

## Bahamas

Exchange rate: US\$1.00 equals 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), with 1999 amendment.

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

#### Coverage

**Social insurance:** Employed persons, self-employed persons, and the voluntarily insured.

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

#### Source of Funds

##### Social insurance

**Insured person:** 1.7% of covered earnings, if weekly covered earnings are less than B\$60; 3.4% for earnings greater than B\$60. Voluntarily insured persons contribute 5% of weekly average wages or income, based on the insured's wages or income of the previous year before registration.

The maximum annual earnings for contribution and benefit purposes are B\$20,800.

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

**Self-employed person:** 8.8% of covered earnings if also covered for work injury benefits; 6.8% of covered earnings if not covered for work injury benefits.

The maximum annual earnings for contribution and benefit purposes are B\$20,800.

The self-employed person's contributions also finance cash sickness, maternity, and work injury benefits (except for certain categories of self-employed persons).

**Employer:** 7.1% of covered payroll for weekly covered wages less than B\$60; 5.4% for wages greater than B\$60. (0.75% of the employer's contribution is earmarked for work injury benefits.)

The maximum annual earnings for contribution and benefit purposes are B\$20,800.

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

**Government:** None.

##### Social assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost of all income-tested allowances in force before October 1974.

#### Qualifying Conditions

##### Social insurance

**Retirement pension:** Age 65 with at least 150 weeks of paid contributions. Employees 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 a maximum of 600 weeks, provided that contributions were paid for 150 weeks during the first 3 years that the program was in operation.

Entitlement ceases if the insured person earns B\$200 or more a week.

**Early pension:** An early pension is payable between ages 60 and 64.

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

Benefit is paid locally for insured persons who live abroad.

**Disability pension:** The insured must be younger than age 65 and assessed as permanently incapable of any work. Employees 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 a maximum of 600 weeks, provided that contributions were paid for at least 150 weeks during the first 3 years that the program was in operation.

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

Eligible survivors are a widow aged 40 or older who is incapable of gainful employment or is caring for a child eligible for survivor benefits. The pension is also paid to a dependent disabled widower with weekly income less than B\$46.15 and dependent children younger than age 16 (age 21 if a student).

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

##### Social assistance

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

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**Disability assistance (income-tested):** Paid to residents of the Bahamas who are assessed as disabled but who 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:** The pension is equal to 40% of the covered wage with 750 weeks of paid or credited contributions; 15% to 38% of the covered wage with between 150 and 749 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 750 weeks, up to a maximum of 60%.

The covered wage is based on average weekly earnings in the best 3 years in the 10 years before the contribution year in which the insured reaches age 65.

**Early pension:** The benefit is reduced by between 20% and 4%, depending on the age at which the pension is taken between ages 60 and 64.

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

The minimum pension is B\$53.07 a week.

#### Social assistance

**Noncontributory old-age pension (income-tested):** B\$46.15 a week is paid.

### Permanent Disability Benefits

#### Social insurance

**Disability pension:** The pension is equal to 40% of the covered wage, according to wage class, with 750 weeks of paid or credited contributions; 15% to 38% of covered wage with between 150 and 749 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 750 weeks, up to a maximum of 60%.

The covered wage is based on average weekly earnings in the best 3 years in the 10 years before the contribution year in which the onset of disability occurs.

The maximum annual wage for benefit calculation purposes is B\$ 20,800.

The minimum pension is B\$53.07 a week.

#### Social assistance

**Disability assistance (income-tested):** B\$46.15 a week is paid.

### Survivor Benefits

#### Social insurance

**Survivor pension:** 50% of the deceased's pension is paid to a widow aged 40 or older who is incapable of gainful employment or is caring for a child eligible for survivor benefits. The pension is also paid to a dependent disabled widower with weekly income less than B\$46.15.

**Other eligible survivors (in the absence of the above):** The full pension is paid to a dependent mother older than age 40 or a disabled father with weekly income less than B\$46.15.

The minimum survivor pension is B\$53.07 a week.

**Orphan's pension:** Each dependent child younger than age 16 (age 21 if a full-time student) receives 10% of the deceased's pension, up to a family maximum of 100%.

Full orphans receive B\$21.92 a week each; up to B\$25.50 a week each if older than age 12, a student, or disabled.

The minimum orphan's pension is B\$21.92 a week.

**Funeral grant:** A lump sum of B\$1,500 is paid to the person who pays for the funeral. If the funeral costs less than B\$1,500, the remaining balance is paid at the discretion of the National Insurance Board.

#### Social assistance

**Survivor assistance (income-tested):** Adults receive B\$46.15 a week; children receive B\$18.46 a week each.

### Administrative Organization

Ministry of Housing and National Insurance provides general supervision.

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

### Sickness and Maternity

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#### Regulatory Framework

**First and current law:** 1972 (national insurance), with 1999 amendment.

**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, above.

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

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

**Government:** None.

### **Qualifying Conditions**

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

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

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is equal to 60% of average weekly covered earnings and is paid after a 3-day waiting period for up to 26 weeks (may be extended to 40 weeks in certain circumstances).

The minimum benefit is B\$53.07 a week.

**Sickness allowance (means-tested):** B\$46.15 a week is paid for an insured person who does not meet the qualifying conditions for sickness benefit.

**Maternity benefit:** The benefit is equal to 60% of average weekly covered earnings. The benefit is paid for 13 weeks (may be extended to 15 weeks) beginning not earlier than 6 weeks before the expected date of childbirth.

The minimum benefit is B\$43.85 a week.

**Maternity grant:** A lump sum of B\$400 is paid for each live birth.

**Funeral benefit:** A lump sum of B\$1,500 is paid.

### **Workers' Medical Benefits**

**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 indigent persons.

### **Dependents' Medical Benefits**

**Medical benefits for dependents:** 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 indigent persons.

### **Administrative Organization**

Prime Minister's Office provides general supervision.

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

### **Work Injury**

#### **Regulatory Framework**

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

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

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

#### **Coverage**

Employed persons and certain categories of self-employed persons.

Exclusions: Family labor and certain categories of self-employed persons.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Certain categories of self-employed persons contribute 2% of the total 8.8% contribution made under Old Age, Disability, and Survivors, above.

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

**Government:** None.

#### **Qualifying Conditions**

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

#### **Temporary Disability Benefits**

**Temporary disability pension:** The benefit is equal to 66.6% of average weekly covered earnings and is paid after a 3-day waiting period, for up to a maximum of 40 weeks.

The minimum benefit is B\$53.07 a week.

#### **Permanent Disability Benefits**

**Permanent disability pension:** If the assessed degree of permanent disability is 100%, the pension is equal to 66.6% of average weekly covered earnings.

The minimum weekly benefit for a total disability is B\$53.07.

Partial disability: If the insured has an assessed degree of permanent disability of at least 25%, a proportionately reduced pension is paid.

The minimum benefit for a partial disability is B\$36.92 a week.

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Lump-sum grant: A lump sum of between B\$100 and B\$2,400 is also paid, depending on the assessed degree of disability.

### **Workers' Medical Benefits**

Benefits include hospitalization, general and specialist care, medicines, and transportation.

### **Survivor Benefits**

**Survivor pension:** The pension is equal to 50% of the deceased's temporary disability pension.

**Orphan's pension:** Each dependent child younger than age 16 (age 21 if a full-time student) receives 10% of the deceased's temporary disability pension, up to a family maximum of 100%.

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

**Industrial funeral benefit:** A lump sum of B\$1,500 is paid.

### **Administrative Organization**

Ministry of Housing and National Insurance provides general supervision.

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