



BERMUDA

NATIONAL PENSION SCHEME
(LUMP SUM REFUND) REGULATIONS 2020

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The Minister of Finance, in exercise of the power conferred by sections 24(9)(b) and 69 of the National Pension Scheme (Occupational Pensions) Act 1998, makes the following Regulations:

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Citation

1 These Regulations may be cited as the National Pension Scheme (Lump Sum Refund) Regulations 2020.

[Regulation 1 amended by 2020 : 33 s. 4 effective 10 August 2020]

Interpretation

2 In these Regulations, unless the context indicates otherwise—

“account balance” means the market value of all the contributions, plus earnings thereon, in the applicant’s account;

“the Act” means the National Pension Scheme (Occupational Pensions) Act 1998;

“applicant” means a person who has attained normal retirement age, and who makes an application under these Regulations;

“refund” means a lump-sum refund of up to 25% of the applicant’s account balance provided for under section 24(9)(b) of the Act;

“relevant statement” has the meaning given in regulation 5;

“working day” means a day that is not a public holiday.

[Regulation 2 definition “applicant” amended by 2020 : 33 s. 4 effective 10 August 2020]

Application of Regulations

3 These Regulations apply to an applicant who is—

(a) a member or former member of a defined contribution pension plan; or

(b) a member or policy-holder of a local retirement product.

[Regulation 3 paragraph (a) amended by 2020 : 33 s. 4 effective 10 August 2020]

Applying for a Refund

Applying for a refund

4 (1) An applicant may make one application for a refund in respect of his account.

(2) The application shall be made to the Pension Commission on the application form provided by the Commission.

(3) The application form must be dated and signed by the applicant, and shall be accompanied with the following—

(a) the documents requested in the application form in support of the application; and

(b) the relevant statement referred to in regulation 5.

(4) The applicant shall, in addition to the matters required under paragraph (3), provide such additional information or documents requested by the Commission to assist

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it in determining the application, within the time specified by the Commission by notice in writing.

(5) Where an applicant has more than one account, he shall make one application only in respect of any or all of those accounts.

Relevant statement

5 (1) The relevant statement required under regulation 4(3)(b) shall be the written statement, showing the value of the applicant's account balance, issued by the administrator of the pension plan or local retirement product within thirty days of the date stated on the application form required under regulation 4(2).

(2) A person who intends to apply for a refund must request the administrator of the pension plan or local retirement product to provide him with the relevant statement.

(3) The administrator shall, where a request has been made under paragraph (2), provide the applicant with the relevant statement within seven working days of receipt of the request.

Incomplete or defective applications

6 Where an application is incomplete or defective in a material respect the applicant shall, within the time specified by the Commission by notice in writing, complete the application or remedy the defect.

Duties of the Commission

Consideration of applications

7 (1) The Commission shall not approve an application made under regulation 4 where the applicant fails within the time specified by the Commission to—

- (a) provide such additional information or documents, where a notice has been issued to the applicant under regulation 4(4);
- (b) complete or remedy the application, where a notice has been issued to the applicant under regulation 6.

(2) The Commission shall not approve more than one application during the lifetime of an applicant.

Determining amount of refund

8 When determining the amount of a refund, the Commission shall take into account the vested portion only of the account balance shown on the relevant statement.

Notification of decision

9 (1) Where the Commission approves an application, it shall notify the applicant and the administrator in writing of its decision.

(2) The notice to the administrator shall—

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- (a) state the total amount of the refund to be paid to the applicant; and
- (b) direct the administrator to make payment to the applicant from out of the applicant's account.

(3) Where the Commission denies an application, it shall notify the applicant in writing giving the reason for its decision.

[Regulation 9 paragraph (3) inserted by 2020 : 33 s. 4 effective 10 August 2020]

Record keeping

10 The Commission shall retain every application received with supporting documents, together with notices issued, and the materials and information supporting its determination of the application.

Duties of the Administrator

Payment to applicant

11 The administrator shall make payment of the refund to the applicant within twenty working days of receipt of the direction issued by the Commission under regulation 9(2)(b).

Administrator not to impose fees

12 The administrator shall not impose a charge against the account of the applicant or require payment from the applicant in respect of any duty or requirement performed by him under these Regulations.

Administrator to comply with Regulations

13 (1) The administrator shall comply with the duties imposed under these Regulations notwithstanding any terms of the pension plan or local retirement product to the contrary.

(2) The administrator shall have regard to any advice or guidance, issued by the Commission, in the performance of his duties under these Regulations.

Supplemental Provision

Commencement

14 These Regulations come into operation on such day as the Minister appoints by notice published in the Gazette.

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Made this 28 day of May 2020

Minister of Finance

[Operative Date: 01 June 2020]

[Amended by:
2020 : 33]