavy equipment operators representative; Mr. Alan Bunny Miles, construction sector representative; Ms. Judy Carlman [PHONETIC], hotel/condo hospitality representative; Mr. Norman Kline, Orren Merren and Company, the co-opted member who is a Canadian-trained attorney with working knowledge of the Canadian pension legislation.

So, Madam Speaker, they were all business people. And if this present Minister believes that she had a hard time, she just needs to sit down a bit longer with me and I can tell her some stories that will make her not sleep at night. Because people saw this, they claimed it was a tax on their business and they went out—and even some Members of this House went out—on a platform and was calling it that, and beating on the Minister, beating up on the plan. We had to get something!

Back then, as I said, Madam Speaker, the proposal, the draft suggested a retirement age of 60 with provisions for continuing to make contribution for a reasonable period beyond that age. I think we went further after that, some years after that. But, Madam Speaker, truth is, I never had the Social Services Ministry. Although I had 12 more years in the Cabinet and Executive Council, I never held the Social Services Ministry again. So I lost track of certain things. Yes, it was in certain Governments that I was a part of, and even later times, but I was not responsible.

But they looked at the need for an efficient and reasonable inspectorate and support for the defined contribution plan. That was a big thing because they found it more-simple, more cost-effective, and that portability was easier to track accumulated funds, and so on. These are the things that were the buzzwords of the day. There was strong support for full participation of all employees, including civil servants. And, Madam Speaker, while that was put forward there was some agreement. The civil servants met, and when they met they came back and said,

No, we are not going into that plan. We are staying where we are. They worked out their own programme at the time. Madam Speaker, there was a concern and that is why they were talking about bringing the civil service pension in. There was a concern expressed on how to address the public sector pension scheme liability for past service, something that we are just managing to get back on track in these last three years.

[Pause]

Hon. W. McKeeva Bush, Leader of the Opposition:

Madam Speaker, they wanted, for instance, that the Chamber of Commerce and the hospitality sector were going a step further and suggesting that the employee should have been paying the full 10 per cent, and they wanted that to come out of gratuity portion of their income. I fought that. Gratuity was a tip; it was not part and parcel of their monthly salary. But that is the sort of situation that I had to deal with and I am just giving you some of the better ones. I don't have time tonight to go through some of real ridiculous situations that were put forward. But we were getting something—portability—and that was something that was satisfying to the vast majority of people. If they moved from one, they could carry their pensions. Because hitherto people worked for years at one company and they could not carry their pensions anywhere with them, before we got pension legislation.

So, Madam Speaker, while it is an imperfect law, it survived for 20 years without the kind of movements that they Minister is proposing, and I will have to wait into Committee so that we can really fully examine at length. But it has been 20 years without having anything. So, I am saying, let us continue on, and later on then, we will see if we should make a complete reorganisation or whether we remain in that type of system. Let's face it; the world has changed dramatically in the last five years much less 20 years. Look at the many crisis that we have had, and just look at the one in 2006, or 2007 up to 2009 and 2010. Financial systems have crumbled. And practically there is no surety in anything today that we are doing. Government knows that.

Look at what our business model is, and where we are being attacked by superpowers on that. We don't know what we will have even for employment of people who want to really . . . I don't want to be a doomsday person here tonight, but the facts are that we live in a tough world that the United States are doing business hand over fist, worse than what we are doing. In fact, we are much better regulated than Delaware and the UK. And London, some of the problems that we have to grapple with down here, came over from them. And yet, they will nail us to the cross. So who has any surety in all this uncertainty that we will have much of an industry that we can really regulate? So, no industry, no money.

Madam Speaker, this legislation that is being amended was a giant step forward for the working man in our Islands who had nothing to look forward to at retirement age. It was one giant step for mankind in these Islands. Can it be enhanced? As I said, of course. The Bill, I think, is trying to do that (to give my cousin her due). Can we stop there? No. We are an evolving country. We are a developing country. We have problems all around, so we can't stop there. As fast as we find one, and we plug it, you will find people finding a loop somewhere about to get around it. But I have to support the Government in here.

As I said, just to wind up, the fundamental issues, principles, were enshrined in the Bill. Freedom of choice for employers and employees to choose a plan. Now there are those, and I think Mr. Miller is one that says that we shouldn't have so many because it costs the Government too much. And that is something that we have to look at. But whether we can put all of our eggs in one basket is a real issue for us to consider. That is something to consider.

