



*Government of Bermuda*  
Ministry of Social Development and Sports

## **Financial Assistance Reform Group**

# **Summary Report of Conclusions and Recommendations**

**Final**

**September 2018**



## TABLE OF CONTENTS

Introduction.....	2
History of the Financial Assistance Programme.....	3
Description of the Financial Assistance Programme.....	4
Detailed Conclusions and Recommendations.....	9
Summary of Recommendations.....	26

## INTRODUCTION

The September 2017 Speech from the Throne stated that Government will undertake a review of the Financial Assistance Programme and reform Financial Assistance to reduce abuse, discourage dependency, and ensure that work pays. A Financial Assistance Reform Group was established on November 15<sup>th</sup> 2017 by the then Minister of Social Development and Sports, the Hon. Zane De Silva, JP MP, as a non-statutory, recommendatory body with a remit to review the Financial Assistance Programme and make recommendations for Financial Assistance reform.

Meetings of the Financial Assistance Reform Group were held at the Ministry Headquarters Boardroom on the 4<sup>th</sup> Floor of the Dame Lois Browne Evans Building located at 58 Court Street. Twelve (12) persons were initially appointed to the Financial Assistance Reform Group: Wayne Carey (Chairperson); Senator Jason Hayward, JP; Hon. Tinee Furbert, JP, MP; Hon. Michael Weeks, JP, MP; Hon. Susan Jackson, JP, MP; Wendall Brown; Wentworth Christopher; Tina Nash; Lynn Gordon; Dianna Taylor; Komlah Foggo-Wilson; and Judy Lowe-Teart. The Hon. Michael Weeks, JP, MP was appointed as Minister of Social Development and Sports on February 7<sup>th</sup> 2018 and did not serve on the Reform Group directly beyond that date. Derek Smith replaced Judy Lowe-Teart as the representative from the Department of Workforce Development.

The 2018/2019 Budget Statement projected that the reform initiative would lead to cost savings in the region of \$1.5 million. In pursuing this objective, the Financial Assistance Reform Group examined options for reducing the number of persons (especially able-bodied unemployed persons) who are dependent on financial assistance and for reducing the overall cost of the Programme. The Financial Assistance Reform Group assessed the level of abuse of the financial assistance

system, and looked for ways to reduce such abuse. The Financial Assistance Reform Group also considered the extent to which an ageing population could result in increasing numbers of seniors/pensioners on financial assistance, and make recommendations to manage this phenomenon.

## **HISTORY OF THE FINANCIAL ASSISTANCE PROGRAMME**

The current Department of Financial Assistance evolved from the Parish Assistance Act of 1968, and the Financial Assistance Programme was formerly administered under the Parish Vestry and Parish Council System.

Historically, the Department of Financial Assistance was responsible for providing social assistance and housing assistance to individuals, and also managed the Benchmarks Programme, which was a rate structure programme designed for seniors.

In response to the Auditor General's recommendations, the department requested then Management Services Department to determine the feasibility of consolidating the Social Assistance, Housing Allowance and Benchmarks Programmes, and provide an appropriate staffing and organization structure to accommodate the change. The proposed programme change was reflected in the Throne Speech of October 27<sup>th</sup>, 2000 and its purpose was to improve service delivery through the consolidation of individual programmes.

During the course of the review, the Management Services Department found that the existence of three separate programmes with different eligibility criteria made the process appear inequitable and more confusing and time consuming to the clients. Some clients had multiple contacts with the Department of Financial

Assistance and transfer between the programmes. There was also a duplication of effort and resources as there were dual intake systems, dual cheque generation procedures, dual computer systems, and a duplication of client records.

As a consequence, it was proposed that the three programmes be consolidated into one financial assistance programme, supported by new legislation, with one application form and one set of rules and eligibility criteria. This would ensure the standardization of the process, and re-align the program with the Department's mandate of "ensuring that all Bermuda residents have the financial and social means to gain, re-gain and maintain a minimum standard of living".

The consolidation eliminated the duplication of effort and resources, and provided universal criteria for eligibility for financial assistance, easier access to service, and more timely determination of assistance.

The Housing Allowance Act was repealed. A "transition period", of one year was given in order to educate clients with respect to the programme, policy and procedural changes. Budget counselling was also provided to assist clients in making any adjustments as a result of the change.

## **DESCRIPTION OF THE FINANCIAL ASSISTANCE PROGRAMME**

The Financial Assistance Programme is administered by the Department of Financial Assistance and operates under the legislative framework provided by the Financial Assistance Act 2001 and the Financial Assistance Regulations 2004. The preamble to the Financial Assistance Act 2001 states that its purposes is to "make provision for the administration of financial assistance to persons in need". Although the Financial Assistance Act 2001 defines financial assistance to mean "financial

benefits given to a recipient under this Act to enable him to maintain a minimum standard of living”, the Act does not define a minimum standard of living.

