

# Department of Financial Assistance

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## ANNUAL REPORT 2024/2025



GOVERNMENT OF BERMUDA

Department of Financial Assistance

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## OVERVIEW

The 2024/25 Annual Report highlights the activities of the Department of Financial Assistance (DFA) during the past Fiscal Year (FY). It should be noted that in each instance where the FY is referenced, the period extends from April 1<sup>st</sup> 2024 to March 31<sup>st</sup> 2025.

Bermuda remains firmly committed to strengthening and advancing a comprehensive social protection system that supports its vulnerable populations.

The Financial Assistance Programme, the Child Day Care Allowance Programme, and the newly introduced (July 2024) Short-Term Relief Benefit Programme, all administered through the DFA have been instrumental in helping Bermudians and their families maintain a minimum standard of living during challenging economic times.

The Director of the DFA together with a team of dedicated officers hold the critical responsibility of overseeing and managing the Department's budget as allocated by the Legislature in accordance with the Financial Assistance Act 2001, Financial Assistance Regulations 2004, Child Day Care Allowance Act 2008, Child Day Care Allowance Regulations 2008 and Financial Assistance (Short-Term Relief Benefit) Act 2024, for the purpose of providing financial assistance to persons in need.

Financial Assistance is intended to assist with partial or full financial awards, aligned with legislation, for such items as:

- Food and Utilities
- Rent/Rest/Nursing Home Fees
- Health Insurance
- Adult Day Care and Home Care
- Medication and Medical Equipment
- Child Day Care Allowance
- Short-Term Relief Benefit

Bermudians in need may become eligible to receive Financial Assistance, Child Daycare Allowance or Short-Term Relief Benefit, and are categorized into one of the following groups:

### ***For the Financial Assistance Programme***

- Able-bodied Unemployed
- Disabled
- Earnings Low
- Pensioner

### ***For the Child Day Care Allowance Programme***

- Child

### ***For the Short-Term Relief Benefit Programme***

- Short-Term Relief Benefit for persons experiencing sudden financial hardship

#### **Vision**

***To Strengthen the social fabric of our community.***

#### **Mission**

***To assist vulnerable Bermudians to maintain a minimum standard of living during challenging economic times.***

## FINANCIAL ASSISTANCE LEGISLATION

1. During the 2024/25 Fiscal Year, the Financial Assistance (Short-Term Relief Benefit) Act 2024 was introduced.
2. Amendment made to the Department's legislation, particularly the Financial Assistance Regulations 2004 to include Personal Care for individuals residing in a licensed nursing home or residential care home.
3. The Department has commenced policy reviews in alignment with Financial Assistance Reform aimed at achieving the following outcomes:
  - a. Increase of the existing threshold for pension income from \$500 to \$800 to ensure seniors receiving a financial assistance award are not penalized when the Government provides increases in pension income.
  - b. Increase allowance for Mental Health Outpatient Treatment services from \$840 per year or a maximum of six (6) sessions per year to \$840 per month or a maximum of twenty-four (24) sessions per year.

## DEPARTMENT OBJECTIVES AND PERFORMANCE MEASURES

The Department's objectives and performance measures are strategically aligned to target defined outcomes and priority areas for business improvement. This alignment enables progress to be measured with accuracy and communicated with transparency.

Through this approach, the Department has enhanced its capacity to demonstrate both operational effectiveness and the quality of its service delivery. Moreover, it provides stakeholders and the people of Bermuda with clear evidence of the Department's success in generating public value and delivering meaningful support to vulnerable populations.



**Objective:** To improve operational, financial, and legal compliance functions aimed at enhancing efficiencies and detecting financial assistance fraud.

**Measure:** Reduce recoverable debt from the prior year – This controls budgeted amounts by effectively dealing with financial assistance fraud, reducing abuse of the system and overpayment of funds.



**Objective:** To sustainably manage operating cost of awards to financial assistance clients.

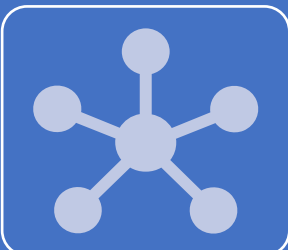
**Measure:** Reduce the number of "able-bodied" and/or "earnings low" clients from the prior year – The Department is committed to helping get more people back to work, discourage dependency and become financially independent.