I will never forget my father-in-law in the American system. I think he has something like four or five quarters. I can't remember the number of quarters to be able to draw from it once you put into it. That poor man put in and put in and put in and he had to leave just before the end. Could he get a compromise out of the United States? *Oh, no. You didn't meet that benchmark. You didn't meet that date. That money belongs to us. You don't get it back.*

So there are many things that we have to look at, the realistic rate of contribution, the flexibility in phasing in, because we did that, at that time we gave them for a rate over five years. We felt and our advice was that there were prudent investment guidelines, qualified and reasonable inspectorate, fair rules for vesting, and, most of all, one of the important things was portability. There were current and sensible safeguards, involvement and participation by all the people in the Islands because, I mean, they wanted more. In fact, they would tell you they wanted to go to a referendum. And I stood as Minister and said, *Ha! Not me! I'm not going that way. Every time you want to change the law, then you are going to have to go for a referendum. Not on pensions!* But that's how people felt so strong about putting their little bit in and involving their company and their life savings, as it were.

So, Madam Speaker, I'm glad. And we don't usually pass retroactive legislation, but there are some people who are not in a good position because they were let go. And, in fact, there are people who are waiting. And some companies have been good enough and said, *We know Government is doing something about this. We know you have reached this age, but you are a good employee and so we are not going to let you go.* There are a few cases like that. Not many. Because even the Government has been pushing them out at age 60 and getting security companies, for instance, security guards. They have been

getting security companies to take over their jobs. So as quick as we can pass this, let's do so. I am going to stop here.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call. Does any other Member wish to speak?

I recognise the Honourable Premier.

The Premier, Hon. Alden M. McLaughlin: Thank you, Madam Speaker.

Madam Speaker, as the House would know, and everyone who listens, the Minister responsible has extensively explained the basis for the proposed changes to the legislation and the Government policy. So, I am not going to go into that battle. As Premier, I just wanted to say that I am proud of that fact that this administration, on this issue led by the Minister, is delivering on one of her significant promises with respect to pension legislation.

Particularly, I am pleased about us being able to carry through on the promise to extend what is commonly known as the retirement age to 65, although the legislation doesn't exactly do that; it simply says the pension becomes payable at 65. You can retire any time you want. You just won't get a pension before 65. That, as others have alluded to, is a major issue for many people in this country within and outside of Government. There are plans afoot to ensure that we also address this issue with respect to Government workers at the same time as this legislation comes into effect so that for all intents and purposes we are increasing the retirement age from 60 to 65 across the board.

There are so many people at age 60 these days who are still struggling to pay a mortgage, you still have children in university, and who, quite frankly, have not earned enough in pension because of their age, they started their contributions that much later. And, quite frankly, what you do get from the private sector pension system is still a meagre amount. It is an issue that I still have major concern about. A \$1,000 a month really can't support very many people's lifestyles in this country.

So, I am hopeful that as we work through the Committee stage amendments on Friday, we will be able to address some of the concerns that have been raised by Members on the other side, and that we can come through this with a piece of legislation, while not perfect, is a significant improvement on the regime which exists up to now.

So, Madam Speaker, with those few words, I just urge Members to support the amending Bill.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call. Does any other Member wish to speak?

I will recognise the Honourable Minister responsible for Education to reply.

Hon. Tara A. Rivers: Thank you, Madam Speaker.

Madam Speaker, I, first of all, would like to thank all the Honourable Members of this House who rose to make their contribution expressly known as it relates to this amendment Bill being proposed by the Government.

Madam Speaker, I plan to hopefully work through some of the issues raised point by point. But just—

[Crosstalk]

Hon. Tara A. Rivers: Madam Speaker, I paused there because there was a very interesting side conversation and I was looking for the outcome of the discussion.

Madam Speaker, I will begin by just starting with some summary statements that I think may address some of the points raised by several of the Members and just, again, to reiterate the fact that as it relates to what the Government is proposing through these amendments that are put forward, the amendments will in fact strengthen the pension regime and the pension plans themselves. As I acknowledge when I first took the podium to introduce this Bill, it is a Bill that was long-time coming. It was a Bill that was anticipated from the time was first introduced, with respect to the fact that there would be a need for continuous review in this regard. Here we are, Madam Speaker, 20 years later and we have now had the first real attempt at a comprehensive review of what is in place.