The Mission Statement of the Department of Financial Assistance, as noted in the Approved Estimates of Revenue and Expenditure for the Year 2018/2019, is to administer a Financial Assistance Programme to “ensure that Bermudians with insufficient financial resources have access to services in order to gain, maintain, or regain a minimum standard of living while encouraging personal and economic independence”. The Approved Estimates of Revenue and Expenditure for the Year 2018/2019 indicates that the total amount allocated to the Department of Financial Assistance in fiscal year 2018/2019 was \$51,684,000, which includes grants to individuals and institutions, salaries and other operational expenses.

Since 2008, the Financial Assistance Programme has included the administration of a Child Day Care Allowance scheme under the legislative framework of the Child Day Care Allowance Act 2008 and the Child Day Care Allowance Regulations 2008. The Financial Assistance Programme operates on the basis of a statutory income versus household expenses means test to determine awards to eligible recipients, whilst the Child Day Care Allowance Programme grants child day care allowance awards to eligible parents based on a maximum gross income threshold criterion.

Approval of financial assistance is based on need and a means test to assess basic monthly income and expenses. The amount of an award is determined by the formula:  $E-I=A$ , where:

E – is the allowable expense

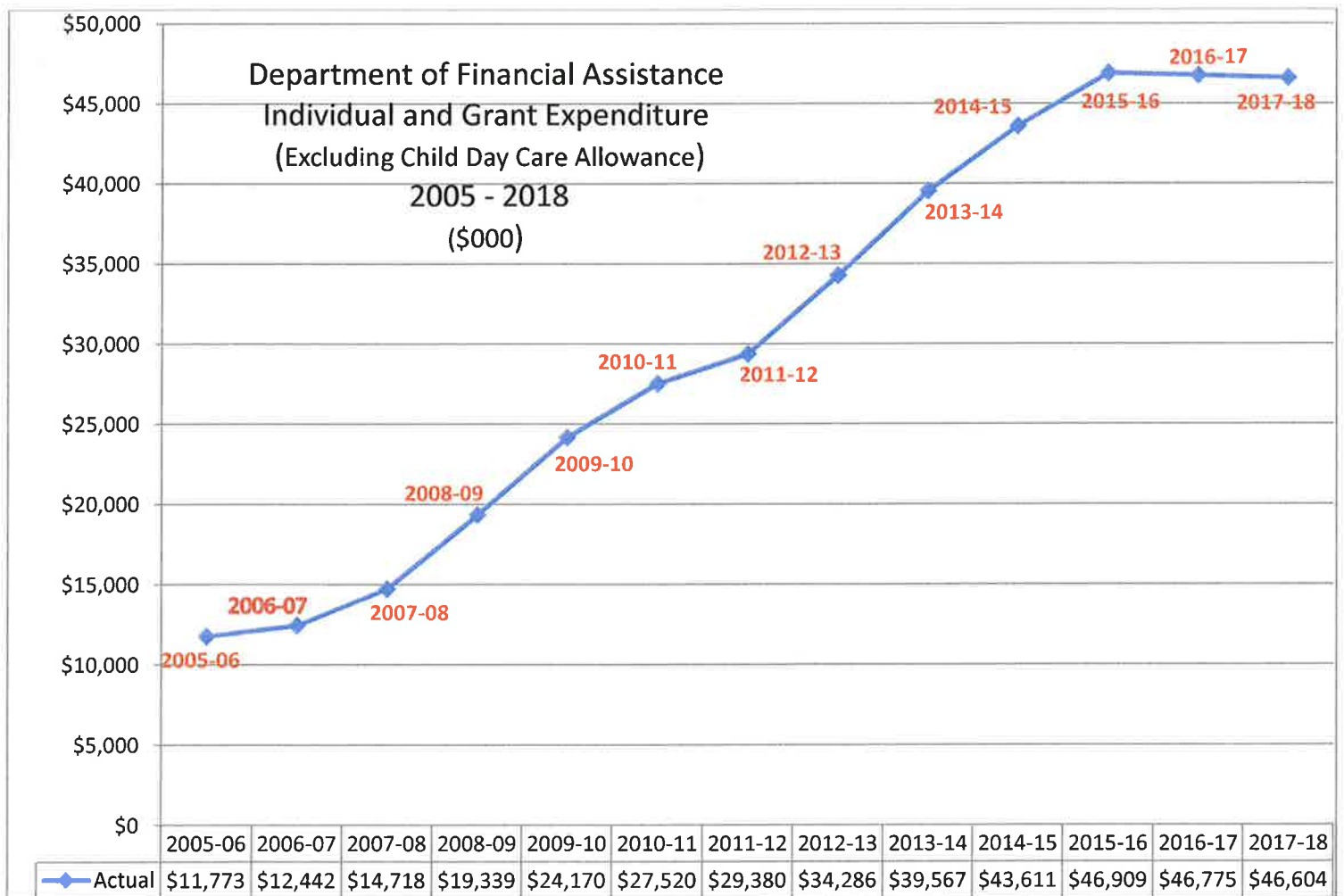
I – is the household income

A – is the amount of the award

All awards have a ceiling limit attached, as stated in the Financial Assistance Regulations 2004 The Schedule – Table of Allowable Expenses.

