



GOVERNMENT OF BERMUDA

The Ministry of Finance

Ministerial Statement

To the Senate

By

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Junior Minister of Finance

Keeping Our Promises to Bermuda's Seniors

Date: 24 July, 2024

Madam President, I speak in this Honourable Senate this morning to announce another step forward in our commitment to our seniors. Last week Cabinet approved to increase the contributory pension benefits by 2.4%, effective from August 16, 2024. This decision is a testament to this Government's commitment to supporting our seniors and the disabled - helping to ensure their standard of living is protected.

Earlier today I tabled the Contributory Pensions (Amendment of Benefits) Order 2024 in this Honourable Senate which will give effect to this increase. The Government will invite senators to take up this motion when we return after the summer recess.

Our seniors have dedicated their lives to building our society, nurturing families, and contributing to our communities and as a Government we have taken on the responsibility of ensuring they live their golden years with dignity, security, and respect.

Madam President, in our 2017 election platform we pledged to institute annual cost of living increases for social insurance pensions that will be linked to the rate of inflation, and I am here to once again say, promise made, promise kept! This year, the increase of 2.4% is based on the cost-of-living changes from September 2022 to August 2023. This adjustment follows the 4.1% increase implemented in 2023, which reflected the economic realities of that period.

Madam President, it is important to highlight that this increase in benefits comes without a corresponding increase in contributions. The Ministry of Finance conducted a thorough review and considered several options, ultimately deciding that an increase in contributions at this time would place an undue burden on low-wage workers reducing their take home pay at a time when the cost of living must be considered with all decisions made by the Government. While the Government continues to consult on changes to social insurance contributions, contribution rates will remain the same for this upcoming year.

Madam President, our seniors deserve nothing less than our full support. They have contributed to the growth and prosperity of our country, and it is only right that we ensure their well-being in return. This 2.4% increase will provide tangible benefits to our pensioners, with the maximum estimated monthly pension rising by \$40; from \$1,658 to \$1,698 per month, and similar proportional increases for widow/widower's allowances and disability benefits.

Madam President, in closing, I want to emphasize this Government's unwavering dedication to our seniors. We have a proud history of fulfilling our commitments to them.

We delivered on our pledge to enhance the prescription drug benefit under Future Care. We continue to provide more affordable housing options for our seniors. We expanded the home-care benefit under Future Care as promised. We introduced a Charter of Rights and Responsibilities for seniors. And today, Madam President, we are reaffirming our commitment by increasing Social Insurance benefits in line with the rate of inflation to support the seniors of Bermuda.

Thank you, Madam President.