Now, Madam Speaker, I agree to some extent in what was said with respect to looking at the regime in a holistic fashion. I agree, Madam Speaker, we have reached this stage in our pensions' evolution where we need to think about what is the next leap that may need to be taken in order to really create the kind of regime that we are all hoping to have. But, Madam Speaker, it is equally important that in many respects we stop the haemorrhaging in some critical areas that this Bill seeks to do by introducing the kinds of amendments that it has introduced.

So, Madam Speaker, just speaking briefly to why the Government believes that, yes, it may not be the panacea or where we need to be, it certainly is a far cry from where we are today, once these Bills and the proposed amendments have been agreed. So, Madam Speaker, by increasing the requirement for members to save an additional five years from the 60 to 65 age increase, will actually result in the payment of those contributions being increasing as well. And so, also requiring contributions to be paid on the members' income from \$60,000 to \$87,000 will have a positive effect. And, yes, Madam Speaker, I think just for the benefit of the listening public who may have been confused by when this increasing amount was discussed by certain Members in the House, the \$87,000 that is proposed in the current Bill is actually

the inflation-adjusted figure of the amount that was proposed in the 2007 report, which was \$72,000 at the time. So, Madam Speaker, again, that report being relatively recent but still eight years old, the Government took the decision to create that figure as being in line with what was recommended then. But of course, Madam Speaker, it also is fair to say that it may be timely to do another review of the pension regime as it relates to the contribution rates, as it relates to the years of maximum pensionable earnings and other issues considered in the 2007 report.

Madam Speaker, what this Government could not do was we could not have another administration go by where we had such a comprehensive report prepared by the experts in the field, so to speak, and nothing of substance coming out of that. So, Madam Speaker, as the Leader of the Opposition put in his windup about, you know, the fact that we may need to actually look at the system we have in place in a holistic fashion, as the Government has taken the position, we also need to address some of the critical issues which we know exist in the current Bill and which will only continue and will only exacerbate unless we deal with some of those issues dealing with non-compliance and the like.

So, Madam Speaker, the attempt by the Government to address these changes in this Bill was an attempt to try to, as I said, deal with some of the outstanding issues that have been recognised in not just one external evaluation, being the Mercer Report, but another one being the Office of the Complaints Commissioner Report in 2010. Again, Madam Speaker, this Government, and, I am privileged to be the Minister with responsibility in this area at this time, to take us forward to this state. And by showing the country that we are committed to taking action. We are committed to not just recognising that there are issues, we are committed to trying to address them. But, Madam Speaker, as I have said outside these halls, and I will say inside these halls, we are certainly not interested, and I can speak for myself, I am not interested in bringing forward amendments simply to window dress or simply to operate any knee-jerk reaction or a fashion that does not contemplate the bigger picture.

I want to reiterate, Madam Speaker, as I painstakingly went through in my presentation, that all of the major amendments are in some way tied to the recommendations that were made either through the Mercer Report or the Office of the Complaints Commissioner Report and also by other needs that the Department of Labour and Pensions deals with on a daily basis in trying to improve the enforcement mechanisms of the Pensions Law. And one way that this Bill actually will achieve that, is by introducing the administrative fines regime which is accounted for, or provided for, in this Bill.

One of the Members, or several of the Members talked about how will the enforcement mechanism be impacted in a positive way. And, Madam

Speaker, this is certainly one of those ways which will help to streamline the process. And as you know, Madam Speaker, this Government has adopted the approach in a number of the pieces of legislation that we have brought to this House recently. That is, introducing a more efficient way of administering penalties and fines as it relates to breach to our regulatory regime.

Madam Speaker, of critical importance is the fact that this Bill will require greater information and education for our members of pension plans, and it will enable them to make informed decisions. Madam Speaker, with ability to publish returns and expense ratios that this amendment Bill will require, we will set the foundation for members to compare pension plans and allow those decisions to dictate the options available.

