

## Bahamas

Exchange rate: US\$1.00 = 1.00 Bahamian dollar (B\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (old-age noncontributory pensions) and 1967 (public assistance for disability).

**Current law:** 1972 (national insurance).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed persons and self-employed persons.

Voluntary coverage is possible.

**Social assistance:** Residents of the Bahamas who do not qualify under the National Insurance Act.

#### Source of Funds

##### Insured person

**Social insurance:** 3.9% of weekly covered earnings. Voluntarily insured persons contribute 5% of weekly average wages or income, based on the insured's wages or income of the year before registration.

The maximum annual earnings used to calculate contributions are B\$26,000.

The insured person's mandatory contributions also finance cash sickness, maternity, unemployment, and work injury benefits. The contributions of the voluntarily insured finance old-age, disability, and survivor pensions and funeral and maternity grants.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** 8.8% of covered earnings.

The maximum annual earnings used to calculate contributions are B\$26,000.

The self-employed person's contributions also finance cash sickness, maternity, and work injury benefits.

**Social assistance:** None.

##### Employer

**Social insurance:** 5.9% of covered payroll. (0.75% of the employer's contribution is earmarked for work injury benefits.)

The maximum annual earnings used to calculate contributions are B\$26,000.

The employer's contributions also finance cash sickness, maternity, and unemployment benefits.

**Social assistance:** None.

#### Government

**Social insurance:** None.

**Social assistance:** The total cost of all income-tested allowances.

#### Qualifying Conditions

##### Social insurance

**Retirement pension:** Age 65 with at least 150 weeks of paid contributions. Insured persons who were older than age 35 in 1974 (self-employed persons older than age 35 in 1976) receive a 25-week credit for each year that they were older than age 35, up to 600 weeks, provided that 150 weeks of contributions were paid from 1974 to 1977 (insured persons) and from 1976 to 1979 (self-employed persons).

Entitlement ceases if the insured person earns B\$250 or more a week.

**Early pension:** An early pension may be paid from age 60 to 64.

**Deferred pension:** The pension may be deferred up to age 69.

The benefit is paid locally for insured persons who live abroad.

**Disability pension:** The insured must be younger than age 65 and assessed with a permanent incapacity for any work. Insured persons who were older than age 35 in 1974 (self-employed persons older than age 35 in 1976) receive a 25-week credit for each year that they were older than age 35, up to 600 weeks, provided that 150 weeks of contributions were paid from 1974 to 1977 (insured persons) and from 1976 to 1979 (self-employed persons).

**Survivor pension:** The deceased was a pensioner or had made at least 150 contributions at the time of death.

Eligible survivors are a dependent widow(er) who was married to the deceased for at least one year and was disabled or aged 40 or older and incapable of gainful employment; a dependent widow(er) who was caring for a child younger than age 16 (age 21 if a student, no limit if disabled) at the time of death; a dependent widow who was pregnant with the child of the deceased at the time of death; dependent children younger than age 16 (age 21 if a student, no limit if disabled); and dependent parents who are disabled or aged 40 or older and incapable of gainful employment.

**Funeral grant:** Paid for the death of an insured person or the spouse of an insured person. The insured must have at least 50 weeks of paid contributions.

**Social assistance**

*Noncontributory old-age pension (income-tested):* Paid to residents of the Bahamas who are aged 65 or older, retired, and do not qualify for benefits under the National Insurance Act.

*Disability assistance (income-tested):* Paid to residents of the Bahamas who are assessed with a disability and do not qualify for benefits under the National Insurance Act.

*Survivor assistance (income-tested):* Paid to eligible survivors if the deceased did not qualify for benefits under the National Insurance Act.

**Old-Age Benefits****Social insurance**

*Retirement pension:* 30% of the insured's covered wage is paid with at least 500 weeks of paid or credited contributions; 15% to 28% of the covered wage with 150 to 499 weeks of paid or credited contributions. The pension is increased by 1% of the covered wage for each 50-week period of paid or credited contributions exceeding 500 weeks, up to 60%.