**Objective:** To apply internationally recognised standard of care when managing relationships with financial assistance clients.

**Measure:** Reduce the number of legitimate client complaints from the prior year – The Department aims to improve the delivery of service to all clients each year.

**Measure:** Reduce the number of appeals from the prior year – This is aimed at improving the overall administration of the Financial Assistance Act, Regulations and Policies and provides clients with the tool to appeal decisions taken by the Director when awards are revoked or suspended.



**Objective:** To leverage collaboration with other government departments in achieving digitization.

**Measure:** The Department will continue to collaborate with the Department of Information and Digital Technology on the introduction of digital forms for persons making an application for financial assistance. The intent is to connect the Public Service with the people of Bermuda through comprehensive, secure, and accessible digital forms. This will improve the Department's data analytics function and risk management.

## 2024/25 FISCAL YEAR (FY) HIGHLIGHTS

### TOTAL PAYMENTS (FINANCIAL ASSISTANCE, CHILD DAY CARE ALLOWANCE AND SHORT-TERM RELIEF BENEFIT)

- Total payments under the Financial Assistance, Child Day Care Allowance and Short-Term Relief Benefit programmes were \$51.74 million. This represented an increase of 5% when compared to the prior fiscal year 2023/24 (\$49.26 million).
- The seven largest client expenditure categories represented approximately 89% of total Department spending in FY 2024/25. These were primarily Rent, Nursing Home Fees, Food Allowance, FutureCare Health Insurance, Health Insurance Plan (HIP), Rest Home Fees, and Medication.

### NUMBER OF QUALIFYING RECIPIENTS

#### Financial Assistance

- The average number of persons that received Financial Assistance was 1,977 persons per month in FY 2024/25 compared to 1,991 persons per month in FY 2023/24.

#### Child Day Care Allowance

- The average number of children that received Child Day Care Allowance was 260 per month in FY 2024/25 compared to 158 per month in FY 2023/24.

#### Short-Term Relief Benefit

- During FY 2024/25, 6 persons became eligible to receive the Short-Term Relief Benefit.

TRANSACTION MONITORING & INVESTIGATIONS

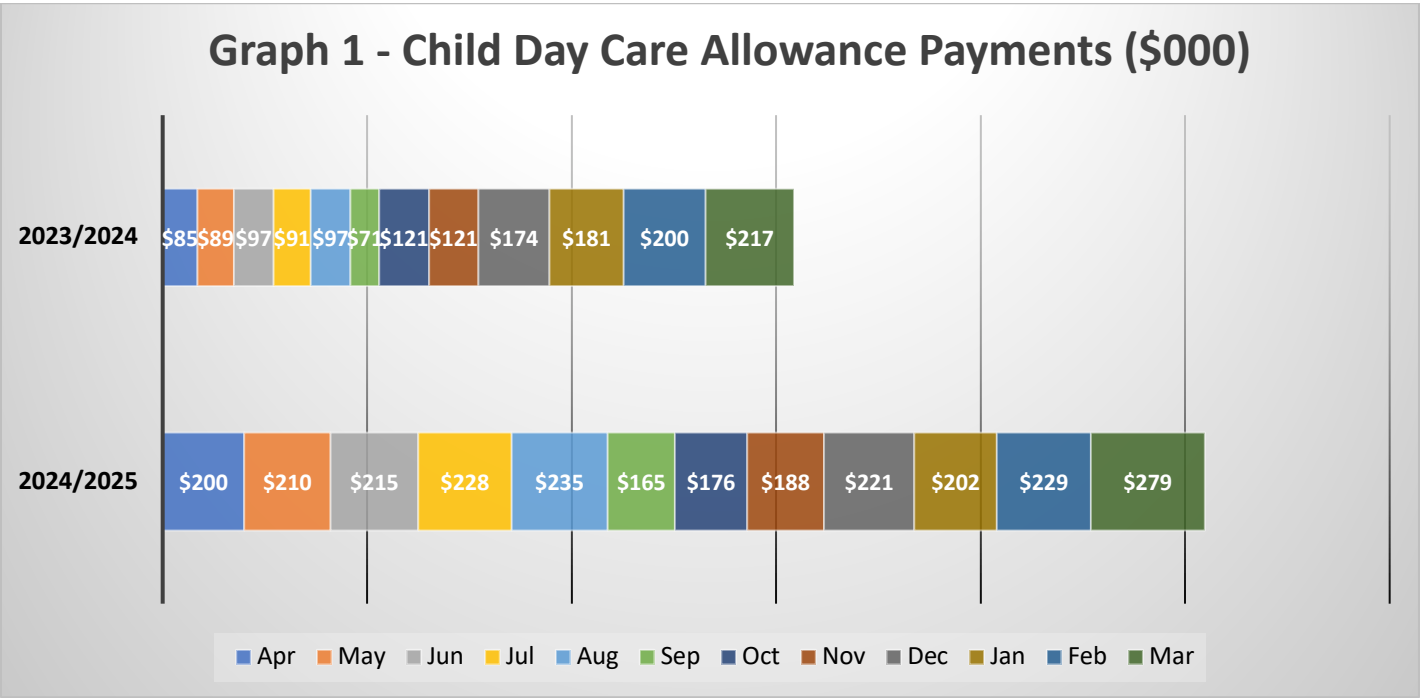
- The DFA conducted 78,023 transactions under the Financial Assistance, Child Day Care Allowance and Short-Term Relief Benefit programmes. The Department monitored 100% of these transactions for compliance with legislation. No exceptions were noted.
- Outstanding debts owed to DFA FY 2024/25 were \$291,112. This amount represents a decrease of 21% from \$366,407 in FY 2023/24. This debt is attributed to overpayments made as a result of fraud and abuse of the financial assistance system.
- As of March 2025, thirty-seven (37) cases were referred to the Attorney General’s Chambers for legal restitution and six (6) cases were under review by the Department’s Investigative Officers.

