

**A BILL**

**entitled**

**NATIONAL PENSION SCHEME (OCCUPATIONAL PENSIONS) AMENDMENT  
ACT 2024**

WHEREAS it is expedient to amend the National Pension Scheme (Occupational Pensions) Act 1998 as concerns a member or former member of a defined contribution pension plan or a local retirement product, who has not attained the normal retirement age, to enable such member, their husband or wife, or their child, who intends to be a first time homeowner, to receive a portion of the vested pension account balance of such member to apply towards the purchase of a principal residence in Bermuda; to amend the principal Act in section 69 to empower the Minister to make regulations for the purpose of prescribing the requirements and conditions that are to apply to enable a member or former member of a defined contribution pension plan or a local retirement product, who has not attained the normal retirement age, to invest a portion of their account balance within Bermuda; and to provide for matters that are incidental or related to the foregoing;

Be it enacted by The King'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 2024.

**Amends section 24**

2 Section 24(9) of the principal Act is amended—

- (a) in paragraph (e), by deleting the period and substituting a semicolon;
- (b) by inserting after paragraph (e) the following new paragraph—

“(f) of a lump sum of up to—

- (i) 30% of the account balance of the member or former member of a defined contribution pension plan or a local retirement

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product, where such member is under the age of 45 years old;

- (ii) 15% of the account balance of the member or former member of a defined contribution pension plan or a local retirement product, where such member is 45 years old or older but has not yet attained the age of 65 years,

for such member, their husband or wife, as the case may be, or their child, to apply towards the purchase of a principal residence in Bermuda as a first time homeowner as may be prescribed.”.

**Inserts section 24A**

3 The principal Act is amended by inserting after section 24 the following new section—

**“Repayment of lump sum if purchase of residence under section 24(9)(f) fails**

24A (1) Where a lump sum has been paid pursuant to section 24(9)(f) towards the purchase of a principal residence in Bermuda, but the seller of the residence to be purchased fails or is unable to complete the contract of sale—

- (a) the seller, his barrister and attorney or other person who received the lump sum paid shall forthwith return the full amount of the lump sum to the applicable administrator; and
- (b) the Commission may, without prejudice to any other remedy for recovery of the lump sum or any unpaid part of it, recover the lump sum or any unpaid part of it in a court of summary jurisdiction as a civil debt.

(2) The administrator shall, upon receipt of the lump sum as provided in subsection (1)(a), or any part of such lump sum, notify the Commission of the amount of the lump sum that has been returned.”.

**Amends section 69**

4 Section 69(1) of the principal Act is amended by inserting after paragraph (f) the following new paragraph—

- “(fa) prescribing the requirements and conditions that are to apply to enable a member or former member of a defined contribution pension plan or a local retirement product, who has not attained the normal retirement age, to invest, within Bermuda, a portion of their account balance;”.

**Commencement**

5 This Act shall come into operation on such day as the Minister may appoint by notice published in the Gazette.

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**EXPLANATORY MEMORANDUM**

This Bill seeks to amend the National Pension Scheme (Occupational Pensions) Act 1998 as concerns a member or former member of a defined contribution pension plan or a local retirement product, who has not attained the normal retirement age, to enable such member, their husband or wife, or their child, who intends to be a first time homeowner, to receive a portion of the vested pension account balance of such member to apply towards the purchase of a principal residence in Bermuda; to amend the principal Act in section 69 to empower the Minister to make regulations for the purpose of prescribing the requirements and conditions that are to apply to enable a member or former member of a defined contribution pension plan or a local retirement product, who has not attained the normal retirement age, to invest a portion of their account balance within Bermuda; and to provide for matters that are incidental or related to the foregoing.

Clause 1 provides a citation for the Bill.

Clause 2 amends the principal Act in section 24(9) by inserting a new paragraph (f) to enable a member or former member of a defined contribution pension plan or a local retirement product, who has not attained the normal retirement age and who is to be a first time homeowner, for such member, their husband or wife, or their child, to receive a refund of 30% of their account balance, in the case of a member under the age of 45 years, or a refund of 15%, in the case of a member who is 45 years old or older but has not yet attained the age of 65 years, to apply towards the purchase of a principal residence in Bermuda.

Clause 3 amends the principal Act by inserting after section 24 a new section 24A to provide for the return or recovery of the lump sum paid towards the purchase of a principal residence in Bermuda in the case where the seller fails or is unable to complete the sale. An administrator who receives the returned lump sum is required to notify the Commission of the lump sum returned.

Clause 4 amends the principal Act in section 69(1) to empower the Minister to make regulations for the purpose of prescribing the requirements and conditions that are to apply to enable members or former members of a defined contribution pension plan or a local retirement product, who have not attained the normal retirement age, to invest a portion of their account balance within Bermuda.

Clause 5 provides for the Minister to cause the Act to come into operation by notice published in the Gazette.