

Instructions for Completing Form 5

Application to the Pension Commission for Approval of a Refund of Money from Occupational Pension Schemes and/or Local Retirement Products under the National Pension Scheme (Occupational Pensions) Act 1998 Based on Financial Hardship

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These Instructions are intended to assist applicants for a financial hardship refund in completing the Financial Hardship Application Form 5

Applying for Financial Hardship Refund: The Application Process Step-by-Step

HOW TO APPLY

Step 1: Read the Instruction Summary (page 4 below) and determine which category or categories you qualify to apply under.

The categories in which you can apply are Parts 2A – 2E.

Step 2: Fully Complete the Application – please see the Instructions for guidance in filling out the Application properly.

If your Application is incomplete or inaccurate your application may not be approved.

The Application will not be valid if it is not signed and dated before the Pension Commission receives it. Any attached documents will not be valid if dated more than the stated period before the Pension Commission receives them.

A \$100 Application fee is required, unless you have reached normal retirement age (65) and have retired. No cash payments are accepted. Credit or debit cards may be used for payment or you may request a cheque from the administrator of your pension scheme or local requirement product in the amount of the Application fee made payable to the Pension Commission.

Step 3: Mail the Application to: or Email the Application to:

Pension Commission
P O Box HM 3384
Hamilton HM PX
Bermuda

info@pensioncommission.bm

You may also deliver the Application in person at the Commission's office.

Step 4: Wait for a letter indicating whether or not your request has been approved. Read the letter carefully.

If your Application is approved, you will receive an approval letter from the Pension Commission. Proceed to Step 5.

OR

If your Application is not approved you will receive a letter explaining the reasons why you do not qualify under the category or categories of financial hardship under which you applied.

Please note that the \$100 Application fee is non-refundable.

Step 5: If your application is approved, the Plan Administrator that administers your pension scheme and/or local retirement product will be notified.

If your application is approved, the Pension Commission will notify your administrator of the amount to be refunded from your account and direct them to make the payment.

Step 6: Payment of funds.

Unless you contact your administrator to request otherwise (i.e., to delay the payment or not make the payment), your administrator must make the payment of the approved amount of the refund directly to the required person or entity within 15 working days of receiving the Pension Commission's approval notification. For additional months of rental payments approved, the administrator shall make these payments all at once unless requested otherwise by the applicant.

INSTRUCTION SUMMARY – FORM 5

Which Parts of the Application to Complete

You do not need to complete every Part of the Application unless you are applying for more than one type of financial hardship. The Parts of the Application that you need to complete depend on the category or categories of financial hardship you want to apply under. See Instructions for detailed help on each Part.

For all financial hardship Applications, you **must** complete the following Parts of the Application.

- Part 1 :** Information About the Applicant
- Part 3 :** Certification by the Applicant
- Part 4 :** Authorization Regarding Personal Information

Below are the categories of financial hardship in the Application for which you can apply. **You must select at least one of them.**

Part 2A : **Refund for a Threat of Loss of Principal Residence**
You need money to avoid a loss of your principal residence or your husband's or wife's principal residence due to unpaid mortgage payments or other payments relating to a debt secured against your or your husband's or wife's principal residence.

Part 2B : **Refund for Eligible Medical Expenses**
You, your dependant or parent need money to pay for eligible medical expenses to treat an illness or disability that any of you have. A refund cannot be received in respect of such expenses that have already been paid or which are due to be paid by a third party. For example, the medical expenses claimed in this Part cannot have been paid or be payable through any medical insurance coverage (whether public or private).

For Part 2B, you must provide a copy of the invoice or estimate of the unpaid eligible medical expenses and a certification signed by a Health Professional is required. Please see the Instructions for completing Part 5 (page 14 of these instructions) for further details.

Part 2C : **Refund for Eligible Educational Expenses**
You, your husband or wife, your sibling or your child need money to pay for eligible educational expenses at a relevant educational establishment (Bermuda College and any other accredited overseas university, college or educational institution providing tertiary education and recognized by the Commission. **Please note that high schools or preparatory schools are not eligible**). A refund cannot be received in respect of such expenses that have been paid or which are due to be paid by a third party.

Part 2D : **Refund for Arrears of Rent**
You need money to avoid eviction from your rental home due to rental arrears.

Part 2E : **Refund for Eligible Funeral Expenses**
You need money to pay for eligible funeral expenses on your behalf or your dependant or parent. A refund cannot be received in respect of such expenses that have already been paid or which are due to be paid by a third party. For example, the funeral expenses claimed in this Part cannot have been paid or be payable through any insurance coverage (whether public or private) or by some other person or body.

