

PENSIONABLE CIVIL SERVANTS contribute less for Retirement and Invalidity Benefits. This is because of the integration of the Government's pension plan (from the Consolidated Fund) with the National Insurance pension plan. Their contributions are based on a combination of a reduced ceiling of \$110 and \$400 (the insurable wage ceiling for all other benefits).

Police Officers from the rank of Inspector up, are included in the "pensionable civil servant" group; those from the rank of Sergeant and below are not.

PERSONS WITH DUAL EMPLOYMENT: Only one contribution payment is required for a worker during any contribution week, therefore, persons with two or more employers are only required to have contributions paid for them by the "principal" employer. The principal employer is, generally, the first employer to whom the worker reports, or the employer who pays the wages first during a contribution week.

PERSONS IN RECEIPT OF RETIREMENT BENEFIT: A person age 60 to 69, who is in receipt of Retirement Benefit, may return/continue to work and receive the benefit, as long as he/she earns no more than \$200 per week.

Persons age 70 years and older may work and get Retirement Benefit no matter what their earnings. In the case of self-employed persons, they must initially retire from, and then return to gainful employment to qualify.

In all cases, reduced contributions must be paid: For employed persons, only the employer pays his/her por-

tion of the contributions; in the case of self-employed persons, the contribution rates are reduced by 3.4 percent.

VOLUNTARILY INSURED PERSONS: An unemployed person, who previously paid contributions, may apply to pay contributions voluntarily.

To qualify to pay contributions voluntarily, the applicant must meet three essential conditions. He/she

- i. Has to be over age 16 years;
- ii. Must be ordinarily resident in The Bahamas; and
- iii. Must cease to be liable for contributions in respect of employment or self-employment.

Written applications must be addressed to "The Director" and should be made not later than 12 months after stopping work for which contributions were payable.

Voluntary contributions are paid at a rate of 5% of the individual's average weekly earnings, based on his/her last year of employment. Contributions are due before June 30th of each year. Contributions paid voluntarily do not count for Sickness, Maternity or any Industrial Benefits.

Hotline numbers: 325-4655/325-4656

or toll-free from Family Islands: 1-242-300-1394

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All persons who work within the Commonwealth of The Bahamas - with very few exceptions - must pay contributions in to National Insurance. To facilitate the payment of contributions, everyone - i.e., employees, the companies or businesses which employ them, and self-employed persons - must be registered.

Registration

All persons engaging in gainful employment in The Bahamas are required to register with National Insurance. Registration should be effected before, or as soon as possible after commencing work. Additionally, employers, and non-working persons claiming benefits or assistance, must register.

The registration process involves the assignment of a number, which creates an account into which all record of contributions and benefit payments will go. To register, an individual needs to present to the Local Office a passport, birth certificate, Baptismal certificate, or affidavit, and a completed Registration Form (R.4). To register a company, a copy of the business license must be submitted along with the completed Registration Form (R.1); a "limited" company needs a copy of the "certificate of incorporation".

The **National Insurance Number** is distinctive and personal. It's digits include representation of the year and quarter of the registrant's birth; the Local Office at which he/she registered; and his/her gender.

There may be instances where a person might be assigned more than one number or an incorrect number - usually caused by registering with incorrect data. In

such cases, the incorrect numbers are cancelled, and, with the aid of proper documentation, the right number is assigned. Once a correct number is assigned, the registrant does not have to register again - even if changing jobs, moving to a new island, or changing names.

In the case of a name-change, copies of legal documentation (e.g., a marriage certificate in the case of a name-change due to marriage), should be submitted.

Additionally, if a person goes from working as an employed person, to working as a self-employed person, then he or she will have to register as an employer (of himself/herself and, perhaps, future employees). The existing ID number remains the same, but the newly self-employed person would need to re-establish an employment relationship - one similar to the one which would have existed with the former employer.

Contributions

Contributions are required for each "contribution week" - a period of seven days, from Monday to Sunday. Payments are based on the wages earned during the week, up to a ceiling of \$400 per week.

Contributions are to be paid monthly, and should be received into the Board by the 15th day of the month following the month for which contributions are payable. Interest will be attached to late payments.

EMPLOYED PERSONS: Contributions must be paid for all employed persons, whether they are permanent, temporary, or part-time. Contributions are to be deducted

from the worker's wages before they are paid, and from the very first salary payment. Contributions not deducted at the time they were payable, cannot be reclaimed from employees' future earnings; the employer is solely responsible for payment of arrears.

"Wages" includes basic pay. "Basic pay" includes pay in lieu of notice, but excludes bonuses, overtime, and tips.

Contributions for persons who are paid on a commission basis are based on the average weekly or monthly wage in the last year, or the total wage paid in the actual week or month concerned. **Contributions for persons paid on a daily or piece-work basis** are based either on the basic amount paid for similar work, or on the total cash amount paid for the actual week or month - whichever is less.

An employed person with a weekly average insured income of less than \$60, pays 1.7 % of his/her salary while the employer pays 7.1%; and a person with a weekly average insured income of \$60 to the ceiling pays 3.4% while the employer pays 5.4%.

SELF-EMPLOYED PERSONS in class "A" pay contributions at a rate of 6.8%, while self-employed person in Class "B" pay 8.8%, of their average insured income, up to the ceiling of \$400.

Self-employed persons must determine at the beginning of each year, what their income level for the payment of contributions will be that year. If they cease self-employment before the year ends, they must notify NIB, or else they will be considered to be in arrears.