So, basically, Madam Speaker, to pick up on a point that was raised by the Member for George Town who basically requested that this kind of information be made readily available, it goes back to the point I had made when I introduced the Bill in saying that we would be including a provision where we would have the ability to compare apples to apples. But what I didn't have an opportunity to do in that introduction, so I will give a brief explanation now, is that the statement of the investment policy which is now being required to be produced in a kind of standard format that allow for these comparisons, the details are really envisaged to be a part of the revision of the investment regulations.

That same Member did speak to the fact about allowing the experts to do their job as it relates to determining investments, and whatnot. So I just wanted to, for the benefit of the listening public who may also have those same concerns, the investment regulations are regulations that were brought into effect in 1998, but like the Pensions Law, or in this case, they have not been amended since that time. And so, one of the things that the Government has already embarked on, and in particular, the Ministry has already started to do, is to revamp and redraft the investment regulations. And I'm made to understand that this process is quite far along. So, the change to this provision allowing for this type of comparison that the Member spoke about, will actually be reflected in the amended investment regulations, which is a separate regulations that actually deals specifically with the investments and the actual process determining how the pension funds are invested.

Madam Speaker, as I indicated in the opening and said again in my wrap-up so far, we the Government, recognises that this certainly is not the end of the road as it relates to amendments. But, Madam Speaker, as many people in this Chamber have said and have spoken and have recognised either directly or inadvertently by the way they spoke, while appreciating that there is more that needs to be done, there are certain critical things that need to be done, like

yesterday to address some of the needs which we know exist. And one of them is this change to the normal age of pension entitlement, moving from 60 to 65. I am sure all Members in this House have had constituents, have had persons who are contacting them on a daily basis or otherwise, with bated breath wondering when the Government was going to deal with this particular issue.

So, Madam Speaker, I'm very happy that we as a Government decided that yes, we do recognise, and especially as was unearthed through the public consultation process, we know there are still issues that the public is concerned about; areas that need to be addressed, but we could be here another 18 years trying to create that system which is perfect to address all of those concerns and not actually address some of these critical things that we know we can do in the interim, while turning to the big picture, a holistic view which many people in this room have articulated. And I would like to say as well, I believe there are certain benefit and merit to taking that kind of approach going forward.

Madam Speaker, we do appreciate that there are certain concerns Members have expressed individually in their contributions. I will try as best to deal with them now by going through to some degree point by point. Madam Speaker, as it relates to the drafting and the language of the drafting, I have to say and I have to agree and I have to tell the public about what my personal preference would with be respect to the way the language was drafted. What was requested is having this sort of plain language drafting so the average person can pick up the legislation and understand. But, Madam Speaker, the public needs to appreciate as well that the actual, technical drafting, we take advice from the persons who are charged with the responsibility of actually drafting the Bill.

So, from that perspective, one of the things that the Government, and in particular the Ministry through the public consultation process has done as it relates to what was put forward in the Consultation Bill, and what is intended as it relates to the actual Bill once this Bill is passed, is that there will be a comprehensive public education campaign undertaken in order to help people to understand. To help people to comprehend what the Bill means, what the changes will mean for them, and what the actual law in its revised form essentially includes. There will be printed documents, Madam Speaker, as I said, the Ministry has already demonstrated its commitment to this kind of public education, and so I can give a commitment on behalf of the Government in this regard, that we will continue to be as informative and as instructive as possible to help the people, the average man and woman on the street understand what these changes mean to them. And certain mediums, such as, documents, videos, Facebook, websites, appearance on talk shows, all of these types of activities are planned to help people to understand as well as producing the

kind of information pamphlets and whatnot that have been produced as it related to the consultation draft. A similar approach will be taken once this Bill has been passed in this House, Madam Speaker.

Madam Speaker, the Member for North Side, and I want to thank him for his contribution and thank him for the historical perspective that he gave as it relates to what happened and what transpired during the 1980s and early 1990s. And I want to say that the concern as it relates to not amending, in his terms, a *bad law because it is a bad law*. Well, Madam Speaker, that is the whole point of legislative reform; is when you actually recognise that there are certain things that are not working or certain things that weren't intended to be, or certain consequential outcomes that weren't necessarily contemplated at the time. All of these are reasons why you would look to trying to move the legislative regime forward.