The covered wage is based on average weekly earnings in the best five of the 10 years before the contribution year in which the insured reaches age 65.

*Early pension:* The benefit is reduced by 0.58% for each month the insured is younger than age 65.

*Deferred pension:* Calculated in the same way as the retirement pension.

The minimum pension is B\$61.50 a week.

**Social assistance**

*Noncontributory old-age pension (income-tested):* B\$56.58 a week is paid.

**Permanent Disability Benefits****Social insurance**

*Disability pension:* 30% of the insured's covered wage is paid with at least 500 weeks of paid or credited contributions; 15% to 28% of covered wage with 150 to 499 weeks of paid or credited contributions. The pension is increased by 1% of the covered wage for each 50-week period of paid or credited contributions exceeding 500 weeks, up to 60%.

The covered wage is based on average weekly earnings in the best three of the 10 years before the contribution year in which the disability began.

The maximum annual wage for benefit calculation purposes is B\$26,000.

The minimum pension is B\$66.42 a week.

**Social assistance**

*Disability assistance (income-tested):* B\$56.58 a week is paid.

**Survivor Benefits****Social insurance**

*Survivor pension:* 50% of the pension the deceased received or would have been entitled to receive is paid to an eligible widow(er).

The minimum survivor pension is B\$66.42 a week.

*Orphan's pension:* 10% of the pension the deceased received or would have been entitled to receive is paid to each eligible child, up to five children (if the widow(er) receives a pension) or 10 children (if the widow(er) does not receive a pension); B\$30.75 a week is paid to each full orphan.

The minimum orphan's pension is B\$27.06 a week.

*Other eligible survivors (in the absence of the above):* 50% of the pension the deceased received or would have been entitled to receive is paid to an eligible parent.

The minimum survivor pension is B\$66.42 a week.

All survivor benefits combined must not exceed 100% of the pension the deceased received or would have been entitled to receive.

*Funeral grant:* A lump sum of up to B\$1,600 is paid to the person who pays for the funeral.

**Social assistance**

*Survivor assistance (income-tested):* B\$56.58 a week is paid to adults; B\$22.63 a week to children.

**Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

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

**First and current law:** 1972 (national insurance).

**Type of program:** Social insurance system. Cash benefits only.

**Coverage**

Employed and self-employed persons.

**Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

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**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** None.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least 40 weeks of contributions, including 26 weeks of paid or credited contributions in the year immediately before the incapacity began or in the last contribution year, or 13 weeks of paid or credited contributions in the 26 weeks immediately before the incapacity began.

**Cash maternity benefits:** The insured must have at least 50 weeks of contributions, including 26 weeks of paid or credited contributions in the last contribution year or in the 40 weeks before the benefit is due.

**Maternity grant:** The insured must have at least 50 weeks of paid contributions.

**Funeral benefit:** Paid for the death of an insured person or the spouse of an insured person. The insured must have at least 50 weeks of paid contributions.

### **Sickness and Maternity Benefits**

**Sickness benefit:** 60% of average weekly covered earnings is paid after a three-day waiting period for up to 26 weeks; may be extended for 14 weeks in certain circumstances.

The minimum benefit is B\$66.42 a week.

**Sickness allowance (means-tested):** B\$56.58 a week is paid for an insured person who does not meet the qualifying conditions for the sickness benefit.

**Maternity benefit:** 66.6% of average weekly covered earnings is paid for 13 weeks beginning not earlier than six weeks before the expected date of childbirth; may be extended for two weeks in certain circumstances.

The minimum benefit is B\$66.42 a week.

**Maternity grant:** A lump sum of B\$430 is paid for each live birth.

**Funeral benefit:** A lump sum of B\$1,600 is paid.

### **Workers' Medical Benefits**

No statutory benefits are provided.

Public and private medical care is available at public hospitals and clinics. Government subsidizes the cost for public patients, children, the elderly, and needy persons.

### **Dependents' Medical Benefits**

No statutory benefits are provided.

Public and private medical care is available at public hospitals and clinics. Government subsidizes the cost for public patients, children, the elderly, and needy persons.

