



# Portability

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At present, non-resident members whose fixed term (less than 3 years) employment contracts are completed and who leave the Cook Islands may receive their employee contributions as a cash payment, but forfeit any contributions made by their employer to the CINSF Reserve Fund.

## Current Rules

- Employee contributions
  - May be paid as a cash payment to the member
  
- Employer contributions
  - Forfeited by the member and paid to the Reserve Fund

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We propose amending the rules to provide non-resident members with a choice of building their retirement savings by allowing the transfer of both employee and employer contributions to another approved scheme.

## Proposed Changes

- First Amendment – Employee contributions only
  - May be paid as a cash payment to the member or
  - May be transferred to an overseas registered superannuation scheme
  
- Second Amendment – Employee and Employer contributions
  - May be transferred to an overseas registered superannuation scheme; or
  - May be left in the scheme until retirement

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## ■ Actions required for First Amendment:

- Amendment of Trust Deed
- Amendment of Member Booklet
- Communication regarding proposal to current members
- Amendment/new forms to apply for an overseas transfer

## ■ Target Implementation:

- 1 July 2015

## ■ Actions required for Second Amendment:

- Requires Policy and legislative change
- Target implementation – subject to Cook Islands Government direction

# Other Considerations

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- Consideration will be given to extend portability to members who have reached retirement age or members/pensioners who permanently emigrate from the Cook Islands following feedback from member survey and questions and answer submissions.