

## Bermuda

Exchange rate: U.S.\$1.00 equals  
1 Bermuda dollar (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1967 (old-age and survivors).

**Current laws:** 1970 (old-age and survivors); 1980 (disability); and 1998 (occupational pensions), implemented in 2000.

**Type of program:** Social insurance, social assistance, and mandatory occupational pension system.

#### Coverage

##### Social insurance

Employed and self-employed persons over age 16, except full-time students who work weekends or during school vacations.

Exclusions: Those who are not ordinarily resident, unless gainfully employed for more than 26 consecutive weeks.

Voluntary insurance for persons who were previously covered.

##### Social assistance

Bermudan residents are eligible for social assistance pensions.

##### Mandatory occupational pensions

Employees aged 23 or older who are Bermudan or the spouse of a Bermudan and who have worked 720 hours or more for their current employer in any calendar year.

#### Source of Funds

##### Social insurance

**Insured person:** B\$23.20 a week; if over age 65, none. The self-employed contribute B\$46.40 a week; if over age 65, B\$23.20 a week.

**Employer:** B\$23.20 a week per employee.

**Government:** None; contributes as an employer.

##### Social assistance

**Insured person:** None.

**Employer:** None.

**Government:** The total cost of social assistance pensions.

##### Mandatory occupational pension

**Insured person:** 4% of earnings (5% from January 1, 2004).

**Employer:** 4% of earnings (5% from January 1, 2004).

**Government:** None.

The maximum annual earnings for contribution purposes to the mandatory occupational pension are B\$200,000.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 with 484 weeks of contributions, including 50 weeks of contributions for each year of insurance (a reduced pension is paid with between 25 and 49 weeks). Retirement is not necessary. The pension is payable abroad.

**Old-age settlement (social insurance):** The insured does not meet the qualifying conditions for a pension.

**Noncontributory old-age pension (social assistance):** Age 65 and Bermudian with at least 10 years of continuous residency during the 20 years immediately preceding the application and does not meet the qualifying conditions for the old-age pension.

**Old-age pension (mandatory occupational):** The normal retirement age is 65.

**Disability pension (social insurance):** Aged 18 to 64, employed immediately before the onset of disability, unable to work during a full year, and 150 weeks of contributions with 50 weeks of contributions for each year of insurance (a reduced pension is paid with between 25 and 49 weeks).

**Disability settlement (social insurance):** The insured does not meet the qualifying conditions for a pension.

**Noncontributory disability pension (social assistance):** Aged 18 to 64 with 10 years of residency and permanently incapable of employment.

**Disability pension (mandatory occupational):** Assessed as incapable of work due to a physical or mental condition.

**Survivor pension (social insurance):** The insured was a pensioner or met the qualifying conditions for a pension. The spouse was married to the insured for at least 3 years. A widow is credited for contribution purposes for every week she receives a survivor pension and may substitute her husband's contribution record for her own.

**Survivor settlement (social insurance):** The insured did not meet the qualifying conditions for a pension.

**Survivor pension (mandatory occupational):** On the insured's death, the pension is paid to a beneficiary appointed by the insured.

#### Old-Age Benefits

**Old-age pension (social insurance):** B\$157.75 a week (B\$685.49 a month), plus B\$0.92 for every 26-week period of contributions over 484.

Reduced pension: B\$342.74, B\$411.29, B\$479.84, B\$548.39, or B\$616.94 a month if the yearly average number of weeks of contributions is between 25 and 29 weeks, 30 and 34 weeks, 35 and 39 weeks, 40 and 44 weeks, and 45 and 49 weeks, respectively.

**Old-age settlement (social insurance):** If the insured does not meet the qualifying conditions for a pension, employer and employee contributions are refunded as a lump sum.

**Noncontributory old-age pension (social assistance):**

B\$314.59 a month.

Minimum pension (means-tested): B\$323.68 a month if income is under B\$4,000 a year.

**Old-age pension (mandatory occupational):** Pension calculations are either based on average earnings or depend on the amount of the insured's accumulated capital.

**Permanent Disability Benefits**

**Disability pension (social insurance):** B\$456.87 a month.

Reduced pension: The benefit is reduced in proportion to the number of average annual weeks of contributions if less than 50 weeks but 25 or more.

**Disability settlement (social insurance):** If the insured does not meet the qualifying conditions for a pension, employer and employee contributions are refunded as a lump sum.

**Noncontributory disability pension (social assistance):** B\$314.59 a month.

**Disability pension (mandatory occupational):** The benefit depends on the specific rules that apply to the occupational scheme.