For fiscal year 2018/2019, the amount allocated for individual and institutional grants under the Financial Assistance Programme (exclusive of child day care allowance payments) was \$45,128,000. Figure 1 shows the historical rise in financial assistance grant expenditure between 2005 and 2018. There is concern that the current expenditure on financial assistance is unsustainable.

Figure 1





The Financial Assistance Programme is meant to encourage the development of personal skills and resources to ultimately foster financial independence from receiving assistance. The Financial Assistance Programme has proven to be a lifeline for many in our community. However, over the years there has developed a dependence upon receipt of financial assistance benefits, with some persons remaining on financial assistance for long periods of time.

There is concern that the way financial assistance is structured unfairly penalizes persons who have part-time jobs, who may find themselves unable to sustain their progress towards financial independence.

The Department of Financial Assistance classifies financial assistance clients into five (5) basic categories: pensioners/seniors (PE); persons with disabilities (DIS); able-bodied unemployed persons (ABU); persons with low earnings (EL); and child day care allowance parent recipients (CDC).

Table 1 shows the number of financial assistance clients by category during January – March 2018. Seniors/pensioners formed the largest category of financial assistance clients (~40%), followed in descending order by persons with disabilities (~34%), persons on low income (~11%), able-bodied unemployed persons (~8%), and parents receiving child day care allowance (~7%).

Table 1

<b>Month</b>	<b>PE</b>	<b>DIS</b>	<b>EL</b>	<b>ABU</b>	<b>CDC</b>	<b>TOTAL</b>
January	1,028	857	267	212	167	2,531
February	1,027	871	286	218	197	2,599
March	1,037	900	326	215	212	2,690

The Department of Statistics has projected that the old age dependency ratio will rise from 24.7 in 2016 to 39.9 by 2026; this means in 2026 there will be almost 40 seniors (65 years and older) for every 100 people of working age (15-64 years). The implications for the Department of Financial Assistance are clear – there will be a rise in the number of seniors receiving financial assistance in the next 5 – 10 years. This trend is already being observed by the Department of Financial Assistance.

Table 2 shows the breakdown of the bulk of monthly spending (in descending order) for all clients receiving financial assistance for January, February and March 2018.

Table 2

<b>Spending Category</b>	<b>January 2018</b>	<b>February 2018</b>	<b>March 2018</b>
Rent	\$1,140,407	\$1,141,075	\$1,259,694
Rest and Nursing Homes	\$859,040	\$874,636	\$843,077
Medical Insurance	\$764,844	\$767,688	\$815,314
Food	\$413,396	\$418,413	\$397,762
Child Day Care Allowance	\$138,730	\$168,910	\$213,130
Utilities	\$75,636	\$70,686	\$86,466
Telephone	\$12,245	\$14,547	\$20,420

Shelter (rent, rest homes and nursing homes) accounts for the highest cost of financial assistance spending. Medical insurance (HIP, FutureCare and some private insurance) is also a significant expenditure, as is food.

The Department of Financial Assistance, in collaboration with the Ministry of Health, has developed a Home Care Policy (since 2014) whereby seniors are

encouraged to age at home where possible. The Policy provides for payment for in home care of eligible seniors by qualified caregivers (as set out in the Schedule - Table of Allowable Expenses in the Financial Assistance Regulations 2004) and is currently payable to a maximum of \$2,000 per month at differing rates (established via nursing assessment) for either personal assistance, skilled personal assistance (aide) or skilled nursing visits by a registered nurse.

In addition to the above information, the Financial Assistance Reform Group examined an extensive set of data, including the Financial Assistance and Child Day Care Allowance legislation as well as information on the structure of the Department of Financial Assistance, in order to determine what changes might be necessary to improve the efficiency of service delivery.

## **DETAILED CONCLUSIONS AND RECOMMENDATIONS**

The conclusions and recommendations of the Financial Assistance Reform Group are set out below. Conclusions are shown in *italic* print, and recommendations in **bold** print. A single conclusion may be associated with multiple recommendations.

***Conclusion 1:** The current structure of the Department of Financial Assistance does not fully lend itself to the most efficient operation in order to effectively deliver required services to its current and future clients.*

**Recommendation 1:** Undertake a comprehensive review of the organizational structure and operation of the Department of Financial Assistance to determine the optimal structure to meet current and projected client demand and to ensure provision of adequate and timely service delivery.

**Recommendation 2:** Relocate the Department of Financial Assistance offices to suitable premises that are located at street level, thereby providing easier access for seniors and other financial assistance clients.

**Recommendation 3:** Consider organizing financial assistance work teams by client category, with several work teams servicing the larger financial assistance categories e.g. seniors.

