SECURITIES COMMISSION OF THE BAHAMAS

THE LANDSCAPE OF PRIVATE PENSIONS IN THE BAHAMAS

Survey Report and Discussion Paper on Contributory Pension Schemes

PUBLISHED DATE: 2 OCTOBER 2026

Securities Commission of The Bahamas
All rights reserved. No part of this publication may be reproduced or distributed without the prior written permission of the publisher. This document does not constitute legal advice.

This publication is available at www.scb.gov.bs.

© Copyright 2026 Securities Commission of The Bahamas

1. Executive Summary

Private pension plans in The Bahamas hold more than $1.5 billion of retirement savings. Employers establish and offer private pension plans voluntarily, not under any legal requirement, and there is no legislation dealing specifically with how they are established or operated. Successive governments have considered such legislation, most recently the Employees' Pension Fund Protection Bill, 2012, but none has come into force.

In March–April 2026 the Securities Commission of The Bahamas (the Commission) surveyed firms registered under the Securities Industry Act, 2024 (the Act) to understand their role in this market. Five firms reported that they administer private pension plans. These five are registered with the Commission as investment managers and also act as pension fund administrators. Together they reported that:

- they administer 460 domestic plans with about $1.50 billion in assets;
- the two largest administrators account for 68% of reported assets;
- contract-based plans hold 71% of assets and trust-based plans 29%;
- 97% of the plans for which administrators said whether members contribute are contributory, meaning members pay into them; and
- plan members are almost all residents of The Bahamas (94% to 100%).

Whether private pension arrangements should be regulated is a matter of public policy for the Government of The Bahamas, and the Commission does not take a position on it. If the Government chooses to examine the area, the Commission would recommend that it convenes a task force representing the relevant ministry, the financial regulators, the National Insurance Board, employers, trade unions and the pensions industry. The starting point for the task force would be whether employers should be obliged to offer pension plans at all. Related matters would follow, such as whether employees should be required to enrol and whether workers should be able to take their pension savings with them when they change employment.

Separately, this Discussion Paper raises one question within the Commission's own remit. Under the Act, an employer may invest the assets of its employees' pension scheme without registering with the Commission. The Commission invites views on whether employers that operate contributory schemes should be required to engage an investment manager registered with the Commission to invest those schemes' assets. Responses are requested by 13 November 2026.

2. Background: Private Pensions in The Bahamas

Retirement income in The Bahamas rests on three pillars:

- **National Insurance.** The National Insurance Board pays a contributory retirement benefit to all insured workers, on earnings up to a ceiling.
- **Occupational pensions.** Public servants receive a non-contributory pension under the Pensions Act (Securities Commission, 2008). Private sector employers may offer pension plans to their staff, but are not required to do so.
- **Personal retirement savings.** Individuals may also save on their own account, through arrangements with investment managers or by buying annuities and similar products from insurance companies.

Private pension plans supplement the National Insurance benefit and are the main source of retirement income linked to a worker's full salary (Central Bank, 2019).

The Government has proposed reforming the public service pension. A White Paper tabled with the 2026-2027 Budget would replace it with a Contributory Public Sector Pension Plan, to which employees would contribute at least 3% of pensionable salary and the Government 5%. The Government has invited stakeholders to comment on the proposals (Tribune, 4 June 2026). The White Paper follows a draft Pensions Bill, 2023, on which the Ministry of Finance consulted.

