



WHAT IS RETIREMENT BENEFIT?

Retirement Benefit is an award made to insured persons who have either retired from gainful employment or who have attained the age of 70 years. Full benefit is paid from age 65, but persons have the option of retiring from as early as age 60 years with a reduced benefit payment. See *Early Retirement* below.

QUALIFYING CONDITIONS

There is one basic contribution condition for the award of Retirement Benefit, and that is that you must have paid at least 500 contributions into National Insurance since the programme began in 1974 ((2010 Amendments). Retirement Benefit is payable for life to an insured person who meets the contribution condition **AND** is:

- i) Aged 60 to 69, retired from gainful employment, or if still working, is not earning more than half of the insurable wage ceiling (\$250 per week/\$1083.33 per month); **OR**
- ii) Aged 70 years or older.

EARLY RETIREMENT

Persons who opt to receive the benefit before age 65 years get reduced payments assessed as percentages of what they would have gotten had they claimed at age 65 years. Reduced rates are based on the number of months a claimant is away from his/her 65th birthday. See *back middle page for reduction rates based on age*. Once a person opts to receive Retirement Benefit before age 65 years, the reduced rate/percentage assessed is set for life.

HOW BENEFIT IS CALCULATED

Two factors are used to determine the dollar amount of

Retirement benefit. First, the **average insured income on which contributions were paid and/or credited** must be determined. As of January 1, 2011, the highest five years of insurable earnings in the last ten years, are used. (For *Pensionable Civil Servants*, the insurable earning for Retirement and other pensions, is still capped at \$110 per week, however, this will change as of July 1, 2013.)

Secondly, the **number of contributions paid and or credited into the programme** will be used to determine what percentage of the *average insured income* will be paid (see "*Benefit Rates Based on Contributions*" on *back middle page*).

A Working Example: Let's take a 65 year-old who paid contributions for a total of 1,040 weeks (20 years). In the 10 years immediately prior to claiming the benefit, his highest salary was \$300 per week, which he paid for six years.

Calculations: His 1,040 contributions entitle him to 40% of his average insured income; his average insured income is \$300 per week. This works out to a Retirement Benefit of \$520 per month ($\$300 \times 40\% \times 52 \text{ weeks} / 12 \text{ months}$).

It must be noted that there are many persons whose entitlements are very low. For this cause, NIB has a minimum amount payable as Retirement Benefit. Currently, minimum benefit awarded at 65 years or older is \$287.82; at 64 it is \$276.34; and at ages 60 to 63 it is \$266.50.

WHEN AND HOW TO CLAIM

A claim for Retirement Benefit must be made, in writing, to one of the Board's Local Offices. Claim forms are available at all of the Board's Local Offices and online.

HOW RETIREMENT BENEFIT IS PAID

Retirement Benefit is paid as a monthly pension. All recipients of Retirement Benefit (with the exception of persons who live on Bahamian islands where there are no banks) are required to have their monthly payments sent to banks of their choice (**in The Bahamas**). Payments may also be sent to accounts at the Post Office Bank, which has branches around the country.

Persons who live on Bahamian islands where there are no banks may collect their monthly cheques from their nearest NIB local office. To do so, bring along a photo I.D. and National Insurance card. When sending a representative to pick up your cheque, make sure that he brings along an authorization letter or form, signed by you, your National Insurance card, which must be signed, and a photo I.D. of himself. Pensioners who live abroad may apply to any one of the commercial banks in The Bahamas to open an account for the express purpose of depositing monthly cheques. The *Central Bank of the Bahamas* has delegated authority to these banks to facilitate this process.

RETIREMENT GRANT

Should you fail to meet the 500 contribution condition for the award of Retirement Benefit, a one time Retirement Grant will be paid to you if you are 65 years or older and have paid at least 150 contributions. You will not need a separate claim for that.

