

CAYMAN ISLANDS JURISDICTION



BENJAMIN LAW

Toronto's Premier Family-First Law Firm For

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Labour Overview

The Labour Law (2011 Revision) governs the terms and conditions of employment. It provides remedies for unfair dismissals, and entitlement to an amount of severance pay. It also regulates health and safety in the workplace. The Labour Law, however, does not apply to the public sector, charities or churches. Employment-related disputes are heard by Labour Tribunals or the Grand Court. Other pieces of labour legislation include:

The Workmen's Compensation Law (1996 Revision), which applies to employment injuries

The Gender Equality Law 2011, which provides remedies related to workplace discrimination on prohibited grounds.

Employers are generally required to provide a written statement of working conditions within 10 days of hiring.

The Labour Law sets out grounds for fair or justified dismissals, such as serious misconduct or redundancy. Employees who have been continuously employed with their employer for more than one year are entitled to severance pay in the amount of one week's pay, at the employee's latest basic wage, for each completed year of employment. An employee who has been unfairly dismissed may be awarded compensation by the Labour Tribunal not to exceed one week's pay per completed year of service.

The Labour Law provides for 12 weeks' maternity pay (20 days at full pay, 20 days at half pay and 20 days' unpaid) and 9 weeks in respect of adoption leave (15 paid days). There is also 5 days paid compassionate leave and 10 days paid sick leave.

Work permits for all non-Caymanians employed in the private sector are required. An application for a full permit may take about 4-6 weeks to process while short-term temporary permits take less time to obtain. Permits are ordinarily renewable for a maximum of seven years, but may in some circumstances be extended for a further period.

Although one does not currently exist, a \$6 per hour minimum wage has been recommended as recently as April 2015. There would likely be exceptions; however, no further details are available at this time.

Securities Benefits

There is no social security tax in the Cayman Islands. However, employers must provide pension plans for their employees. Residents are also required by law to maintain a minimum level of health insurance coverage.



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Pension Overview

The National Pensions Law (2012 Revision) requires every employer to provide either a defined benefit or defined contribution pension plan. The employer selects the pension plan that will be offered, after consulting with employees. Employers must make contributions on behalf of every employee with limited exceptions. The exceptions include employees who do not have Caymanian status or are not permanent residents and have been working for nine months or less or who do housework in a private residence.

Pension coverage is therefore compulsory for all eligible employees. Employers are permitted to amend a plan or change providers as long as an agreement has been reached with employees and the proper process followed.

Both the employer and employee are required to contribute at least 5% of an employee's earnings, up to a maximum amount. Together, the employer and employee make contributions of at least 10% of pensionable earnings. Self-employed persons must contribute a minimum of 10% of their pensionable earnings to a registered pension plan.



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