CHILD DAY CARE ALLOWANCE PROGRAMME

Child Day Care Allowance Expenditure

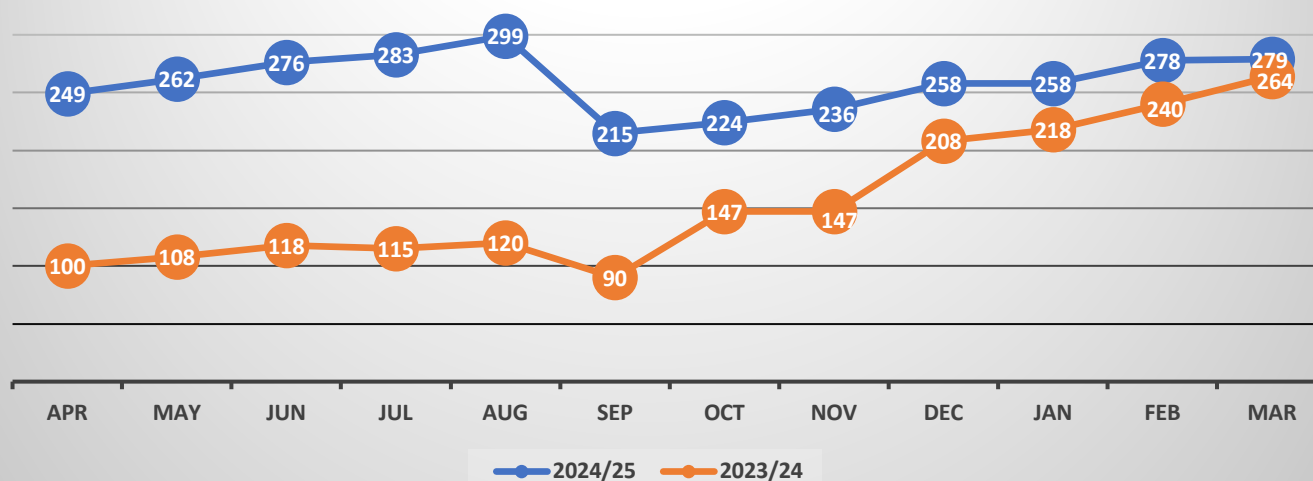
Total expenditure for the Child Day Care Allowance Programme in FY 2024/25 was \$2.477 million, compared to \$1.544 million in the prior FY 2023/24 as shown in Graph 1. This represented an increase of 60% or \$0.933 million and is largely attributed to the increase in the number of children that received Child Day Care Allowance. That is, on average 260 children received Child Day Care Allowance per month in FY 2024/25, compared to 158 children per month in FY 2023/24. This increase was due to Financial Assistance Reform measures, specifically, a new payment tier system that took effect in FY 2023/24 (October 2023). See Graph 2.