*Conclusion 2: There is a critical need to develop an individualized case management plan for each able-bodied unemployed financial assistance client registered with the Department of Workforce Development. The Department of Workforce Development may need to hire social workers to assess skill level and interests of able-bodied unemployed financial assistance clients in order to better assist them in obtaining employment. Greater collaboration is required between the Department of Financial Assistance and the Department of Workforce Development with regard to servicing able-bodied unemployed financial assistance clients.*

**Recommendation 4:** Establish individualized case management plans for able-bodied unemployed financial assistance clients. This service should be provided by the Department of Workforce Development in collaboration with the

**Department of Financial Assistance. (Social workers should be sourced from internal and/or external to Government).**

**Figure 2 shows a simple case management model based on a phased approach. There are four (4) basic groups of able-bodied unemployed financial assistance clients: highly skilled (bachelors and higher education); partially skilled (education to secondary school level); partial to low skill level (no GED or GED incomplete); and low skill level (no formal secondary school qualification).**

**The model requires partnership between Government and the private sector as clients move through the three (3) phases.**

**Phase one envisages a short part-time assignment for a financial assistance client at a suitable business, with full financial assistance benefits for the client at no cost to the employer.**

**Phase two involves full-time employment for financial assistance clients at participating businesses, with income for the client shared between the respective business (salary) and Government (financial assistance benefits).**

**Phase three is where the financial assistance client transitions from partial reliance on financial assistance support to full-time employment.**

Figure 2

Case Management Model for Able-Bodied Unemployed FA Clients

<b>Group</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Education</b>	Degree: Associate, Bachelors, Masters, Doctorate, or Professional Qualifications	GCSE, BSSC, GED	Near completion of GED	No formal secondary qualifications
<b>Skills</b>	Variety of skills sets	Partial Skills	Partial/ Low Skills	Low/No Skills
<b>Assessment</b>		<b>PHASE I</b>		
		6 week Programme (Training Scheme (no payment)) <ul style="list-style-type: none"> <li>- Employer Assessment of Employee</li> <li>- DFA benefits continue</li> <li>- Maximum of 15 hours “work” per Employment Act</li> </ul>		Entrepreneurship Development
<b>Assessment</b>		<b>PHASE II</b>		
		Employer pays employee for “work” (“hire”) (3-6 months) <ul style="list-style-type: none"> <li>- Employer incentive (e.g. payroll tax reduction)</li> <li>- Reduction in FA benefit or no FA benefit</li> </ul>		
<b>Assessment</b>		<b>PHASE III</b>		
		Weaning off FA based on earnings level		

*Conclusion 3: There is significant concern on the part of able-bodied unemployed financial assistance clients that the requirement to submit weekly job search sheets is unreasonable in the current economic climate. Financial assistance clients apply for every available job just to fill their job search quota even if not remotely qualified for a particular job. The policy (and statutory basis) for job search sheets needs to be revisited as employers are frustrated and clients are demoralized by the process.*

**Recommendation 5: Firmly establish the job search component for able-bodied unemployed financial assistance clients under the Department of Workforce Development and target job searches as part of a case management plan that provides appropriate guidance (see Recommendation 4).**

*Conclusion 4: Data provided by the Department of Financial Assistance shows that some abuse of the Financial Assistance Programme by clients does occur, but is not a major issue. Table 3 shows the total funds recovered by the Department of Financial Assistance over a five (5) year period. The Department of Financial Assistance hotline (297-STOP) whereby a member of the public can report alleged abuse of the system has worked well, resulting in tens of thousands of dollars paid back to Government annually. Any abuse reported to the Department is investigated and, if substantiated, appropriate steps are taken to recover funds, as provided for under the Financial Assistance legislation.*

Table 3

Total Funds Recovered by DFA over a Five (5) Year Period

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
# of Clients /Vendors	No data	No data	53	61	No data
Amount Recovered	\$151,734	\$85,000*	\$88,000	\$98,000	\$62,000
Notes	-	* Over 10 months	60 of 70 Hotline calls confirmed as misuse of funds	74 of 90 Hotline calls confirmed as misuse of funds	34 of 60 Hotline calls confirmed as misuse of funds

The reasons for abuse of the financial assistance system include:

- a) nondisclosure of income;
- b) misuse of funds awarded;
- c) unauthorized overseas travel; and
- d) fraud

**Recommendation 6: Re-examine the policy on overseas travel while on financial assistance with a view to reducing potential abuse of the system in this area.**

**Recommendation 7: Conduct more frequent advertising of the Department of Financial Assistance's Hotline number.**



*Conclusion 5: Some persons on financial assistance receive a pension before age 65. Such persons ought to be categorized as able-bodied unemployed persons rather than be classified as “seniors”.*

**Recommendation 8: Amend the Financial Assistance legislation to clarify the definition of a “senior” as being distinct from a person who receives a pension before the age of 65.**

**Recommendation 9: To the extent possible, encourage persons earning a pension before age 65 to take part-time employment to offset payouts from Financial Assistance. Similarly, to the extent possible, encourage seniors on financial assistance to engage in limited part-time employment, whether they are able-bodied persons or seniors with disabilities.**

*Conclusion 6: The Financial Assistance Reform Group concluded that further policy work is required to address the issue of inheritance of properties owned by persons who pass away after having received significant financial assistance support from Government. There should be an obligation placed upon persons inheriting such properties to repay Government for a portion of the financial assistance that was afforded to seniors during their lifetime.*

**Recommendation 10: Request the Attorney-General’s Chambers to provide a legal opinion regarding whether a person who inherits a property from a senior who has benefited from financial assistance should be statutorily required to pay back some portion of the funds to Government.**