For Part 2E, you must provide a copy of the invoice or estimate of the unpaid eligible funeral expenses.

If the financial hardship you are experiencing does not fall into one of the categories of financial hardship described above for Parts 2A to 2E of the Application, do not apply to the Pension Commission for approval for a refund of money from your occupational pension scheme or local retirement product.

General Information About Making an Application

Complete the attached Application if you want to apply to the Pension Commission for approval of a refund of money from your occupational pension scheme or local retirement product because you are experiencing **financial hardship**. **Please include a copy of your Government issued identification and copies of any required documents.**

To qualify, your financial hardship must fall into one or more of the categories of financial hardship described on page 4 of these Instructions. The Pension Commission can only approve the refund of money if the amount you are able to withdraw is **at least \$1,000**. **This means that you must have at least \$5,000 vested commuted value of accrued benefits (in your defined benefit plan) or \$5,000 vested account balance (in your defined contribution plan and/or local retirement product(s)) at the time of application, in order to apply.**

The total amount that can be refunded for all categories of financial hardship is 20% of the vested portion of the commuted value of your accrued benefit (in a defined benefit plan) or 20% of your vested account balance(s) (in a defined contribution plan or local retirement product). If you qualify, what you will receive will be based upon the actual amounts stated in invoices or statements submitted with your application, up to the 20% maximum.

You can apply for a refund from more than one pension scheme and/or local retirement product in a single Application. If you have more than one, then additional information is required, as specified in the questions in Part 1.

If the Pension Commission is not satisfied that the Application or the documents you attach to the Application meet the requirements for a refund, you may be required to provide additional information or documents to satisfy these requirements.

YOU CANNOT USE THE ATTACHED APPLICATION TO APPLY FOR A REFUND OF MONEY IF:

- **The account you wish to make the withdrawal from is an annuity.**
- **The money you seek to have refunded is not governed by the National Pension Scheme (Occupational Pensions) Act 1998.**
- **The money you seek to have refunded includes employer non-vested contributions and related earnings. In such cases you may only apply for a refund of funds you are vested in.**
- **You seek a refund for a category of financial hardship that is not permitted.**
- **You want to apply for a refund of money because you face shortened life expectancy.** This type of application must be made directly to the plan administrator that administers your pension scheme and/or local retirement product and you should contact them directly to find out how to make this type of application.

YOU CANNOT APPLY FOR A REFUND OF MONEY FROM A PENSION SCHEME AND/OR LOCAL RETIREMENT PRODUCT FOR ANY CATEGORY OF FINANCIAL HARDSHIP UNTIL 5 YEARS AFTER THE DATE YOUR LAST APPLICATION WAS APPROVED. IF SUCCESSFUL, YOU CAN ONLY RECEIVE A REFUND UP TO A MAXIMUM OF 20% OF THE VESTED PORTION OF THE COMMUTED VALUE (FOR DEFINED BENEFIT PLANS) AND 20% OF THE VESTED ACCOUNT BALANCE(S) (FOR DEFINED CONTRIBUTION PLANS AND LOCAL RETIREMENT PRODUCTS) AT THE TIME OF APPLICATION. PLEASE NOTE THAT THE ACTUAL AMOUNT APPROVED WILL BE BASED UPON THE AMOUNTS STATED IN INVOICES OR STATEMENTS SUBMITTED WITH THE APPLICATION, UP TO THE 20% MAXIMUM.

FURTHERMORE, YOU CAN ONLY RECEIVE A REFUND FOR FINANCIAL HARDSHIP A MAXIMUM OF TWO TIMES DURING YOUR LIFETIME.

THE PENSION COMMISSION CAN ONLY APPROVE THE REFUND OF MONEY IF THE AMOUNT YOU ARE ABLE TO WITHDRAW IS AT LEAST \$1,000

**THINK CAREFULLY BEFORE MAKING AN APPLICATION AS ANY REFUNDS
WILL LIKELY RESULT IN A REDUCED PENSION AT RETIREMENT.**

Definitions for the Purpose of the Application

The following definitions apply for the purposes of the Application:

Applicant

Means a member or former member of a pension scheme and/or local retirement product who makes an application.

Child

Means a child, step-child or adopted child of the applicant, and includes a child of a male applicant who is the registered father of the child or has been adjudged by a court to be the father of the child.

Dependant

A dependant is the husband or wife of the applicant or a child or sibling of the applicant who is in fact dependent on the financial support of the applicant or the applicant's husband or wife on the application date.

Eligible Educational Expenses

Means a relevant educational establishment's tuition fees, expenses for residence halls and meal plans, rent payable to a landlord for housing and other expenses recognized by the Pension Commission for the purposes of the regulations.

