

Further amendments to Bermuda's pension scheme

Service area / [Employment, Pensions and Incentives](#)

Location / [Bermuda](#)

Date / [May 2020](#)

The National Pension Scheme (Occupational Pensions) Act 1998 amendments

On 8 May 2020, the Bermuda House of Assembly fast-tracked further amendments to the National Pension Scheme (Occupational Pensions) Act 1998 (Act). The National Pension Scheme (Occupational Pensions) Amendment Act 2020 (Amendment Act), which received approval by the Senate on 13 May 2020, awaits signature and confirmation by the Governor of Bermuda. Once approved and operational, the Amendment Act will provide persons with emergency relief to financial hardship during these unprecedented times.

Which sections of the Act will be amended?

- Section 24; and
- Section 35 of the Act.

What do the proposed amendments mean?

- Section 24 of the Act now provides that a lump sum of up to \$12,000 of a vested pension balance may be refunded to a member or former member of a defined contribution pension plan or local retirement product; and
- Section 35 of the Act will exempt multi-employer pension plans from the requirement to make payments to former members of the pension plan.

Eligibility

- Must be under the age of 65;
- Must not be retired;
- Must be a member or former member of a private, defined contribution pension plan or local retirement product;
- Any application would need to be made before 30 June 2021; and
- Will not need to prove hardship to receive the one-time payment from their pensions.

How do I apply for this refund?

- An application must be made directly to your plan administrator.

How long will it take to receive your payment?

- Once your application is approved, your plan administrator will have up to 20 working days to remit payment.

The National Pension Scheme (Occupational Pensions) Amendment Act 2019 amendments

In addition, on 13 May 2020, the Senate also passed an amendment to section 19(b) of the National Pension Scheme (Occupational Pensions) Amendment Act 2019.

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What do the proposed amendments mean?

Section 19(b) of the Act now allows members or former members of a defined contribution pension plan and members of local retirement products to make a one-time withdrawal of up to 25% of their account balance.

Eligibility

- Must be 65 or older;
- Must be retired; and
- Must be a member or former member of a defined contribution pension plan and a member of a local retirement product.

How do I apply for this withdrawal?

- An application must be made directly to the Pension Commission.

Once the above amendments are operative and an effective date has been published, we will publish a further briefing.

To learn more about the changes to the National Pension Scheme and how they could affect you, please contact your normal Carey Olsen contact as required.



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