

A BILL

entitled

NATIONAL PENSION SCHEME
(OCCUPATIONAL PENSIONS) AMENDMENT ACT 2020

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WHEREAS it is expedient to amend the National Pension Scheme (Occupational Pensions) Act 1998, and to make related amendments;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the National Pension Scheme (Occupational Pensions) Act 1998 (the "principal Act"), may be cited as the National Pension Scheme (Occupational Pensions) Amendment Act 2020.

Amends section 24

2 Section 24(9) of the principal Act is amended by inserting the following after paragraph (b)—

"(c) of a lump sum, in the case of a defined contribution pension plan or a local retirement product, of up to \$12,000 during such period as may be prescribed."

Amends section 35

3 Section 35 of the principal Act is amended by inserting the following after subsection (2)—

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“(3) This section does not apply in respect of a multi-employer pension plan.”.

Amends 2019:48

4 Section 19(b) of the National Pension Scheme (Occupational Pensions) Amendment Act 2019 (which amends section 24(9) of the principal Act) is repealed and replaced with the following—

“(b) of a lump sum, where the member or former member has attained normal retirement age and has retired, of up to 25% of his account balance, in the case of a defined contribution pension plan or a local retirement product, as may be prescribed;”.

Commencement

5 This Act comes into operation on such day as the Minister appoints by Notice published in the Gazette.

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(OCCUPATIONAL PENSIONS) AMENDMENT BILL 2020

EXPLANATORY MEMORANDUM

This Bill seeks to amend the National Pension Scheme (Occupational Pensions) Act 1998 (the “principal Act”), and to make related amendments.

Clause 1 provides a citation for the Bill.

Clause 2 amends section 24 (Restrictions on refunds) to provide for refunds, in the case of defined contribution pension plans and local retirement products, of up to \$12,000 for a specified period of time as prescribed.

Clause 3 section 35 (Small pensions) is amended to exempt multi-employer pension plans from the requirement to make payments to former members of the pension plan.

Clause 4 amends section 19(b) of the National Pension Scheme (Occupational Pensions) Amendment Act 2019 by removing subparagraph (ii) relating to defined benefit pension plans.

Clause 5 provides for the Bill to come into operation by notice published in the Gazette.