Eligible Medical Expenses

Means medically necessary goods or services of a medical or dental nature in respect of an illness or disability, recognized by the Pension Commission for purposes of the regulations, and for which the applicant (or his dependant or parent, as the case may be) does not have medical insurance coverage, including medical or dental services provided by a hospital or a health care provider; services provided by an attendant or a nursing home to a person suffering a severe and prolonged disability; services provided by a caregiver; ambulance services; medical devices such as wheel chairs, artificial limbs and spectacles; purchase, training and care of a guide dog; dentures; rehabilitative therapy; prescription drugs and diagnostic testing. It does not include elective or cosmetic medical or dental goods or services.

Eligible Funeral Expenses

Means interment expenses, cremation expenses or other related funeral home expenses recognized by the Commission for purposes of the regulations.

Financial Hardship

Is a situation in which the applicant (or as applicable their dependant or parent) faces an expense or expenses in relation to a circumstance of financial hardship in which there is no other reasonable way of raising money to pay the expense or expenses other than a refund from the applicant's pension plan or local retirement product.

Health Professional

Is a person defined in section 2 of the Bermuda Health Council Act 2004 or a person with qualifications accepted as equivalent by the Pension Commission.

Landlord

In relation to a particular tenant, means the person entitled to receive rent from the tenant.

Tenant

Means the person who, as between himself and the landlord, is entitled to exclusive possession of the premises in question.

Principal Residence

Means a housing unit located in Bermuda which is owned by the applicant or the husband or wife of the applicant and ordinarily inhabited by the applicant on the application date. **A person can only have one principal residence at any one time for the purposes of the Application.**

Rental Home

Means a home located in Bermuda which is rented by the applicant or the husband or wife of the applicant and ordinarily inhabited by the applicant on the application date. **A person can only have one rental home for the purposes of the Application.**

Relevant Educational Establishment

Means the Bermuda College and any other accredited overseas university, college or educational institution providing tertiary education and recognized by the Pension Commission for the purposes of the regulations.

Relevant Funeral Home

Means a business in Bermuda, recognized by the Commission for the purposes of the regulations, that provides cremation, interment and related funeral services.

Third Party

Means anyone other than the applicant or a dependant of the applicant (or the parent of the applicant, if the applicant is applying for a refund of eligible medical expenses in respect of that parent), including an employer, an insurer, the Government of Bermuda and its agencies, a charitable or philanthropic organization and a friend or relative of the applicant.

Working Day

Does not include a Saturday, Sunday or other public holiday within the meaning of the Public Holidays Act 1974.

Instructions for Completing Part 1 Information About the Applicant

Question 1. Provide the following information about yourself.

Please ensure all boxes are completed, if applicable.

Question 2. What is the plan registration number or reference number and policy number (if applicable) of your pension scheme(s) and/or local retirement product(s)?

Please provide your registration or reference number and policy number (if applicable) from the pension plan administrator where your pension scheme(s) or local retirement product(s) is (are) held. This number should be on your statement.

You should contact your pension scheme(s) and/or local retirement product(s) administrator(s) to ensure you are providing the correct information.

Question 3. Have you attached a copy of the most recent statement respecting your pension scheme(s) and/or local retirement product(s) from your administrator(s)?

You must attach a copy of the statement(s) for your pension scheme(s) and/or local retirement product(s); the statement(s) must not be dated more than 30 days before the date the Pension Commission receives it and must show the vested portion of the commuted value for a defined benefit plan or the vested account balance for a defined contribution plan and/or local retirement product.

Question 4. Is the money you are applying to withdraw from a pension scheme and/or local retirement product governed by the National Pension Scheme (Occupational Pensions) Act 1998?

You must answer “Yes” to this question in order to apply for a refund of money.

Please contact the Pension Commission if you are unsure.

Question 5. Information about the administrator(s) that administers your pension scheme(s) and/or local retirement product(s).

Please ensure all boxes are completed.

Instructions for Completing Part 2A of the Application Refund for a Threat of Loss of Principal Residence

You can apply under this category of financial hardship if you or your husband or wife have received a written demand for payment of unpaid mortgage or other payments relating to a debt secured against your or your husband's or wife's principal residence and you or your husband or wife have been threatened with imminent loss of the principal residence.

An example of a debt secured against one's principal residence is a line of credit.

Question 1. Have you received approval for a refund of money before?

If yes, provide the date your application for a refund of money was approved and the assigned Pension Commission reference number.

Question 2. How much do you want to withdraw?