The increase in the number of children that received Child Day Care Allowance resulted in a direct knock-on effect (increase) in the average number of Day Care service providers utilized in FY 2024/25. On average, there were 39 Licensed Day Care/Home Facilities used by clients in FY 2024/25, compared to 33 in FY 2023/24. See Graph 3.

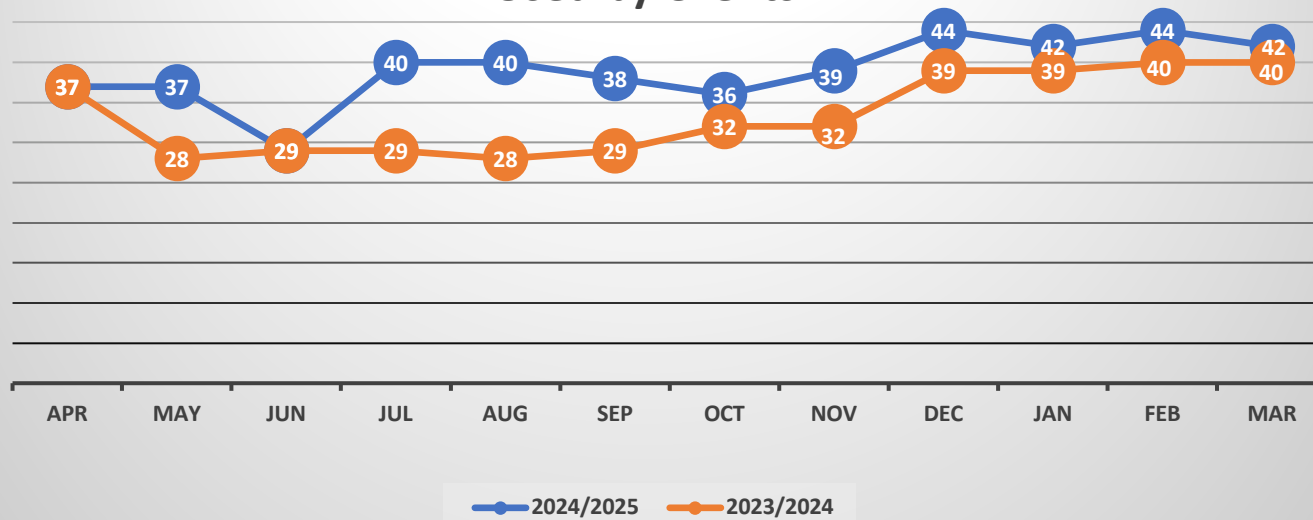




### Graph 2 - Number of Children on Child Day Care Allowance



### Graph 3 - Number of Licensed Day Care/Home Facilities Used by Clients

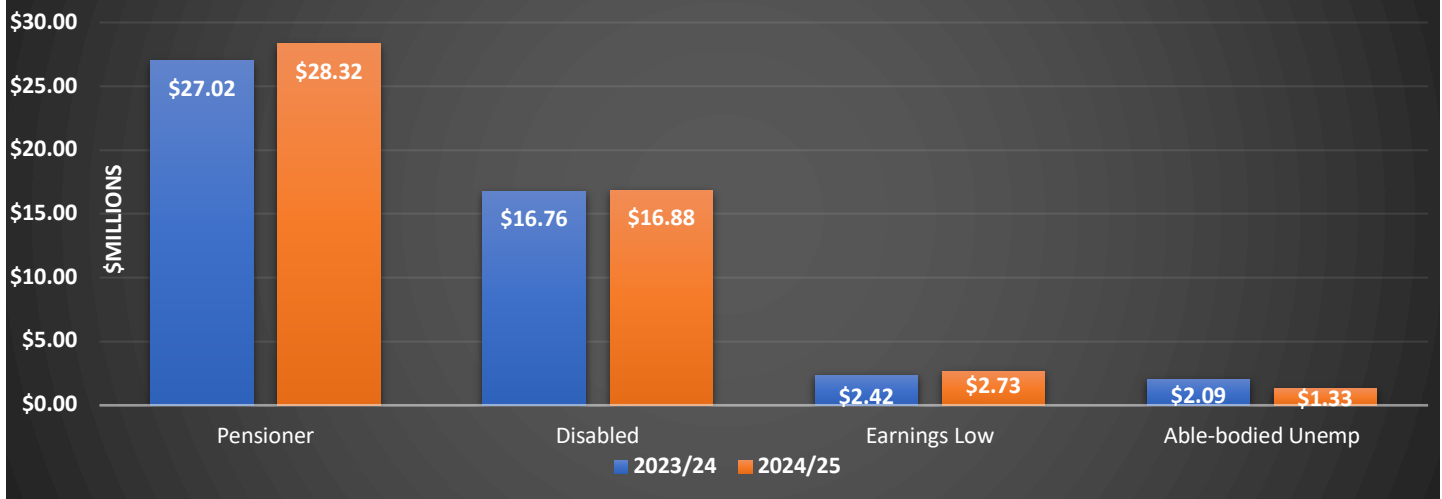


## FINANCIAL ASSISTANCE PROGRAMME

### Financial Assistance Payouts to Categories of Qualifying Recipients

Total expenditure for the Financial Assistance Programme was \$49.26 million in FY 2024/25. This represented an increase of 3% or \$1.59 million from the prior FY 2023/24 (\$47.26 million). The year-on-year increase was mainly