So, Madam Speaker, as I said, I just think it is important that we underscore the need to address these critical areas of concern which this Bill seeks to address for the benefit of the people at this time. And also to address the issue that has been raised with respect to the amount of money. So the \$1,000 per month, the Member referred to \$100 a month, which I think was a bit of stretch, but the point being that when this Bill was introduced—or the law, I should say—when the law was originally introduced in 1998, the schedule that was developed was developed for that time, for that period to give a chance for the pension funds to accumulate to a certain degree.

Madam Speaker, I agree that we have reached a point where we need to look at that schedule to see what kinds of amendments can be made in order to increase person's access to their funds, but at the same time keeping in mind the ability to be able to have these funds available for people who are statistically living longer as well. So, Madam Speaker, the Ministry and the Department of Labour and Pensions is already looking to make proposals for amendments to this particular schedule to be brought forward in the very near future.

Madam Speaker, another critical aspect to what is being proposed in this Bill is the additional voluntary contributions. And to answer a query that was raised as it relates to—and I want to thank the Member for raising that—the restrictions on the additional voluntary contributions being only available for educational purposes, and how the way it is drafted currently may seem a bit ambiguous as compared to the other three provisions, I can say, Madam Speaker, that there will a Committee stage amendment that will contemplate actually trying to tighten up that language so it creates a little bit more clarity to the questions that the Member did raise. But I do want to thank him for pointing that out.

Madam Speaker, the Member for North Side has spoken and has raised a number of issues and if you would bear with me I would try to go through and

make sure that I have addressed them to the best of my ability at this stage so he feels that his concerns have certainly been heard and understood. But I believe, Madam Speaker, that—and I hear but I respectfully decline the offer of the Member to withdraw and scrap this Bill and start afresh simply because, as I said, there are critical aspects of this particular law that needs to be amended now to benefit the people who are anxiously anticipated and waiting for these amendments. But also, to benefit them in ways to increase their ability to understand and know their rights and their provisions under the pension schemes which they are all apart of if they are contributing employees.

And so, Madam Speaker, we certainly—and I certainly have taken the Member's suggestion on board to look at coming together to discuss. I do want to say that I certainly have—and the Member will attest to this—reached out to the Member for North Side and made myself available to meet with him and any other Member in this honourable House to have this kind of discussion to be able to move us forward to where we are all trying to achieve, as it relates to the pensions legislation.

So, Madam Speaker, again, as it relates to increasing fines, the Member mentioned the point about increasing the fines alone will just cause the companies or the individuals to lawyer up. And, certainly, I agree with the fact that increasing fines alone is not the answer. Certainly, increasing fines to the point where it will be a little bit more uncomfortable to have to bear if you are then brought to court as it relates to any pension infractions. That coupled with an administrative fine regime which does not require the cumbersome process of going to court is one way that will certainly strengthen the Department of Labour and Pensions' ability to administer the law. And I want to pick up on that point, Madam Speaker, which was made by the same Member for North Side about his concern about whether or not the Department of Labour and Pensions as a department is able to actually administer and carry out the responsibilities under this would-be revised law.

Also, to just say and remind the public, Madam Speaker, that since we took office in 2013, the Department of Labour and Pensions have actually had a significant number of additional staff and resources allocated to that department. I want to certainly say over 10, because that is the last number that I am aware of, but there could actually be more at this point. Because what we, as a Government, recognise is the same concern that the Member raised, that we do need to ensure that we have a mechanism in place, resourcing implications—of course, Madam Speaker, I can't sit here and say with hand on heart that any of the Government departments, certainly, the ones that fall under my Ministry are sufficiently resourced to the extent that they would like, or that we believe they need, but we can say that we have certainly made real inroads. We have made inroads into

that by allocating these additional resources to the department. The department has also gone through a type of restructuring where there is a pensions arm, as well as a labour arm. And, Madam Speaker, there is a middle arm (so to speak) which is the investigations unit which actually does do proactive investigations as well.

Madam Speaker, given that both pieces of legislation are by and large, related to (as I said) regulating their relationships between employers and employees. There is definitely a natural synergy and a natural fit for those legislations or that regime to be co-joined to some degree. They can benefit from the cross-pollination of the type of information that is gleaned during an investigation, so the investigation looking at the records are not just looking simply at Labour Law infractions but they are also getting information that is relevant to pension infractions or otherwise as well. So, by not having that synergy, to some degree there would be a duplication of efforts which some argue already exists given that we have health insurance regulation and other types of bespoke regulatory regimes.

