

# PIAJ NEWS

*PIAJ Newsletter 15th Anniversary Edition*

## JAMAICA IS PENSION POWERED!

Yes, we know that this statement may be more aspirational than factual. This goal however is not new to us, as our vision is to see a Jamaica in which 100% of the workforce participates in a pension arrangement.

In an effort to move towards our stated objectives, we have launched our first communication campaign called "We are Pension Powered!" It is designed to engage the average Jamaican in an informative discourse on opportunities for personal wealth creation offered through pension savings.

Central to it is the pension savings calculator that illustrates how the magic of time and compound interest can generate a solid base for retirement. This easy-to-use tool can be found at [www.calc.piaj.org.jm](http://www.calc.piaj.org.jm).



**Don't lose  
out on your  
best years!**

Follow us to find out the best  
ways to retire comfortably.

### Thank You NCBIC!

We wish to thank **NCB Insurance Company**, our very first campaign sponsor for its unwavering belief and commitment to our initiative! Look out for the list of new sponsors that will be coming on board later this month! Will you be part of this game changing campaign?



# AMENDMENTS TO THE PENSION INVESTMENT REGULATIONS

The Pensions Investments Regulations were amended and made available to the public by the Jamaica Printing Services on September 19, 2019. The amended regulations are considered 'fast tracked' to increase the universe of investable assets for pension funds. The Financial Services Commission (FSC) has also indicated that the comprehensive phase two reforms are targeted for March 2020.

Even though the changes in the amended regulations were primarily investment focused, the regulations also outlined specific requirements to be included in Pension Funds Statement of Investment Policies and Principles (SIPP) and attendant requirements for investment managers.

The following outlines a few key changes to the investment limits:

- **Distinction between private companies and public companies** Private companies adopt the definition in the Companies Act. Any company that does not fit the definition of a private company is considered a public company. This is inclusive of foreign public companies.
- **Debt and equity of private companies** cannot exceed 5% of the total value of assets of a fund or scheme. Additionally, assets of pension funds cannot be invested in foreign private companies.
- **Unsecured corporate obligations of public companies** cannot exceed 5% of the total value of assets of a fund or scheme if the obligations are not traded on a recognized exchange or do not have investment grade credit ratings.
- **The concentration limit has increased from 5% to 10%** of the total value of assets of a fund or scheme.
- **There is a separate limit for secured leases of 10%** of the total value of assets of a fund or scheme.
- **Other Investment** The regulations have maintained a provision of the category other investments. These can be up to 5% of the total value of assets of a fund or scheme.
- **Foreign currency limit** provision has been amended to reflect that a pension plan's total exposure to foreign currency assets cannot exceed cannot exceed 20% or the Bank of Jamaica prescribed limit, whichever is lower.

## Transition to compliance:

- The FSC notified the industry that revised SIPPs which incorporate the specific requirements, should be submitted to the agency by May 31, 2020.
- The amended regulations do not outline a time period within which pension funds are to become compliant with the new investment limits. However, the PIAJ, in discussions with the FSC, was advised that the expectation is for pension plans to grow into compliance.

## What's next?

- Members are encouraged to provide feedback by January 15th 2020. The PIAJ will be meeting with the FSC in January to discuss the amendments and its initial impact on the industry.
- Obtain a timeline from the FSC on when it plans to publish, via gazette, the list of approved credit rating agencies and its definition of investment grade.



# HAPPY NEW YEAR!





Giving thanks for the privilege of serving our nation for the past 15 years and asking for guidance for the next 15 at Swallowfield Chapel !

L-R PIAJ Directors pose with Swallowfield pastors at the start of 15th Anniversary celebrations

## A BRAND NEW NAME & A BRAND NEW LOOK!

We know that the our industry is interesting and rewarding – pun intended! However, in order for pension coverage to grow, we can't be the only ones who are enthused by its many benefits.

For this reason, your association now has a new name - **The Pension Industry Association of Jamaica**. It is one that acknowledges the diversity of our stakeholders and lets them know that in us they have a trusted advocate.

Our brand new name needed a brand new look. Our new logo debuted at the start of our 15th Anniversary celebrations in November. It will proudly declare our 15 years of industry support until the end of November 2020.

The website and social media pages are jazzed up too. Find us at [www.PIAJ.org.jm](http://www.PIAJ.org.jm) and @pensionsjamaica on Twitter and Facebook.



# HAPPY NEW YEAR!



# PIAJ IN THE NEWS

*Click any of the links below to catch up on the stories you may have missed*

## **PIAJ Lauds Inclusion of Tourism Workers in Pension Scheme**

<http://www.jamaicaobserver.com/sunday-finance/pension-industry-association-of-jamaica-lauds-inclusion>

**Pensions Pressure** [http://www.jamaicaobserver.com/front-page/pensions-pressure-experts-say-growing-elderly-population-poses-threat\\_179485](http://www.jamaicaobserver.com/front-page/pensions-pressure-experts-say-growing-elderly-population-poses-threat_179485)

**Experts Praise New Tourism Scheme** [http://m.jamaicaobserver.com/sunday-finance/experts-praise-new-tourism-pension-scheme\\_179817?profile=1056](http://m.jamaicaobserver.com/sunday-finance/experts-praise-new-tourism-pension-scheme_179817?profile=1056)

## **Pension Lobby Group Calls on Regulator to Loosen Restrictions**

[http://m.jamaicaobserver.com/news/pension-lobby-group-calls-on-regulator-to-loosen-restrictions\\_179464?profile=1373](http://m.jamaicaobserver.com/news/pension-lobby-group-calls-on-regulator-to-loosen-restrictions_179464?profile=1373)

## **PIAJ cautions start up businesses about investments**

[http://www.jamaicaobserver.com/business-report/piaj-cautions-start-up-companies-about-investments-coming-their-way-from-new-pension-regulations\\_179651](http://www.jamaicaobserver.com/business-report/piaj-cautions-start-up-companies-about-investments-coming-their-way-from-new-pension-regulations_179651)

**FSC to wrap up phase two pension reforms in March 2020** <http://jamaica-gleaner.com/article/business/20191115/fsc-wrap-phase-two-pension-reforms-march-consultant-working-micro-pension>



“

My vision is for Jamaica to achieve a **FIRST CLASS** pension framework - one that allows the **ENTIRE** working population to benefit from pension coverage... and one that is **ATTRACTIVE** to persons who are considering retirement planning.

”

Sanya Goffe  
PIAJ President

In celebration of our 15th anniversary, we invite you to join the conversation and share your 2020 wish for our pension industry at

@PENSIONSJAMAICA

