



## **BERMUDA REVISES PENSIONS SCHEME**

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Changes to Bermuda's National Pension Scheme include a requirement to enroll most expatriate employees in a pension plan registered in Bermuda, with an exemption for US citizens who participate in a 401(k) plan. The changes feature in the [National Pension Scheme \(Occupational Pensions\) Amendment Act 2019](#) that passed parliament in November 2019.

Highlights and effective dates:

- Expatriate employees working in Bermuda for periods exceeding 12 months must enroll in a Bermuda-registered pension plan. Under the old law, only Bermudians and their spouses were required to enroll. However, US citizens enrolled in a 401(k) plan are exempt. (2 Mar 2020)
- The vesting period has been reduced from two years to one year. (2 Mar 2020)
- Former members who have reached the normal retirement age and retired can cash out small pension benefits not exceeding BM\$50,000. (2 Jan 2020)
- Members and former members who have reached the normal retirement age and retired can withdraw a lump sum up to 25% of the value of their pension account or commuted value of their benefits. (2 Mar 2020)
- Employers will be subject to new recordkeeping duties for payroll and pension information. (2 Mar 2020)
- Annual defined benefit statements issued to members must include a summary of fees and expenses. (30 Dec 2019)
- Audited pension plan financial statements must be prepared if their market value exceeds BM\$3 million, up from BM\$1 million. (30 Dec 2019)
- Employers and pension administrators face tougher sanctions for non-compliance. (2 Mar 2020)

## RELATED RESOURCES

- [National Pension Scheme \(Occupational Pensions\) Amendment Act 2019](#) (Parliament of Bermuda)
- [Assent of The Governor](#) (Government of Bermuda, 24 Dec 2019)
- [Commencement Notice 2019](#) (The Official Gazette, 30 Dec 2019)

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