BERMUDA

NATIONAL PENSION SCHEME (OCCUPATIONAL PENSIONS) (ADMINISTRATION FEES) REGULATIONS 2025

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The Minister of Finance, in exercise of the power conferred by section 69(1)(jb) and (q) of the National Pension Scheme (Occupational Pensions) Act 1998 and after consultation with the Pension Commission, makes the following Regulations:

Citation

1 These Regulations may be cited as the National Pension Scheme (Occupational Pensions) (Administration Fees) Regulations 2025.

Interpretation

2 (1) In these Regulations, unless the context provides otherwise—

"account balance" means, in respect of a member or former member, the market value of all contributions, plus earnings thereon;

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

"administration services" has the meaning given in paragraph (2);

"administrator" means the person who administers a defined contribution pension plan, defined contribution pension fund or a local retirement product established under the Act;

"Commission" means the Pension Commission established under section 54 of the Act;

"financial institution" means—

(a) a bank licensed under the Banks and Deposit Companies Act 1999;

(b) an insurer registered under the Insurance Act 1978;

(c) a local trust company holding an unlimited trust licence issued under the Trusts (Regulation of Trust Business) Act 2001; or

(d) any other company which is approved by the Commission for the purposes of this Act;

"former member" means a person who has terminated employment or membership in a pension plan or local retirement product and—

(a) is entitled to a deferred pension payable from the pension fund;

(b) is in receipt of a pension payable from the pension fund; or

(c) is entitled to receive any other form of payment from the pension fund;

"local retirement product" means a retirement plan provided by a financial institution in Bermuda or some other body or person in Bermuda recognized by the Commission under the Act;

"member" means a member of a pension plan or local retirement product;

"pension fund" means the fund maintained to provide benefits under or related to the pension plan or local retirement product established under the Act;

"pension plan" means an occupational retirement scheme organized and administered to provide pensions for employees under the Act and includes a financial institution pension plan;

"plan administration fees" means fees charged to a member or former member by an administrator for providing administrative services to that member or former member;

"year" means the period starting from the date the member or former member was enrolled or participated in a pension plan or local retirement product and ending twelve months after such period.

(2) For the purposes of these Regulations, "administration services" are services conducted by the administrator for the purposes of a pension plan or local retirement product and include—

(a) issuing of plan documentation;

(b) enrolment and termination of pension plan members or local retirement product members;

(c) facilitation of registration, transfer or winding up of a pension plan or local retirement product with the Commission;

(d) preparation and submission of pension plan amendments to the Commission;

(e) administration of the pension plan or local retirement product in accordance with the Act, policy, pension plan rules or any other pension plan document;

(f) receipt of contributions;

(g) record-keeping of employer and member contributions, member withdrawals, investment earnings and any other information required under the Act;

(h) submission of registration or annual member fees to the Commission;

(i) issuing of employer and member statements;

(j) submission of reports and information to the Commission under the Act;

(k) conducting periodic meetings with employers, pension plan members or local retirement product members;

(l) facilitating audits of pension plans and local retirement products;

(m) processing of payable benefits;

(n) remitting contributions to the managers of the pension fund for investment and subscription and redemption transactions on behalf of pension plan members or local retirement product members.

(3) For the avoidance of doubt, reference in these Regulations to “administration services” does not include services provided by an external auditor, investment manager, investment advisor, lawyer or barrister, bank, trustee or third parties in general.

Application of Regulations

3 These Regulations apply to an administrator of a pension plan, pension fund or local retirement product established under the Act.

Maximum plan administration fees

4 An administrator of a pension plan, pension fund or local retirement product established under the Act shall not charge administration fees to a member or former member that exceed the following—

(a) in the case of a defined contribution pension plan—

(i) 1.25% per year of a member’s or former member’s account balance, where such member or former member has an account balance of over $50,000;

(ii) 0.75% per year of a member’s or former member’s account balance, where such member or former member has an account balance between $25,000 and $50,000;

(iii) 0.50% per year of a member’s or former member’s account balance, where such member or former member has an account balance of less than $25,000;

(b) in the case of a local retirement product—

(i) 1.0% per year of a member's or former member's account balance, where such member or former member has an account balance of over $50,000;

(ii) 0.75% per year of a member's or former member's account balance, where such member or former member has an account balance between $25,000 and $50,000;

(iii) 0.50% per year of a member's or former member's account balance, where such member or former member has an account balance of less than $25,000.

Frequency of charging plan administration fees

5 An administrator of a pension plan, pension fund or local retirement product established under the Act shall, subject to regulation 4, charge plan administration fees in arrears—

(a) monthly;

(b) quarterly;

(c) semi-annually; or

(d) annually.

Administrator prohibited from receiving investment advisory fees

6 (1) Subject to paragraph (2), no administrator may receive any investment advisory fees either directly from a pension plan, pension fund or local retirement product or indirectly from a third party.

(2) Paragraph (1) does not apply where the administrator deducts investment advisory fees on behalf of a third-party investment advisor or investment manager.

(3) In this regulation "investment advisory fees" means fees charged by a financial advisor or investment manager or firm for providing professional advice and management of investments.

Offence

7 An administrator who contravenes regulation 4, 5 or 6 commits an offence under section 67 of the Act and is liable—

(a) on conviction, to the penalty under section 67(4) of the Act; or

(b) to a civil penalty under section 68A(1)(c) of the Act, in the case where a civil penalty is imposed under that section of the Act.

Commencement

8 These Regulations shall come into operation on such day as the Minister may by notice in the Gazette appoint.

Made this day of 2025

Minister of Finance