**Recommendation 11: Review social policy in other jurisdictions to determine whether any mechanisms are in place to enable governments to recover financial benefits paid to seniors who own property.**

*Conclusion 7: The cost of determining whether an applicant for financial assistance has Bermudian status should not be borne by the applicant.*

**Recommendation 12: At no cost to the applicant, the Department of Financial Assistance should consult with the Department of Immigration as needed to determine whether an applicant for financial assistance has Bermudian status.**

*Conclusion 8: There is nothing explicit in the Financial Assistance Act 2001 indicating that financial assistance benefits awarded under the Act are intended to be short-term in nature.*

**Recommendation 13: Amend the Financial Assistance Act 2001 to specifically state that financial assistance benefits awarded under the Act are intended to be short-term in nature and wean people off of financial assistance.**

*Conclusion 9: The creation of jobs in the Bermudian economy is key to reducing the dependency of persons on financial assistance. Shifting of able-bodied unemployed clients to either a full-time or part-time employment status will ease the burden on Financial Assistance.*

**Recommendation 14: Explore incentives that can be offered to employers who hire Financial Assistance clients e.g. payroll tax reductions to employers who employ Financial Assistance clients for at least 6 months of the year. Such incentives must have a net benefit to Government.**

*Conclusion 10: Many unemployed persons view the Financial Assistance Programme as a benefit that is available to them immediately upon being terminated from a job.*

**Recommendation 15: Develop and introduce a *bona fide* unemployment insurance scheme (separate from the Financial Assistance Programme and not operated by the Department of Financial Assistance) which would benefit persons who find themselves transitioning between jobs or who remain unemployed over a period of time, reducing the strain on Financial Assistance.**

*Conclusion 11: The current number of seniors benefitting from financial assistance exceeds 1,000 people and is expected to increase sharply in the future, based on population projections for seniors as a whole.*

**Recommendation 16: Consider introducing a special tax and earmark the resulting tax revenues (either within or outside of the Consolidated Fund) to be**

used to directly benefit seniors who qualify for financial assistance based on means testing.

**Recommendation 17:** Amend the Financial Assistance Regulations 2004 to reduce from \$5,000 to \$500 the amount of money a senior can retain in their bank account that is not included in financial assistance calculations. Seniors would be required to spend down to \$500 (as do other financial assistance clients) to be eligible to receive a financial assistance award.

**Recommendation 18:** Amend the Financial Assistance Regulations 2004 to require that *all* pension amounts be treated as calculable income for the purposes determining financial assistance awards, instead of excluding \$500 in pension money from calculable income as at present. This could yield up to \$500,000 in savings per month and up to \$6,000,000 in savings per year. The savings realized could help to fund the projected increase in numbers of seniors on financial assistance in the future.

**Recommendation 19:** Establish a specific Government Task Force or Joint Select Committee of Parliament for the sole purpose of recommending strategies to ensure that the Island is prepared to care for and service the current and future senior population, especially those who require financial assistance.

*Conclusion 12: Periodically, complaints regarding the attitude of some staff within the Department of Financial Assistance towards applicants and clients have been made to both the Minister of Social Development and Sports and to the Office of the Ombudsman. Relatively few of the complaints to the Ombudsman have resulted in conclusions of maladministration. Nevertheless, it is important for Financial*

*Assistance staff to recognize the need to continuously carry out their duties with professionalism and a customer-friendly attitude.*

**Recommendation 20: Financial Assistance staff should receive customer service training on a regular, ongoing basis.**

*Conclusion 13: For a number of years, the Department of Financial Assistance staff caseload (worker to client ratio) has been reported in Budget Briefs as being over 200 clients per worker, which exceeds best practices. There is real potential for staff burnout and administrative inefficiencies resulting directly from the high caseload.*

**Recommendation 21: Government should urgently review the need to recruit additional staff in the Department of Financial Assistance, particularly in view of the expected increase in the numbers of seniors applying for and qualifying for financial assistance in the coming years.**