Please note that the maximum refund you can apply for is up to 20% of the vested portion of the commuted value of your accrued benefit (in a defined benefit plan) or up to 20% of your vested account balance (in a defined contribution plan or local retirement product). If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary.

Mortgage payments, etc.: If the amount you are seeking to withdraw is for unpaid mortgage payments or other debt payments secured against one's principal residence, you must **provide a letter demanding payment** of such unpaid debts and the **imminent threat of loss** of the principal residence.

If approved, the refund amount will be paid directly to the mortgage provider or debt issuer.

Question 3. Do you want to withdraw an additional 6 months of payments?

If yes, please state how much. If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary.

The total amount must be for whole months only. No Partial monthly payments will be approved.

Question 4. What is the address of the principal residence you are applying for? (see page 6 of these instructions for a definition)

Please print the address in the boxes provided or tick the "Same as" box if applicable. Please note a physical address is required. P O boxes are not accepted.

Additional Document(s) Required: If the written demand for payment from the creditor does not set out the regular payment amount on the debt secured against your principal residence, you must attach to the Application a copy of an additional statement from the mortgage provider or debt issuer that sets out this information.

Instructions for Completing Part 2B Refund for Eligible Medical Expenses

Question 1. Have you received approval for a refund of money before?

If yes, provide the date your application for a refund of money was approved and the assigned Pension Commission reference number.

Question 2. How much money do you want to withdraw to pay for the medical expenses?

If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary.

Subject to a 20% maximum for each pension scheme and/or local retirement product, you cannot withdraw more than the amount of the unpaid eligible medical expense. A refund will not be approved for eligible medical expenses that have already been paid or which are due to be paid by a third party. The medical expenses claimed cannot have been paid or be payable through any medical insurance coverage (whether public or private).

Additional Document(s) Required: You must attach to the Application a copy of an invoice or estimate for the medical or dental goods or services to treat the person's illness or disability.

An invoice must be dated, show the name of the medical or dental goods or services provider, the amount to be paid, by whom and a description of the medical or dental goods or services provided.

An estimate must be dated, show the name of the medical or dental goods or services provider, the proposed amount to be paid, by whom and a description of the medical or dental goods or services to be provided.

All refunds will be paid directly to the provider of the medical or dental goods or services.

Question 3. Who has the illness or disability?

You may apply for a refund for eligible medical expenses in relation to an illness or disability that you, your dependant or parent have (for the definitions of a "dependant" please see the definitions section of these Instructions on page 6).

If you want to apply for eligible medical expenses for more than one person, you must get additional blank copies of Part 2B of the Application, complete a separate Part 2B for each person and attach the additional completed Part(s) to the Application.

Question 4. Describe the medical or dental goods or services that have been or will be purchased to treat the person's illness or disability.

Attach additional pages to the Application if you need more room to describe the goods and services.

Additional Document(s) Required: You must include with your Application, Part 5, the certification signed by a Health Professional (for the definition of a "Health Professional" please see the definitions section of these Instructions on page 6) regarding the goods and services.

Instructions for Completing Part 2C Refund for Eligible Educational Expenses

You can apply under this category of financial hardship for eligible educational expenses for you or your dependant.

Question 1. Have you received approval for a refund of money before?

If yes, provide the date your application for a refund of money was approved and the assigned Pension Commission reference number.

Question 2. How much money do you want to withdraw to pay for the eligible educational expenses?

If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary.

Subject to a 20% maximum for each pension scheme and/or local retirement product, you cannot withdraw more than the unpaid amount of the eligible educational expenses, based on invoices or estimates.

You must submit written confirmation from the relevant educational establishment and/or landlord confirming the amount of the eligible educational expenses.

All refunds will be paid directly to the relevant educational establishment and/or landlord.

Question 3. Who are you applying for?

Specify whether the person you are applying for is either yourself or a dependant. Please provide a copy of your government issued photo identification, marriage certificate or sibling's or child's birth certificate as applicable.

Question 4. Have you received or will you receive any financial assistance/scholarships/loans or other payments from a third party for the eligible educational expenses?

If yes, please state the amount received or to be received and the name of the person or entity providing the payment, as applicable. Please note that you cannot apply for a refund for any such payments.

For the definitions of "dependant", "eligible educational expenses" and "relevant educational establishment", please see the definitions section of these Instructions on page 6 and 7.

Instructions for Completing Part 2D of the Application Refund for Arrears of Rent

You can apply under this category of financial hardship if you want a refund of money because you or your husband or wife have received a written demand for payment of arrears of rent for your home and you or your husband or wife have been threatened with imminent eviction from your home.