But, Madam Speaker, picking up also on a point that was made by the Member for George Town as it relates to the question about CIMA [Cayman Islands Monetary Authority] and the proposal that was, I think, made during the last administration to actually move the regulations of pensions under CIMA. Madam Speaker, my understanding, and certainly when we took office and we started looking at this, was that that regime itself needed to be looked at, or that proposal needed to be looked at in greater detail because CIMA would be appropriate from the kind of financial regulation perspective. So looking at possibly the annuities and looking at possibly the kind of pension plan actual administrator regulation. But, of course, as it relates to the labour or labour-related pension-related infractions at the employer level, that certainly seems to fit (as I said) more appropriately with the Department of Labour and Pensions.

So, this is an area that the Ministry is continuing to look at, to see if this is something that we would recommend moving forward with, but certainly at this time, Madam Speaker, the Ministry is not in a position to make that recommendation given, as I said, the types of collaboration that would need to take place in order to determine the best system. Again, it might be more appropriate, Madam Speaker, when we look at this holistically to then try to make those determinations as well and to avoid to just making what the Member referred to as knee-jerk reactions in this regard.

Madam Speaker, the Member for North Side spoke very extensively about not having a set retirement age. And I want to say point blank, Madam Speaker, I completely agree with that. That was what I tried to express or explain when I introduced the Bill and talked about the need to have the terminology

change. It is not simply semantics, why we have chosen to move with the age of pension entitlement as opposed to normal retirement date. Because, Madam Speaker, even though the Labour Law currently does not have an enshrined retirement age in the law, what has been happening is as a result of it being referred to as the “normal retirement date” in the Pensions Law, this has been used and is being used and is being interpreted as such. So, Madam Speaker, to make it very clear, on its face, by changing the title or changing the definition to “normal age of pension entitlement,” we are doing exactly what the Member is asking for with respect to saying it is optional. You can choose at that point because you are entitled to your full pension, but it certainly does not mean that you have to in any shape or form take that option. You are entitled to your full pension at that point, but you are certainly not required to do so.

And, again, Madam Speaker, employment relationships by and far is regulated or is determined by contract. It is a contractual relationship between the employer and the employee. And the Labour Law, the Pensions Law, the employment-type legislation only sets the minimum threshold at which the parties cannot enter into an agreement in breach of. So, in that regard, Madam Speaker, when the Member referred to the department giving advice that there is a retirement age, I have checked with my staff and I have been given the assurance that such advice, as it relates to being a defined retirement age in the legislation, that advice is not in fact being given. But, Madam Speaker, what may happen, or what may be happening, and that again is determined by contract. If the person has an employment contract that has a finite date or they have agreed that this is by policy, they have agreed to adopt the company’s policy, or something to that like, then, certainly, that would be determined on a case-by-case basis, on a company by company basis. But there is nothing in the current Labour Law that speaks to having a retirement age. But in the current Pensions Law, which is what is causing the confusion, there is a reference to “normal retirement date.” However, Madam Speaker, this Bill seeks to address that situation by changing not just the terminology, but the understanding of what that age should mean.

Madam Speaker, the Member for North Side also talked about the need or the provision, and I don’t have the provision at hand, but the provision dealing with going back to work after retirement and the section as it currently stands isn’t working. Madam Speaker, when I opened my address to this Bill, this is an area where the Ministry has been tasked to look at how we can actually amend the provisions to allow for people to go back to work and still, if necessary, draw on retirement, or savings, as I would say, the pensions savings, but in a way that makes sense. So, to the Member’s point, certainly, as I said, this is one of the areas that the Ministry will be looking at in terms of

how we can strengthen this particular regime as it is outlined in the Law going forward.

Madam Speaker, as it relates to the decisions of the director, the Member mentioned and queried what the recourse in case the director makes a decision that isn’t agreed by the party affected. One of the changes, as I talked about in the current Bill, I believe it is section 80, of the law that is—no, maybe it is not section 80—section 72? Anyways, it is the section in the Bill that deals with the remit of the National Pensions Board, so one of the amendments that we have made to this law, Madam Speaker, is to basically strengthen and the understanding that the Pensions Board is the appellate body as it relates to decisions taken at the departmental level. So, certainly, people will have that as an option as it relates to any sort of ability to appeal to the Pensions Board in its functions as an appellate body.