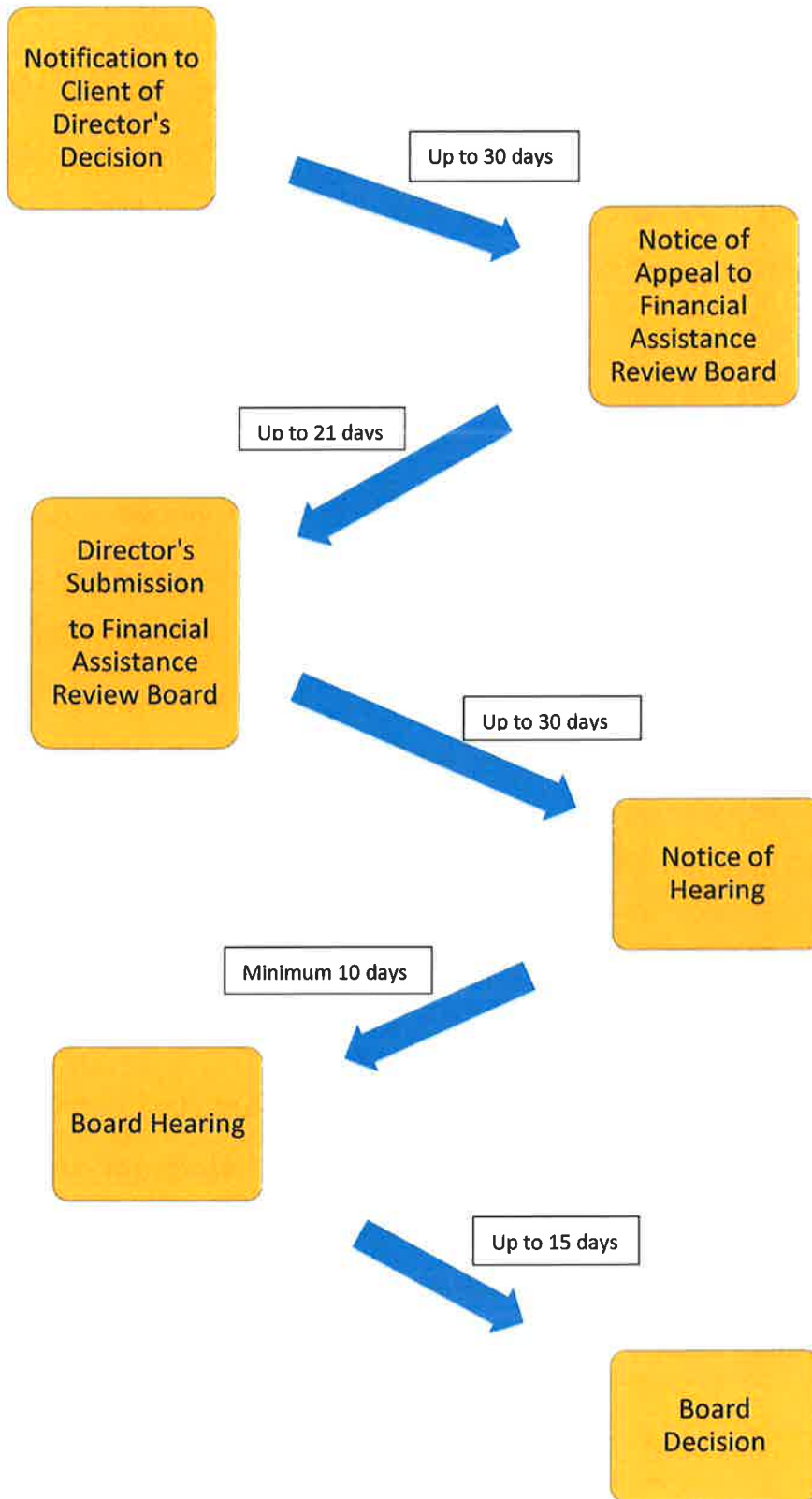
*Conclusion 14: Figure 3 shows the six (6) steps in the current appeal process along with the statutory times given between each step as per sections 10, 11, 12, 13, 14 and 15 of the Financial Assistance Regulations 2004. The appeal process can take up to 106 days (over 3 months) or longer to complete. Clients who are suspended for 3 months or more for non-compliance with the Regulations may suffer significant hardship (e.g. inability to purchase essential prescription medications; threat of eviction from rental accommodation; or non-payment of health insurance) whilst the*

*appeal process is in progress and they are awaiting the decision of the Financial Assistance Review Board.*

**Recommendation 22: Undertake a review of the appeal process under the Financial Assistance Regulations 2004 with a view towards streamlining the process so that clients making an appeal are not disadvantaged. The total time taken from notification of the Director's decision to the determination of an appeal should be between 30 – 45 days instead of over 100 days as at present.**

**Recommendation 23: To expedite appeal hearings and decisions, consider increasing the size of the Financial Assistance Review Board from five (5) to seven (7) members, with a quorum of three (3) or four (4) members.**

Figure 3



*Conclusion 15: Although the Financial Assistance Act 2001 provides a definition of “financial assistance”, it does not define what is meant by a “minimum standard of living”. The Financial Assistance Reform Group spent considerable time discussing the Low Income Threshold criteria for a basket of goods and services (as produced by the Department of Statistics) over a range of household categories (i.e. single adult; single adult with children, etc.) and comparing such data to actual payouts for financial assistance clients in 2007/8, 2013 and 2017. The basket components were: food; clothing; shelter; health care (insurance); communication (telephone); child care; and transportation. The Financial Assistance Reform Group concluded that although payouts under financial assistance policy were generally being awarded consistently across the various basket components and household categories, it was important to tie financial assistance benefits to a benchmark that represented a “minimum standard of living”. The Financial Assistance Reform Group noted that the ongoing discussion on a “livable wage” may provide guidance in this area.*

**Recommendation 24: Amend the Financial Assistance Act 2001 to more clearly define “financial assistance” by indicating what a “minimum standard of living” actually means in terms of a basket of goods and services that are to be provided for in the Schedule - Table of Allowable Expenses under the Financial Assistance Regulations 2004.**

*Conclusion 16: The declining birth rate in Bermuda (as reported by the Department of Statistics) is likely to reduce the demand for child day care in the coming years.*