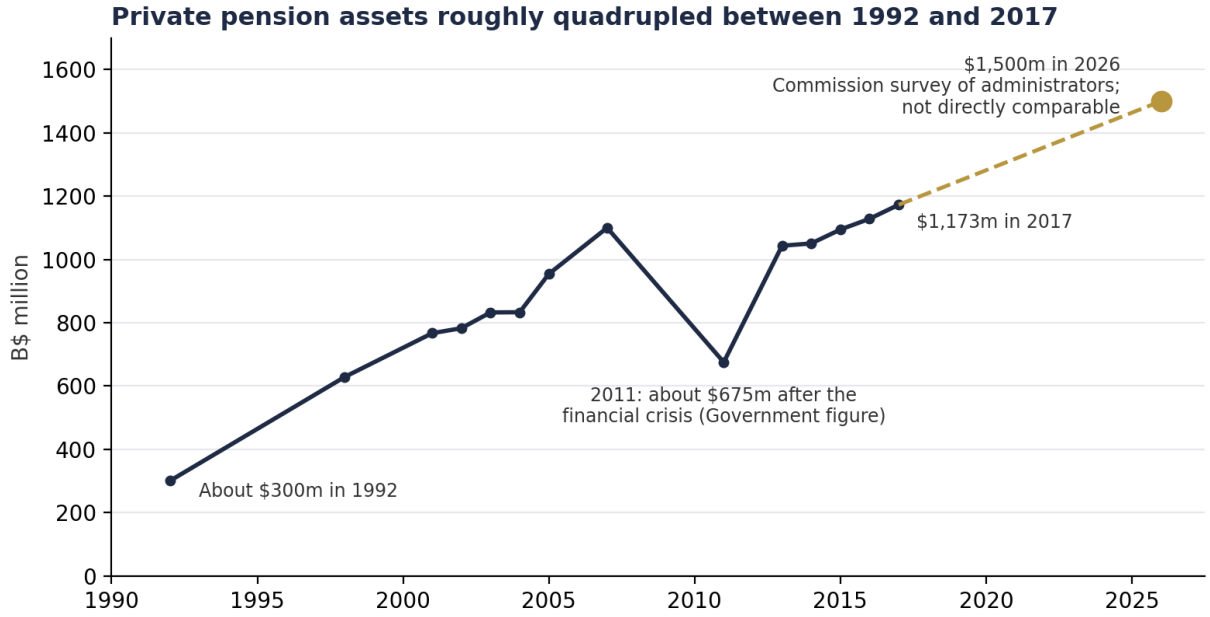

Figure 1. Assets of private pension plans, B$ million. Sources: Central Bank of The Bahamas pension surveys 1992 to 2017; Ministry of Finance figure for 2011; Securities Commission Pension Survey 2026.

Private plans have grown steadily and cover about one quarter of workers. The Central Bank of The Bahamas surveyed plan sponsors from 1992 to 2017. Its last survey estimated 52,363 members in 2017, or 25.7% of the employed workforce, most of them working in hotels and restaurants. Defined benefit plans, which promise a set pension, held 75.4% of total plan assets. These private plans invested conservatively: 44.7% of total plan assets was held in Government securities and 12.5% in bank deposits. After public sector securities, the largest holdings were in mutual funds and equities (Central Bank, 2019). The 2026 survey did not collect information on how plan assets are invested.

Private plans are run in different ways. An earlier Central Bank survey found that about 29% of plans, holding about one quarter of assets, were managed in-house by the sponsoring employer in 2007 (Central Bank, 2008). Following the 2008 financial crisis, the Government reported that private pension assets fell from just over $1.1 billion in 2007 to about $675 million in 2011, as workers who lost their jobs withdrew their savings (Tribune, 10 January 2013).

3. Past Attempts at Pensions Legislation

Successive governments have considered legislation for private pensions, but none has come into force. In 2008 the Commission noted that no pension legislation was in force and that private pension funds

were therefore not regulated (Securities Commission, 2008). The main steps taken since then are set out below.

When	What happened	Outcome
Before 2012	A Pensions Task Force, appointed under the Ingraham administration, drafted proposals, including 12-point guidelines on pension fund governance.	Formed the basis of the 2012 Bill
25 July 2012	The Employees' Pension Fund Protection Bill, 2012 was laid in the House of Assembly. It would have created a Pension Commission of The Bahamas, required every plan to be registered, and required employers to appoint an administrator.	Tabled for first reading
January 2013	The House debated the Bill at second reading with support on both sides. The Opposition criticised the absence of accompanying regulations. Employers objected that it did not make pensions compulsory and created a new regulator.	Debated; regulations not tabled
May 2014	The Government indicated it would amend the Bill to make employer-sponsored plans compulsory.	Not taken forward
July 2015	During debate on the Bill giving effect to the United States Foreign Account Tax Compliance Act, members and industry noted that unregulated pension funds faced heavier reporting burdens as a result.	No change
March 2019	The Central Bank reported that the 2012 Bill was still pending approval prior to implementation and urged that the framework be completed.	Bill still pending
May 2021	Trade unions and employers called for a National Pension Act. Press reports confirmed that the 2012 Bill was never enacted.	Placed on the National Tripartite Council's agenda
June 2023	The Government announced a draft Pensions Bill, 2023, providing a contributory pension plan for public servants, and consulted on it.	Covers public servants only
May 2026	The Government tabled a White Paper with the 2026-2027 Budget proposing a contributory pension plan for public servants, and invited comment from stakeholders.	Under discussion; public servants only

The 2012 Bill did not become law. It does not appear among the statute laws of The Bahamas, and in 2019 the Central Bank described it as still pending (Central Bank, 2019).

4. The Current Legal and Regulatory Framework

The Bahamas has no legislation dealing specifically with private pension plans, and no regulator's mandate extends to the plans themselves. Some of the firms that serve plans are regulated, but only in respect of particular activities they carry on.

