



Government of Bermuda

MINISTERIAL STATEMENT

by

The Hon. Jason P. Hayward, JP, MP
Minister of Economy and Labour

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CHILD DAY CARE ALLOWANCE AMENDMENT ACT 2023

Mr. Speaker,

I rise in this Honourable House today, pleased to have tabled a Bill entitled Amendments to the Child Day Care Allowance Act 2008 (“the principal Act”).

Mr. Speaker,

The purpose of this Bill is to allow the Minister to 1) prescribe the maximum gross annual household income in respect of an application for a child day care allowance; 2) provide categories of such incomes for the purpose of granting awards; and 3) clarify that determination of an application for an award is based on the applicant’s gross annual household income.

Mr. Speaker,

This Bill is but another step towards financial assistance reform and confirms Government’s continued commitment to ensuring families have access to child day care services.

Mr. Speaker,

The impact of the global pandemic means that like all other businesses, the cost of operating child day care services in Bermuda has increased, resulting in added financial pressures being placed on families.

The increasing cost of childcare has added to the economic stresses for parents. As a result, the Ministry will increase the Childcare allowance benefits and expand the pool of parents who can qualify. These amendments will provide many families the opportunity to afford suitable childcare for their children.

Ensuring families have access to childcare is extremely important as it gives children the opportunity to develop the social, emotional, and cognitive skills required to prepare for primary school and beyond.

Mr. Speaker,

The inability to afford child care may inadvertently force parents to opt out of going out to work and instead choose to stay at home. Subsequently, staying home to care for one's child could prove to be a more suitable and beneficial option for some families.

Mr. Speaker,

Currently, the allowance prescribes a maximum gross annual income of \$55,000 with the maximum award being \$800 for an eligible child. This allowance does not adequately cover this growing cost and warrants reforming the current child day care allowance programme.

The Ministry to will implement a new tiered financial award specifically for child day care services as pledged in the 2022/23

Speech from the Throne. Eligibility with respect to the proposed tiered system will be based on an annual gross household income as follows:

- a. \$65,000 equals a maximum monthly allowance of \$900 per child
- b. \$97,000 equals a maximum monthly allowance of \$700 per child
- c. \$130,000 equals a maximum monthly allowance of \$500 per child

To this end, **Mr. Speaker**, the Members of this Honourable House should expect subsequently to have tabled, amended Child Day Care Allowance regulations to introduce and effect the new tiered rates.

Mr. Speaker,

Government acknowledges that families are finding it difficult to meet the needs of their households, particularly with respect to ensuring their children are provided access to day care services in alignment with what they can afford. The Ministry's proposal to reform the child day care allowance is indicative of the Government's unwavering commitment to ensuring the well-being of all of Bermuda's children.

Thank you **Mr. Speaker**.