

## Alert

### Bermuda Amends National Pension Scheme - Update #4

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**The amendments to section 24 of the National Pension Scheme (Occupational Pensions) Act 1998 (“the NPS Act”) that expand the ability of members and former members of defined contribution pension plans and local retirement products to obtain limited refunds from their pension balances, will become operative on 1 June 2020.**

Section 24 of the NPS Act, which provides for limited refunds, has been 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, may 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 has been further amended to offer lump sum withdrawals of up to 25% to former members of defined contribution pension plans and members of local retirement products only once they have attained age sixty-five (unless the pension plan specifies an earlier normal retirement) and have retired. 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.

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.

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