*Table 4 shows that the number of clients receiving a Child Day Care Allowance and the number of children benefitting from child day care allowance declined markedly during the fourth quarter of fiscal years 2012/13, 2015/16, 2016/17 and 2017/18.*

Table 4

Number of Child Day Care Allowance Recipients  
In Q4 of 2012/13, 2015/16, 2016/17 and 2017/18

	2012/13			2015/16			2016/17			2017/18		
	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
# of Clients	274	333	358	248	260	264	184	220	232	167	197	212
# of Children	299	369	403	286	299	301	217	267	276	175	211	228

*Although the sum of \$3,400,000 was allocated for the Child Day Care Allowance Programme in each of the fiscal years 2015/16, 2016/17 and 2017/18, not all of the allocated funds were used in 2015/16 and 2016/17, and the same is expected in 2017/18, due to the declining number of clients (and children) receiving a child day care allowance. The actual amount spent on child day care allowance in 2016/17 was \$2,530,000 (a savings of \$870,000).*

**Recommendation 25: Reduce the total allocation for the Child Day Care Allowance Programme from \$3,400,000 to \$2,400,000 in fiscal year 2019/20 to realize a savings of \$1,000,000. This will not affect the amount paid per child, which should remain unchanged at \$800/per month/per child.**

*Conclusion 17: Able-bodied financial assistance clients are offered money management courses when they initially start to receive benefits. There is no policy to require further money management or life skills training after a person has remained on financial assistance for some time.*

**Recommendation 26: The Department of Financial Assistance should require, as a matter of policy, that able-bodied unemployed clients undertake a second Money Management and/or Life Skills course/workshop after one year being on financial assistance.**

*Conclusion 18: A variety of service providers offer workshops and other training opportunities that may be beneficial for financial assistance clients.*

**Recommendation 27: The Department of Financial Assistance should offer financial assistance able-bodied unemployed clients (and possibly financial assistance clients earning low income) the opportunity to participate in various workshops and other training opportunities that are available.**

*Conclusion 19: There may be opportunities to reduce food costs by purchasing certain food items in bulk quantities. Government should consider options to achieve this objective. Other alternatives could include negotiating discounts at grocery food*

*stores when the Department of Financial Assistance spends a certain minimum amount per month at participating food store chains.*

**Recommendation 28: Government should devise a strategy for reducing food costs. For example, examine the possibility of buying various bulk food items to supply to financial assistance clients (e.g. breakfast items).**

**Recommendation 29: Government should consider mandating island-wide price controls for certain food items that are being purchased by persons who show proof that they are financial assistance clients. Alternatively, negotiate with major grocery store chains to put in place a rebate system specifically for financial assistance clients.**

*Conclusion 20: The cost of prescription medication is a significant financial burden on many financial assistance clients, especially seniors and persons with disabilities.*

**Recommendation 30: The Department of Financial Assistance should re-visit the concept of a generic drugs policy with a view towards developing a policy that maximizes cost savings for prescription medication, whether generic or brand name prescription drugs.**

Table 5 is a summary of recommendations.

Table 5

Summary of Recommendations

	<u>Legislative Amendment</u>		<u>Policy Change</u>		<u>Administrative Procedure</u>
1	Amend the Financial Assistance legislation to clarify the definition of a “senior” as being distinct from a person who receives a pension before the age of 65. <b>(Recommendation 8)</b>	1	Re-examine the policy on overseas travel while on financial assistance with a view to reducing potential abuse of the system in this area. <b>(Recommendation 6)</b>	1	Review organizational structure and operation of the Department of Financial Assistance to determine the optimal structure to meet current and projected client demand. <b>(Recommendation 1)</b>
2	Amend the Financial Assistance Act 2001 to specifically state that financial assistance benefits awarded under the Act are intended to be short-term in nature and wean people off of financial assistance. <b>(Recommendation 13)</b>	2	Encourage persons earning a pension before age 65 to take part-time employment to offset payouts from Financial Assistance. Similarly, encourage seniors on financial assistance to engage in limited part-time employment, whether they are able-bodied persons or seniors with disabilities. <b>(Recommendation 9)</b>	2	Relocate the Department of Financial Assistance offices to suitable premises that are located at street level, thereby providing easier access for seniors and other financial assistance clients. <b>(Recommendation 2)</b>
3	Amend the Financial Assistance Regulations 2004 to reduce from \$5,000 to \$500 the amount of money a senior can retain in their bank account that is not included in financial assistance calculations. Seniors would be required to spend down to \$500 (as do other financial assistance clients) to be eligible to receive a financial assistance award. <b>(Recommendation 17)</b>	3	Request the Attorney-General’s Chambers to provide a legal opinion regarding whether a person who inherits a property from a senior who has benefited from financial assistance should be statutorily required to pay back some portion of the funds to Government. <b>(Recommendation 10)</b>	3	Consider organizing financial assistance work teams by client category, with several work teams servicing the larger financial assistance categories e.g. seniors. <b>(Recommendation 3)</b>

