

PSPB MD's Remarks -
2015 Household Budget Survey Campaign Launch & Press Briefing

The Public Service Pensions Board is always eager to support Government Departments like the ESO whenever possible, especially when they are undertaking important projects like the **Household Budget Survey**.

The outcome of this survey will help to dictate a very important feature of Public Service Pensions that many civil servants are unaware of until they are actually in receipt of their pension at retirement. The Consumer Price Index or the CPI is used by the PSPB to protect pensions already in payment from being eroded by inflation over time. This plan provision is enshrined in legislation and the PSPB with the assistance of ESO is able to augment pensions being paid to retirees on annual basis in accordance with the Public Service Pensions Law.

This protection was formally introduced by way of law in 1999 to ensure that what our pensioners are able to purchase today with their pension benefit, they are able to purchase those same goods 20 years later after prices have climbed.

This year, 2014, the pension augmentation that was credited to the monthly benefit of our pensioners in receipt of a monthly benefit prior to 31 December 2013, was 2.2%. Our pensioners who retired this year will be credited with next year's augmentation on the first day of next year as stipulated by the Law.

Finally, I would like to encourage everyone not just public sector retirees and employees to complete the Household Budget Survey not only to assist in ensuring that pension benefits are protected from inflation, but also to help ensure that the cost of living in the Cayman Islands can be accurately calculated and used to inform debate on various key social matters, including pension.