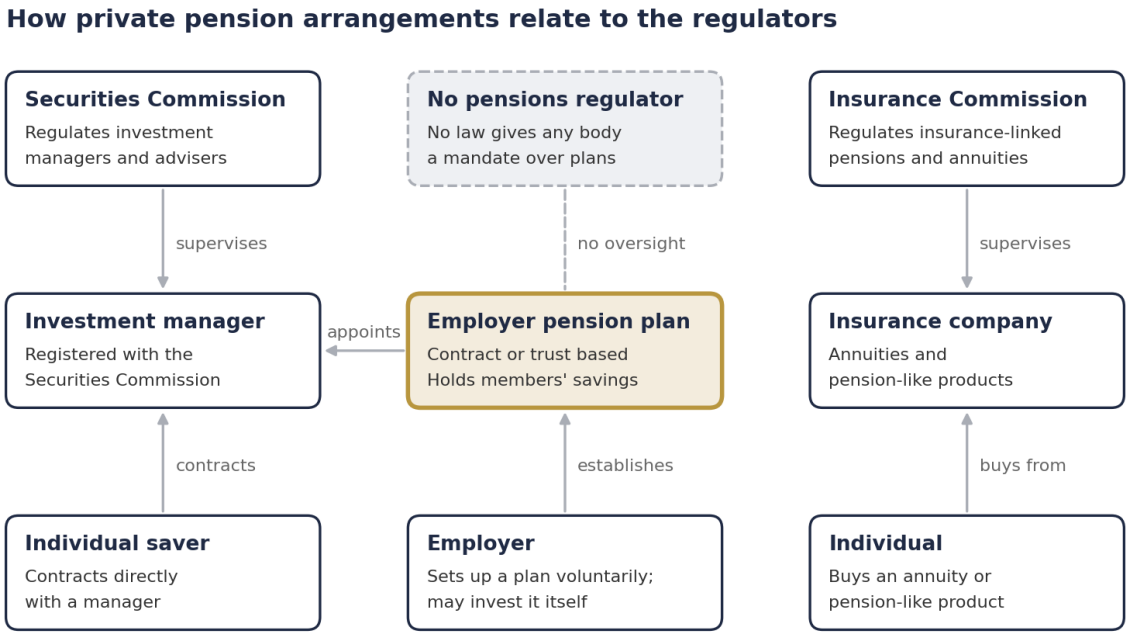

Figure 2. How private pension arrangements relate to the regulators.

The current arrangements work as follows:

- **Participation is voluntary.** No law obliges an employer to offer a pension plan. Employers that do so choose both whether to offer one and its terms, whether it is set up by contract with employees or through a trust.
- **The Commission's role relates to investment management.** Firms that administer pension plans keep member records, collect contributions and pay benefits, and many also manage plan investments. Where such a firm is registered with the Commission, it is because it manages or advises on securities for others as a business, which is a regulated activity under the Act. Whether the administration of pension plans should itself be regulated as a specific activity is a matter for consideration within the context of any future pensions legislation.
- **Employers may invest plan assets themselves.** Part 3 of the First Schedule to the Act excludes an employer's dealing and arranging in connection with the operation of a share or pension scheme for its employees and their families. Part 4 also excludes trustees who are not paid separately for carrying out the investment activity (Securities Industry Act, 2024). An employer can therefore invest its own plan's assets without registering with the Commission.
- **Individuals may save for retirement on their own account.** A person may arrange a personal pension directly with an investment manager registered with the Commission, under a contract with that manager.
- **Insurance regulation reaches insurance-linked pension products.** Insurance companies sell annuities and similar pension products to individuals, and these fall within the Insurance Commission's remit. The Insurance Act confines that remit to pensions business directly connected to insurance business.

5. The 2026 Pension Survey

In March–April 2026 the Commission surveyed firms registered under the Act to find out which of them manage pension funds, and on what terms. It complements the Central Bank's surveys of plan sponsors, which ended in 2017. Responses were due by 30 April 2026.

Firms first stated whether they manage pension funds. Those that did described each domestic and international plan they administer. For each plan they gave:

- whether it is contract or trust based;
- whether members contribute;
- the share of members who are resident and non-resident; and
- the assets under administration and under custody.

A final question asked whether firms hold customer due diligence information for all account holders.

Five firms reported that they administer private pension plans. Where a firm submitted more than once, its latest completed submission is used.

5.1 Survey Respondents

The following five firms administer private pension plans. Each is registered with the Commission as an investment manager; the Commission does not regulate their activities in administering pension plans:

- Colina Financial Advisors Limited
- Coralisle Pension Services (Bahamas) Limited
- Leno Corporate Services Limited
- Providence Advisors Limited
- RF Bank & Trust (Bahamas) Limited

Results are presented in total and are not attributed to individual firms.