Madam Speaker, the Member queried section 18 as it deals with the reduction of six months, and wanted the assurance that it was only for persons who are dealing work permits. Madam Speaker, the provision deals with the first six months of working on-Island. So, Madam Speaker, that, in itself, is a restriction. Meaning that if a person has worked on-Island before for that period, then they would be pensionable immediately. So, to the Member’s point, the mischief I believe the Member was concerned about was that people who were just bouncing from six-month contracts or below six month-contracts to avoid the pensions. Once the person has reached that threshold of working in the Island for six months, then, pension obligation would kick in.

[Inaudible interjections]

Hon. Tara A. Rivers: No, no. That is. . . sorry, Madam Speaker, I just want to make sure the Member is aware that that no longer applies. The original recommendation, remember when I was going through the Bill, the original recommendation saying the pension is not applicable to Caymanians for the first six months. That recommendation has not been carried forward in this Bill. So the same—

[Inaudible interjections]

Hon. Tara A. Rivers: No, the first time that you have gained employment in the country. So, to your point, it applies, to say, first-time work permit holders, who would be coming for their first temporary stint, but after that they would pensionable. So that’s—

[Inaudible interjections]

Hon. Tara A. Rivers: It applies to Caymanians immediately upon employment—immediately upon employment. So that is what the current law states. So the current law has not been amended as it relates to

Caymanians. The only amendment is to drop it from nine months to six months.

[Inaudible interjections]

Hon. Tara A. Rivers: No. And I can speak, Madam Speaker, because the Member for North Side was actually at the North Side meeting, so I know you raised this issue and so we are happy to say that you and others who raised the concern about disenfranchising Caymanians by carrying forward the original proposal, that has been taken on board in the sense that we have not carried forward the proposal as it relates to Caymanians. So, the status quo continues being pensionable immediately upon employment.

Madam Speaker, the Member also talked about additional recordkeeping and not translating to additional fees to the employees, so I just want to make sure that the Member doesn't really confuse or isn't confusing the additional paperwork or the additional recordkeeping that is required for the employers. There is a section that talks about the employers having to actually keep better records to make sure they can account for their deductions, they account for their contributions, and they account for their pay rate. So, when I talked about that section, that is something that is an increased responsibility on the point of employers, but as I said, you are dealing with people's money, so you need to be able to account for them whenever you are asked to do so. But that, in itself, should not translate to any additional costs under the pension plan or from the pension plans perspective. And in particular, the one way that we try to minimise that cost, that may have been occurred, or may occur as a result of the additional reporting of semi-annual, as opposed to annual, is we are now making it available explicitly to be done by electronic form. And so, that, in itself, would cut down any sort of fees that may be associated with that as well.

As I said, Madam Speaker, four of the six multiemployer pension plans already produce their statements at least on a semi-annual basis. So the change would only affect two of the multiemployer pension plans now that follow the law and only apply one, or an annual statement.

Madam Speaker, again, I think a lot has been said by a number of people in their contributions to this debate about how the Bill affect the ability for future pensioners to live more comfortably in terms of having a greater potential pot for their retirement. I did speak to the issue the income replacement ratio. And, Madam Speaker, that information was certainly, by and large, gleaned as a result of the information coming out of the reports, as I said, the report in particular, the Mercer Report which did look at the regime from a legislative and actuarial and other means, and so that study recommended four things and this Government has at this stage taken on three of the four, and that is namely, raising the years' maximum pensionable

earnings. We have raised the age of normal pension entitlement, which allows for greater contribution of a longer time. And certainly, the additional voluntary contributions which will act as an impetus for people to contribute more freely because they know that if push comes to shove and any of those four things on that list were to occur and they need to access their additional voluntary contributions, they can do so. Because, Madam Speaker, right now it is a lock-in. So it doesn't give any incentive for people to save for a rainy day in that regard. So, from that perspective, the Bill does go some way to addressing these concerns. But, of course, Madam Speaker, it must be said, as it was said when the law was first introduced. The pension regime cannot be seen as the only way to plan for your retirement. It is certainly a safety net that has been put in place to help those who by, for whatever reason, are not making those provisions either through their own investments or through their own savings. This, as I said, is a forced savings for retirement.