### **Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1943 (workmen's compensation).

**Current law:** 1972 (national insurance).

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons and self-employed persons.

Exclusions: Family labor.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 2% of the total 8.8% of total contributions made under Old Age, Disability, and Survivors.

**Employer:** The total cost (see source of funds under Old Age, Disability, and Survivors).

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

#### **Temporary Disability Benefits**

66.6% of average weekly covered earnings is paid after a three-day waiting period for up to 40 weeks.

The minimum benefit is B\$66.42 a week.

The maximum benefit is B\$333.33 a week.

#### **Permanent Disability Benefits**

**Permanent disability pension:** If the assessed degree of permanent disability is 100%, 66.6% of average weekly covered earnings is paid. A lump sum of B\$1,000 is also paid.

The minimum weekly benefit for a total disability is B\$66.42.

The maximum benefit is B\$333.33 a week.

**Constant-attendance supplement:** If the insured has a 100% disability and requires the constant attendance of others to

perform daily functions, 20% of the permanent disability pension is paid.

**Partial disability:** If the insured has at least a 25% assessed degree of permanent disability, a proportionately reduced pension is paid. A lump sum of B\$500 is also paid.

The minimum benefit for a partial disability is B\$56.58 a week.

**Lump-sum grant:** For an assessed degree of disability of 1% to 24%, a lump sum of B\$100 to B\$2,400 is paid, according to the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include hospitalization, general and specialist care, medicine, and transportation, and are paid for up to 40 weeks (for an assessed degree of disability of 25% or less) or two years (for an assessed degree of disability of more than 25%).

### **Survivor Benefits**

**Survivor pension:** 50% of the temporary disability pension the deceased received or would have been entitled to receive is paid.

**Orphan's pension:** 10% of the temporary disability pension the deceased received or would have been entitled to receive is paid to each dependent child younger than age 16 (age 21 if a full-time student), up to five children (if the widow(er) receives a pension) or 10 children (if the widow(er) does not receive a pension).

**Industrial death benefit:** A lump sum equal to the monthly value of the survivor pension or orphan's pension is paid.

**Industrial funeral benefit:** A lump sum of B\$1,600 is paid to the person who paid for the funeral.

### **Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.

## **Unemployment**

### **Regulatory Framework**

**First and current law:** 2009 (national insurance act amendment), partially implemented in 2009.

**Type of program:** Social insurance system.

Note: As of April 2009, an unemployment benefit is being implemented in two phases. The interim phase will last

until the original government allocation of B\$20 million is exhausted. The permanent phase will consist of the same coverage and benefits as the interim phase, but length of contribution qualifying conditions will be increased and employer and employee contributions will finance the program.

### **Coverage**

Employed persons younger than age 65.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** 0.5% of salary.

**Self-employed person:** Not applicable.

**Employer:** 0.5% of payroll.

**Government:** The National Insurance Board's Medical Benefits Branch covers any deficit.

### **Qualifying Conditions**

**Unemployment benefit:** The insured must have at least 52 weeks of paid contributions, including 13 weeks of paid or credited contributions in the 26 weeks before unemployment began, and seven weeks of paid or credited contributions in the 13 weeks before unemployment began.

Once the maximum benefit duration has been reached (13 weeks in any 52-week period), the insured person must wait 52 weeks to be eligible for another claim.

To remain eligible, the insured must register with the labor exchange every four weeks, be available and looking for work, and must not refuse suitable employment.

### **Unemployment Benefits**

**Unemployment benefit:** 50% of the insured's average covered weekly earnings is paid after a two-week waiting period for up to 13 weeks (may be extended under certain circumstances) in any 52-week period.

The minimum unemployment benefit is B\$66.42 a week.

The maximum unemployment benefit is B\$250 a week.

Schedule of payments: The benefit is paid bi-weekly.

### **Administrative Organization**

Ministry of Finance (<http://www.bahamas.gov.bs/finance>) provides general supervision.

National Insurance Board (<http://www.nib-bahamas.com>) administers the program.