<p>4 Amend the Financial Assistance Regulations 2004 to require that <i>all</i> pension amounts be treated as calculable income for the purposes determining financial assistance awards, instead of excluding \$500 in pension money from calculable income as at present. This could yield up to \$500,000 in savings per month and up to \$6,000,000 in savings per year. The savings realized could help to fund the projected increase in numbers of seniors on financial assistance in the future. <b>(Recommendation 18)</b></p>	<p>4 Review social policy in other jurisdictions to determine whether any mechanisms are in place to enable governments to recover financial benefits paid to seniors who own property. <b>(Recommendation 11)</b></p>	<p>4 Establish individualized case management plans for able-bodied unemployed financial assistance clients. This service should be provided by the Department of Workforce Development in collaboration with the Department of Financial Assistance. (Social workers should be sourced from internal and/or external to Government). <b>(Recommendation 4)</b></p>
<p>5 Undertake a review of the appeal process under the Financial Assistance Regulations 2004 with a view towards streamlining the process so that clients making an appeal are not disadvantaged. The total time taken from notification of the Director's decision to the determination of an appeal should be between 30 – 45 days instead of over 100 days as at present. <b>(Recommendation 22)</b></p>	<p>5 At no cost to the applicant, the Department of Financial Assistance should consult with the Department of Immigration as needed to determine whether an applicant for financial assistance has Bermudian status. <b>(Recommendation 12)</b></p>	<p>5 Firmly establish the job search component for able-bodied unemployed financial assistance clients under the Department of Workforce Development and target job searches as part of a case management plan that provides appropriate guidance. <b>(Recommendation 5)</b></p>
<p>6 To expedite appeal hearings and decisions, consider increasing the size of the Financial Assistance Review Board from five (5) to seven (7) members, with a quorum of three (3) or four (4) members. <b>(Recommendation 23)</b></p>	<p>6 Explore incentives that can be offered to employers who hire Financial Assistance clients e.g. payroll tax reductions to employers who employ Financial Assistance clients for at least 6 months of the year. Such incentives must have a net benefit to Government. <b>(Recommendation 14)</b></p>	<p>6 Conduct more frequent advertising of the Department of Financial Assistance's Hotline number. <b>(Recommendation 7)</b></p>

<p>7 Amend the Financial Assistance Act 2001 to more clearly define “financial assistance” by indicating what a “minimum standard of living” actually means in terms of a basket of goods and services that are to be provided for in the Schedule - Table of Allowable Expenses under the Financial Assistance Regulations 2004. <b>(Recommendation 24)</b></p>	<p>7 Develop and introduce a <i>bona fide</i> unemployment insurance scheme (separate from the Financial Assistance Programme and not operated by the Department of Financial Assistance) which would benefit persons who find themselves transitioning between jobs or who remain unemployed over a period of time, reducing the strain on Financial Assistance. <b>(Recommendation 15)</b></p>	<p>7 Establish a specific Government Task Force or Joint Select Committee of Parliament for the sole purpose of recommending strategies to ensure that the Island is prepared to care for and service the current and future senior population, especially those who require financial assistance. <b>(Recommendation 19)</b></p>
	<p>8 Consider introducing a special tax and earmark the resulting tax revenues (either within or outside of the Consolidated Fund) to be used to directly benefit seniors who qualify for financial assistance based on means testing. <b>(Recommendation 16)</b></p>	<p>8 Financial Assistance staff should receive customer service training on a regular, ongoing basis. <b>(Recommendation 20)</b></p>
	<p>9 Reduce the total allocation for the Child Day Care Allowance Programme from \$3,400,000 to \$2,400,000 in fiscal year 2019/20 to realize a savings of \$1,000,000. This will not affect the amount paid per child, which should remain unchanged at \$800/per month/per child. <b>(Recommendation 25)</b></p>	<p>9 Government should urgently review the need to recruit additional staff in the Department of Financial Assistance, particularly in view of the expected increase in the numbers of seniors applying for and qualifying for financial assistance in the coming years. <b>(Recommendation 21)</b></p>
	<p>10 The Department of Financial Assistance should require, as a matter of policy, that able-bodied unemployed clients undertake a second Money Management and/or Life Skills course/workshop after one year being on financial assistance. <b>(Recommendation 26)</b></p>	

	11	The Department of Financial Assistance should offer financial assistance able-bodied unemployed clients (and possibly financial assistance clients earning low income) the opportunity to participate in various training workshops. <b>(Recommendation 27)</b>	
	12	Government should devise a strategy for reducing food costs. For example, examine the possibility of buying various bulk food items to supply to financial assistance clients (e.g. breakfast items). <b>(Recommendation 28)</b>	
	13	Government should consider mandating island-wide price controls for certain food items that are being purchased by persons who show proof that they are financial assistance clients. Alternatively, negotiate with major grocery store chains to put in place a rebate system specifically for financial assistance clients. <b>(Recommendation 29)</b>	
	14	The Department of Financial Assistance should re-visit the concept of a generic drugs policy with a view towards developing a policy that maximizes cost savings for prescription medication, whether generic or brand name prescription drugs. <b>(Recommendation 30)</b>	