Question 1. Have you received approval for a refund of money before?

If yes, provide the date your application for a refund of money was approved and the assigned Pension Commission reference number.

Question 2. How much do you want to withdraw?

Please note that the maximum refund you can apply for is up to 20% of the vested portion of the commuted value of your accrued benefit (in a defined benefit plan) or up to 20% of your vested account balance (in a defined contribution plan or local retirement product). If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary.

If the amount you are seeking to withdraw is for arrears of rent, you must provide a letter from the landlord which specifies the amount of the rental arrears, the amount of the monthly rental payments on the application date, demanding payment of such arrears of rent and the imminent threat of eviction and the names of all of the tenants. A copy of the rental agreement and a receipt for the most recent rental payment must also be provided.

If approved, the refund amount will be paid directly to the landlord.

Question 3. Do you want to withdraw an additional 6 months of rental payments?

If yes, please state how much. If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary. Please note that these additional payments will be paid to the Landlord in monthly installments unless requested otherwise by the applicant. **The total amount must be for whole months only. No Partial monthly payments will be approved.**

Question 4. What is the address of the rental home you are applying for? (see page 7 of these instructions for a definition)

Please print the address in the boxes provided or tick the "Same as" box if applicable. Please note a physical address is required. P O boxes are not accepted.

Additional Document(s) Required: If the written demand for payment from the landlord does not set out the regular rental payment amount, arrears and frequency you must attach to the Application a copy of an additional statement from the landlord that sets out this information.

Instructions for Completing Part 2E Refund for Eligible Funeral Expenses

Question 1. Have you received approval for a refund of money before?

If yes, provide the date your application for a refund of money was approved and the assigned Pension Commission reference number.

Question 2. How much money do you want to withdraw to pay for the funeral expenses?

If you are applying for withdrawals from multiple accounts, please specify the amount you would like to withdraw from each account, using a separate page if necessary.

Subject to a 20% maximum for each pension scheme and/or local retirement product, you cannot withdraw more than the amount of the unpaid eligible funeral expense. A refund will not be approved for eligible funeral expenses that have already been paid or which are due to be paid by a third party. The funeral expenses claimed cannot have been paid or be payable through any medical insurance coverage (whether public or private) or some other person or body.

Additional Document(s) Required: You must attach to the Application a copy of an invoice or estimate for the funeral expenses.

An invoice must be dated, show the name of the relevant funeral home, the amount to be paid, by whom and a description of the funeral services provided.

An estimate must be dated, show the name of relevant funeral home, the amount to be paid, by whom and a description of the funeral services provided.

All refunds will be paid directly to the relevant funeral home.

Question 3. Who are the funeral expenses payable by?

You may apply for a refund for eligible funeral expenses on behalf of yourself, or your dependant or parent (for the definitions of a “dependant” please see the definitions section of these Instructions on page 6).

If you want to apply for eligible funeral expenses for more than one person, you must get additional blank copies of Part 2E of the Application, complete a separate Part 2E for each person and attach the additional completed Part(s) to the Application.

Question 4. Describe the funeral services that have been or will be purchased.

Attach additional pages to the Application if you need more room to describe the goods or services.

Instructions for Completing Part 3 Certification by the Applicant

You must sign this part of the Application to certify that all information provided in the Application is accurate to the best of your belief as of the date you sign this Application.

Part 3 must be signed and dated by you, the Applicant (“Signature of Applicant”).

Your signature must also be witnessed by someone who is at least 18 years of age.

Please ensure that you provide accurate, truthful and complete information. Failure to do so will result in the Pension Commission refusing to approve the application.

Instructions for Completing Part 4 Authorization Regarding Personal Information

This authorization in Part 4 of the Application regarding your personal information must be signed and dated by you. This authorization must also be signed by every dependant 18 years of age and older or parent **identified in Part 2B** or dependant 18 years of age and older as **identified in Part 2C** of the Application.

In order to be valid, the Authorization must not be signed by any required person more than 30 days before the Pension Commission receives it.

Instructions for Completing Part 5 Certification of Health Professional Regarding Treatment of an Illness or Disability

You must have the applicable Health Professional complete and sign the certification in Part 5 of the Application.

Your Health Professional must describe the medical or dental goods or services identified in Part 2B and certify that in their opinion the medical or dental goods or services are or were necessary for the treatment of the person having the illness or disability.

Please see page 10 of these Instructions (“Part 2B - Refund for Eligible Medical Expenses”) for details of the information required in the certification.

FOR FREE HELP IN FILLING OUT THE APPLICATION, CONTACT THE PENSION COMMISSION AT 441- 295- 8672