5.2 Limits of the Data

These results have limits that readers should keep in mind:

- **Registered firms only.** The survey reached firms registered with the Commission. It does not capture plans that employers administer and invest themselves, or plans served by firms or individuals that are not registered with the Commission.
- **International plans.** Firms reported 25 plans as international but may have understood the term in different ways. This does not affect the figures for domestic plans, which are the focus of this paper.
- **Figures are self-reported.** Some firms gave rounded totals or different figures across submissions. Figures are shown as reported in each firm's latest completed submission.

6. Survey Results

The five administrators reported 460 domestic private pension plans with about $1.50 billion in assets under administration. Amounts are as reported by the administrators and are taken to be in Bahamian dollars. This is above the Central Bank's last estimate of $1.17 billion for 2017. The two figures are not directly comparable, and the survey does not capture plans that employers invest themselves.

Plan structure	Domestic plans	Assets under administration ($ million)	Share of assets
Contract based	305	1,070.4	71%
Trust based	155	429.7	29%
Total	**460**	**1,500.1**	**100%**

Contract-based plans are set up under a contract between the employer, its employees and the investment manager. Trust-based plans are held by trustees on behalf of the members. The distinction describes a plan's legal form, not how its benefits are calculated.

The main findings are:

- **Concentration.** The two largest administrators account for 68% of reported assets. The average plan holds $3.3 million, but most plans are far smaller.
- **Contributions.** Of the 302 plans for which administrators said whether members contribute, 293 (97%) are contributory. Non-contributory plans are few but include the largest plans in the survey.
- **Membership.** Administrators reported that 94% to 100% of plan members are resident in The Bahamas.
- **Custody.** Administrators hold $471.5 million (31%) of plan assets in their own custody. The remaining $1,028.6 million is held outside the administrators' own custody.
- **Due diligence.** All five administrators said they hold due diligence information on all account holders.

Because the survey reached only firms registered with the Commission, it cannot show how many plans, contributory or otherwise, are invested by employers themselves. The Central Bank estimated in 2007 that about one quarter of plan assets were managed in-house (Central Bank, 2008).

7. Private Pensions Policy and the Question for the Commission

Whether private pension arrangements in The Bahamas should be regulated is a matter of public policy for the Government of The Bahamas. The Commission does not take a position on it.

If the Government chooses to examine the area, the threshold question is whether employers should be required to provide pension plans for their employees. Further questions follow from the first. If plans are provided, should employees be required to join them, or be enrolled automatically with the choice to leave? And should plans be portable, so that workers keep their accumulated savings when they move from one employer to another? The answers would shape any framework that followed, including which workers are covered, how plans are funded and what oversight is appropriate. Regulatory oversight should not be addressed until those questions are answered. Thereafter, appropriate regulatory frameworks would have to be independently benchmarked. The Commission would recommend that the Government convene a task force to consider these questions, with members drawn from:

- the Ministry of Finance;
- the financial regulators: the Central Bank of The Bahamas, the Securities Commission of The Bahamas and the Insurance Commission of The Bahamas;
- the National Insurance Board;

- employers, through the Bahamas Chamber of Commerce and Employers Confederation;
- trade unions;
- pension administrators and investment managers; and
- actuarial and legal advisers.

An earlier Pensions Task Force, drawn from a smaller range of stakeholders, prepared the groundwork for the 2012 Bill.

7.1 The Question for the Commission

The Commission's own question is narrower, and concerns only the Act, which the Commission is responsible for:

> **Should employers that operate contributory pension schemes be required to engage an investment manager registered with the Commission to invest those schemes' assets?**

The question applies only to contributory schemes, to which members pay some part of the cost. Non-contributory schemes, funded entirely by the employer, are outside its scope. Contributory schemes are the focus because they invest members' own money, usually deducted from wages. In the survey, 97% of the plans for which a breakdown was given were contributory.

7.2 Why the Question Arises

Members of a contributory scheme are, in effect, investors. Part of their pay is set aside and invested for them, but they do not usually choose the investments, cannot readily move their savings, and rely on others to look after the money for many years. The risks they face are the kind that securities regulation is designed to address:

- conflicts of interest, where scheme assets are invested in the employer's own business or property, or used for its benefit;
- concentration, where much of a scheme's value rests on one or two assets;
- custody, where scheme assets are not held separately from the employer's own; and
- limited reporting, where members learn little about how their savings are invested and valued.