**Survivor Benefits**

**Survivor pension (social insurance):** B\$685.49 a month.

Reduced pension: B\$342.74, B\$411.29, B\$479.84, B\$548.39, or B\$616.94 a month if the yearly average number of weeks of contributions is between 25 and 29 weeks, 30 and 34 weeks, 35 and 39 weeks, 40 and 44 weeks, and 45 and 49 weeks, respectively.

The pension is payable for 26 weeks, or until dependent children reach age 16, or for life if over age 50 or disabled, or until remarriage.

**Orphan's pension (social insurance):** B\$68.39 a month.

**Survivor settlement (social insurance):** If the insured did not meet the qualifying conditions for a pension, employer and employee contributions are refunded as a lump sum.

**Survivor pension (mandatory occupational):** Benefits are based on the value of the insured's contributions, accumulated capital, or accrued benefits. The benefit is paid as a lump sum.

**Administrative Organization****Social insurance and social assistance**

Ministry of Finance provides general supervision.

Department of Social Insurance administers the program.

**Mandatory occupational pension**

Pension Commission supervises and regulates the program.

**Sickness and Maternity****Regulatory Framework**

**First and current law:** 1970 (hospital insurance).

**Type of program:** Compulsory insurance with a public or private carrier or an approved employer-operated plan (employed persons). Individual or voluntary insurance (nonemployed persons). Medical benefits only.

Paid sick leave and paid maternity leave are provided under employment law.

**Coverage**

All residents.

Employers are liable for carrying insurance for employees and their nonemployed spouses.

**Source of Funds**

**Insured person:** B\$66.60 a month each for an employee and his or her nonemployed spouse. Other insured persons contribute B\$133.20 a month.

**Employer:** B\$66.60 a month each for an employee and his or her nonemployed spouse.

**Government:** A government grant provides 80% of the cost of medical care for residents aged 65 to 74, 90% for residents aged 75 or older, and 100% for resident children and indigent persons.

**Qualifying Conditions**

**Cash sickness and maternity benefits:** No statutory benefits are provided. (Employers must provide paid sick leave and paid maternity leave under employment law.)

**Medical benefits:** There is no minimum qualifying period, except for a 10-month waiting period for maternity care.

**Workers' Medical Benefits**

The Hospital Insurance Commission, a private insurance company, or an employer plan reimburses the hospital for services provided. Benefits include inpatient and outpatient services, including room and board; nursing, laboratory, ambulance, and resident doctor services; drugs; appliances; surgery; maternity care; and physical therapy. There is no limit to duration.

**Dependents' Medical Benefits**

The Hospital Insurance Commission, a private insurance company, or an employer plan reimburses the hospital for services provided. Benefits include inpatient and outpatient services, including room and board; nursing, laboratory,

ambulance, and resident doctor services; drugs; appliances; surgery; maternity care; and physical therapy. There is no limit to duration.

### **Administrative Organization**

Ministry of Finance, through the Department of Social Insurance, provides general supervision.

Hospital Insurance Commission administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First and current law:** 1965 (workmen's compensation).

**Type of program:** Employer-liability system. (The government may require employers to carry insurance.)

Note: This information is from 1999.

#### **Coverage**

Employed persons and apprentices aged 16 or older.

Exclusions: Casual labor, part-time workers, temporary employees, students, and voluntary workers.

#### **Source of Funds**

**Insured person:** None.

**Employer:** Total cost, met through the direct provision of benefits or the purchase of insurance premiums.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period, but the work injury must last more than 3 days.

#### **Temporary Disability Benefits**

50% of lost earnings (up to a maximum of B\$170 a week) or a lump sum. The total benefit paid out may not exceed the permanent disability grant for which the insured would be eligible.

#### **Permanent Disability Benefits**

If totally disabled, 4 years' earnings.

The minimum benefit is B\$5,500.

The maximum benefit is B\$53,000.

Constant-attendance supplement: 25% of the permanent disability benefit.

Partial disability: A percentage of the full disability benefit proportional to the loss of earning capacity.

### **Workers' Medical Benefits**

Benefits include the cost of necessary medical care, including hospitalization (up to a maximum based on the prevailing public ward charge for 56 days); emergency outpatient treatment; surgery, according to a fee schedule; medical expenses, including the cost of nursing, ambulances, and medicines, up to B\$1,000; the cost of prostheses up to B\$2,000; and the cost of transportation up to B\$250.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 3 years' earnings or B\$42,000 (whichever is less), minus any permanent disability benefit payments. The benefit is payable to dependents who were totally dependent on the insured's earnings.

Partial survivor grant: A grant is paid to those who were partially dependent on the insured's earnings.

**Funeral grant and medical expenses:** Up to B\$2,000 is provided if there are no dependents.

### **Administrative Organization**

Ministry of Labor provides general supervision.

Supreme Court administers lump sums.

Courts supervise the agreement between an employer and the insured on the amounts payable.