Certainly, Madam Speaker, as a country, as a culture, we need to develop a sense of making provisions for the future. I think, Madam Speaker, that is certainly part of the education process that needs to take place when we talk about pensions and what pension is versus what pension isn't, and what we should be doing from a financial planning perspective. I want to publically recognise the CFA Society for the work that they are doing in their *Money Sense* radio spots. I think it is a monthly radio programme that they have. They are really trying to increase, not just pension literacy, but the investment and financial literacy of our people by making and helping them to understand about budgeting and planning and investing. And so, Madam Speaker, as I said, I certainly believe that by taking the steps that we have taken, we are trying to address some of the most critical issues that have existed for a number of years and we have known about for a number of years through these various reports, but up until now we have not taken any concerted efforts to deal with it.

So, with that, Madam Speaker, I believe I have covered most of the concerns that were raised by the Members in their contributions. Oh, and just to say, I mean, I did indicate that there would be carve-out in the definition of "employee" to account for full-time students. That will be discussed at the Committee stage to address the Member for George Town's concern or suggestion, at that point.

So, Madam Speaker, with those few words, I would like to thank all Members of this Honourable House for speaking and for lending your support to this Bill and certainly I look forward to continuing to work with you in trying to get us to the next phase of our pension evolution.

I commend this Bill to the House. Thank you.

The Speaker: The question is that the Bill shortly entitled the National Pensions (Amendment) Bill, 2016, be given a second reading.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have—

The Premier, Hon. Alden McLaughlin: Madam Speaker, may we have a division, please.

The Speaker: Madam Clerk, please call a division.

The Clerk:

Division No. 17

Ayes: 13

Hon. Alden McLaughlin
 Hon. Moses I. Kirkconnell
 Hon. D. Kurt Tibbetts
 Hon. Osbourne V. Bodden
 Hon. G. Wayne Panton
 Hon. Marco S. Archer
 Hon. Tara A. Rivers
 Mr. Roy M. McTaggart
 Mr. Joseph X. Hew
 Mr. Alva H. Suckoo, Jr.
 Mr. Winston C. Connolly, Jr.
 Mr. D. Ezzard Miller
 Mr. V. Arden McLean

Noes: 0

Absent: 4

Capt. Eugene Ebanks
 Hon. W. McKeeva Bush
 Mr. Bernie A. Bush
 Hon. Anthony S. Eden

The Speaker: The result of the Division is as follows: 13 Ayes, 4 absentees.

The Bill has been carried as it relates to the Second Reading.

I recognise the Honourable Premier for the motion for the adjournment.

[Inaudible interjections]

The Speaker: Member for East End, I have recognised the Honourable Premier for the adjournment, but I think that because of the discourse he is not hearing.

[Inaudible interjections]

The Speaker: It takes two to tangle.

[Inaudible interjections]

The Speaker: That sounds like involuntary engagement.

Honourable Premier, it is now past nine o'clock and I think Members' patience is waning.

ADJOURNMENT

The Premier, Hon. Alden M. McLaughlin: Thank you, Madam Speaker.

Madam Speaker, before I move the adjournment, I just wish to apprise Members that given some significant international developments, to which I hope to be able to speak in some detail tomorrow morning in a Statement, it is important and which will require that I and others in the Government travel over the weekend and we will be away next week. It is important that we finish the business of this House by close of day on Friday.

Tomorrow is Private Members' Motions day and that is why we persevered to get this Bill through. We have decided to defer the Education Bill until the next meeting of the House. And so on Friday we should be able to proceed directly to the Committee stage of the 17 Bills that have been passed and the Government Motions, and thereafter conclude this Meeting of the House.

And so, Madam Speaker, I move the adjournment of this Honourable House until 10:00 am tomorrow, Thursday, [5 May 2016].

The Speaker: The question is that this Honourable House be adjourned until 10:00 am tomorrow.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House now stands adjourned until 10:00 am tomorrow morning.

At 9:12 pm the House stood adjourned until 10:00 am, Thursday, 5 May 2016.

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