An investment manager registered with the Commission must meet the Act's registration, conduct and record-keeping requirements and its anti-money laundering obligations, and is subject to the Commission's supervision. None of this applies when an employer invests scheme assets itself, because of the exclusion in Part 3 of the First Schedule to the Act. The exclusion recognises that an employer running a scheme for its own staff is not offering investment services to the public. It also means, however, that members' contributions can be invested without the protections that would apply if a registered firm invested the same money. Members of non-contributory schemes also have a real interest in how scheme assets are invested, particularly once their benefits have vested. This paper focuses on contributory schemes because the money invested there includes members' own wages, deducted at source, which makes the case for requiring a registered investment manager most direct.

7.3 Possible Approaches

The exclusion in Part 3 of the First Schedule could be made conditional on a contributory scheme engaging a registered investment manager, through an amendment to the First Schedule. The two approaches compare as follows:

Approach	What it means	Possible benefits	Possible costs and risks
A. Keep the exclusion as it is	Employers may continue to invest contributory schemes themselves, without registration.	No new cost or change for employers.	Members' contributions may be invested without a registered investment manager.
B. Require contributory schemes to engage a registered investment manager	The exclusion would continue to apply to employers, but only where a contributory scheme has engaged an investment manager registered with the Commission.	Members' contributions would be invested by a firm subject to the Act's requirements and the Commission's supervision.	Employers now investing their own schemes would need to engage a manager, and fees may fall on members. Small schemes may need a transition period or other accommodation.

The Commission has not reached a view between these approaches and will consider the views it receives.

7.4 Questions for Discussion

The Commission invites views on the following:

1. Should employers that operate contributory pension schemes be required to engage an investment manager registered with the Commission to invest those schemes' assets?
2. How should a contributory scheme be defined, including schemes that are partly contributory?
3. Should any requirement also apply to non-contributory schemes, for example once members' benefits have vested?
4. Should small schemes, below a size threshold, be treated differently? If so, what threshold is appropriate?
5. If the requirement were introduced, how long should employers that now invest their schemes themselves be given to engage a registered investment manager?
6. Should the treatment of trustees under Part 4 of the First Schedule change in the same way?
7. If the requirement were introduced, what information should scheme members receive about how their contributions are invested, where the assets are held, and the fees charged?
8. What effect would the requirement have on the costs borne by scheme members?

8. How to Respond

The Commission invites views on the questions in section 7.4 from pension administrators, investment managers, employers, trade unions, plan members and any other interested person. Responses may address some or all the questions.

Please send responses by email to SCBConsultation@scb.gov.bs by 13 November 2026, with the subject line "Private Pensions Discussion Paper".

The Commission may publish a summary of the responses it receives. Respondents who wish all or part of their response to be kept confidential should say so when they respond.

9. Next Steps

After the response period closes, the Commission will:

1. review the responses received;
2. share this paper with the Ministry of Finance, together with the Commission's recommendation for a task force, should the Government of The Bahamas decide to examine private pension arrangements; and
3. decide whether to prepare a draft amendment to the First Schedule to the Act. Any draft amendment would be published for public consultation before it is made.

10. Sources

- Securities Industry Act, 2024 (gazetted), section 6 and First Schedule, Parts 3 and 4
- Central Bank of The Bahamas, Survey of Private Pension Plans in The Bahamas (2016 and 2017), Quarterly Economic Review, March 2019
- Central Bank of The Bahamas, Survey of Private Pension Plans in The Bahamas (2006 and 2007), Quarterly Economic Review, December 2008
- Securities Commission of The Bahamas, The Economic Benefits of a National Pension System, speech, 19 June 2008
- The Tribune, "$1bn pension assets not heavily regulated", 29 May 2012
- The Tribune, "Government gives notice over pension legislation", 10 August 2012
- The Tribune, "Prospects for 21% pension cover improvement 'not high'", 6 December 2012
- The Tribune, "Pension Protection Bill debate starting today", 9 January 2013
- The Tribune, "Private pension assets drop 39%", 10 January 2013
- The Tribune, "Debate on pension fund", January 2013
- Jones Bahamas, "Pension Bill Overwhelmingly Supported", January 2013
- The Tribune, "Bahamian firms 'hurt own bottom line' with no employee pension", 19 May 2014
- The Tribune, "'Multiple compelling reasons' for pension industry legislation", 27 July 2015
- The Tribune, pension legislation and unions, 11 May 2021
- The Tribune, "Minister defends public sector pension overhaul proposal", 4 June 2026
- EW News, "Legislation to reform public service pension scheme nearing completion", June 2023
- Securities Commission of The Bahamas, Pension Survey 2026 (unpublished survey data)