FURTHER INFORMATION

- ❖ **Continuing Eligibility to receive Retirement Benefit**
You must notify the Director, in writing, as soon as possible after the award of Retirement Benefit, if you are younger than 70 years and return to gainful employment with an income of more than \$250 per

week. Additionally, once you are in receipt of Retirement Benefit, you must produce evidence - *verification* - of your continuing right to the benefit twice each year, during your birth month and exactly six months thereafter. **Your payments will stop** if you fail to be verified as indicated. To be verified, visit any one of NIB's Local Offices with your passport or voter's card, and your National Insurance card. Or have the NIB Verification Form duly notarized and returned to the Pension Verification Department in the New Providence Local Office.

- ❖ **Late Claims** - If you are older than 65 years, you may lose some of your Retirement Benefit if you submit your claim **more than six months after the date you retire**. If you have attained the minimum qualifying age of 60 years but are not yet 65 years, eligibility for the benefit will begin when you actually submit your completed claim.
- ❖ **Right of Appeal** - If you disagree with any decision made on your claim and have evidence as to why the decision should be overturned, you can appeal in writing to the nearest Local Office within 21 days of the date you were notified of the decision. Appeals are heard and decided by a panel of three independent practitioners.
- ❖ **The National Insurance Act** - This leaflet gives basic information on Retirement Benefit; for further details on this benefit and any other provision of our Social Security Programme, please refer to the National Insurance Act & Regulations.

Hotline numbers: 325-4653/325-4655/325-4656
or toll-free from the Family Islands: 1-242-300-1394
www.nib-bahamas.com/E-mail: info@nib-bahamas.com

Reduction Rates Based on Age								Benefit Rates Based on Contr.		
Mths from 65th b-day	Age		Rate	Mths from 65th b-day	Age		Rate	Contributions	%	
	yrs	mths			yrs	mths				
1	64	11	99.42%	31	62	5	81.92%	500 - 549	30	
2	64	10	98.83%	32	62	4	81.33%	550 - 599	31	
3	64	9	98.25%	33	62	3	80.75%	600 - 649	32	
4	64	8	97.67%	34	62	2	80.17%	650 - 699	33	
5	64	7	97.08%	35	62	1	79.58%	700 - 749	34	
6	64	6	96.50%	36	62	0	79.00%	750 - 799	35	
7	64	5	95.92%	37	61	11	78.42%	800 - 849	36	
8	64	4	95.33%	38	61	10	77.83%	850 - 899	37	
9	64	3	94.75%	39	61	9	77.25%	900 - 949	38	
10	64	2	94.17%	40	61	8	76.67%	950 - 999	39	
11	64	1	93.58%	41	61	7	76.08%	1,000 - 1,049	40	
12	64	0	93.00%	42	61	6	75.50%	1,050 - 1,099	41	
13	63	11	92.42%	43	61	5	74.92%	1,100 - 1,149	42	
14	63	10	91.83%	44	61	4	74.33%	1,150 - 1,199	43	
15	63	9	91.25%	45	61	3	73.75%	1,200 - 1,249	44	
16	63	8	90.67%	46	61	2	73.17%	1,250 - 1,299	45	
17	63	7	90.08%	47	61	1	72.58%	1,300 - 1,349	46	
18	63	6	89.50%	48	61	0	72.00%	1,350 - 1,399	47	
19	63	5	88.92%	49	60	11	71.42%	1,400 - 1,449	48	
20	63	4	88.33%	50	60	10	70.83%	1,450 - 1,499	49	
21	63	3	87.75%	51	60	9	70.25%	1,500 - 1,549	50	
22	63	2	87.17%	52	60	8	69.67%	1,550 - 1,599	51	
23	63	1	86.58%	53	60	7	69.08%	1,600 - 1,649	52	
24	63	0	86.00%	54	60	6	68.50%	1,650 - 1,699	53	
25	62	11	85.42%	55	60	5	67.92%	1,700 - 1,749	54	
26	62	10	84.83%	56	60	4	67.33%	1,750 - 1,799	55	
27	62	9	84.25%	57	60	3	66.75%	1,800 - 1,849	56	
28	62	8	83.67%	58	60	2	66.17%	1,850 - 1,899	57	
29	62	7	83.08%	59	60	1	65.58%	1,900 - 1,949	58	
30	62	6	82.50%	60	60	0	65.00%	1,950 - 1,999	59	
								2,000 - >	60	