

## Alert

### Bermuda Amends National Pension Scheme - Update #3

Author: Stephanie C. Bernard, Counsel

Following our alert of March 2020, providing an update about the amendments to the National Pension Scheme, we further update on amendments passed in Bermuda's House of Assembly on Friday 8 May 2020, to section 24 of the National Pension Scheme (Occupational Pensions) Act 1998 ("the NPS Act") which expands the ability of members and former members of defined contribution pension plans and local retirement products to obtain limited refunds from their pension balances.

Subject to confirmation by the Senate and the Governor (which we understand may happen as early as this Wednesday, 13 May 2020) and to the Minister of Finance appointing an operative date, section 24 of the NPS Act, which provides for limited refunds, will be further amended by the National Pension Scheme (Occupational Pensions) Amendment Act 2020 ("the NPS Amendment Act") in two significant ways.

First, any member or former member of a defined contribution pension plan or local retirement product, who has not attained normal retirement age and has not retired, will be able to obtain a refund of up to \$12,000 of their vested pension balance. This refund will be available once only on application by plan members or former members to plan administrators until 30 June 2021. Plan administrators must make payment of the refund within twenty working days after approving the application.

Second, sub-section 24(9(b) of the NPS Act will be further amended to offer lump sum withdrawals of up to 25% following retirement to former members of defined contribution pension plans and members of local retirement products only. This refund will be available once only on application by such members or former members to the Pension Commission.

We expect that the availability of these pension refunds will be welcome news to those struggling with the economic impact of COVID-19 within the community. We await the further confirmations and appointment of an operative date to make these amendments effective and will issue another update when that occurs.

To learn more about the changes to the National Pension Scheme and how they could affect you or your employees please contact your usual Conyers lawyer or any of those listed below.

#### Author:

**Stephanie C. Bernard**  
Counsel  
stephanie.bernard@conyers.com  
+1 441 298 7875

#### Other Contacts:

**Craig W. MacIntyre**  
Director  
craig.macintyre@conyers.com  
+1 441 299 4907

**Nicola Bruce**  
Associate  
nicola.bruce@conyers.com  
+1 441 299 4936

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For further information please contact: [media@conyers.com](mailto:media@conyers.com)