attributable to the Financial Assistance Reform measures implemented (October 2023) that resulted in cost increases to the list of expenditures in the legislated Schedule - Table of Allowable Expenses, as shown on page 10

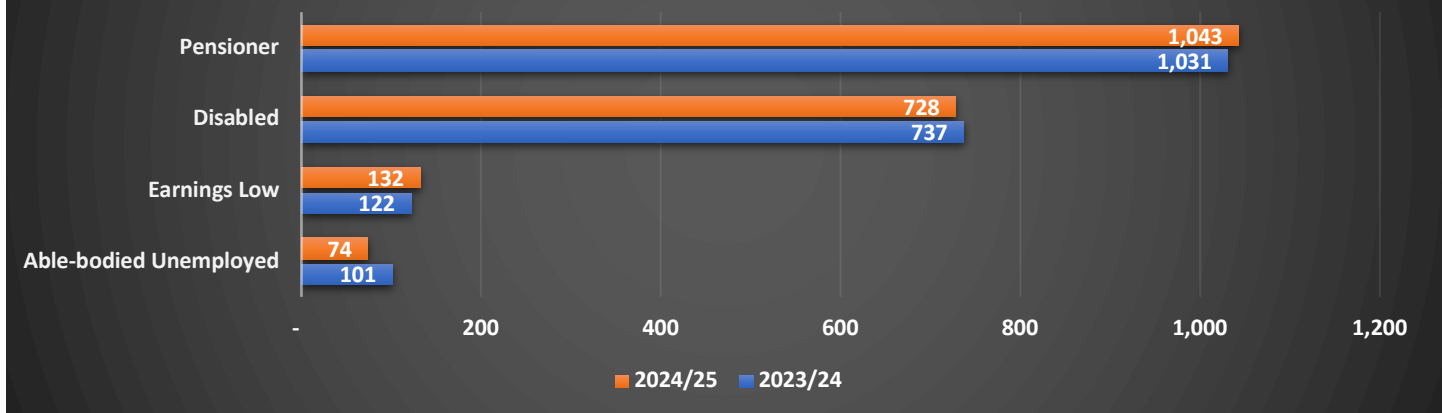
### Graph 4 - Financial Payouts by Category (\$millions)



### Categories of Qualifying Recipients

During FY 2024/25 the monthly average number of persons receiving financial assistance was 1,977 compared to 1,991 persons during FY 2023/24. The 1% reduction is mainly attributed to the decrease in the number of eligible persons under the categories, “persons with disability” (-9 persons) and “able-bodied unemployed” (-27 persons). The decrease in the number of able-bodied unemployed were as a direct result of recipients securing employment opportunities.

### Graph 5 - Monthly (Average) Number of Persons on Financial Assistance



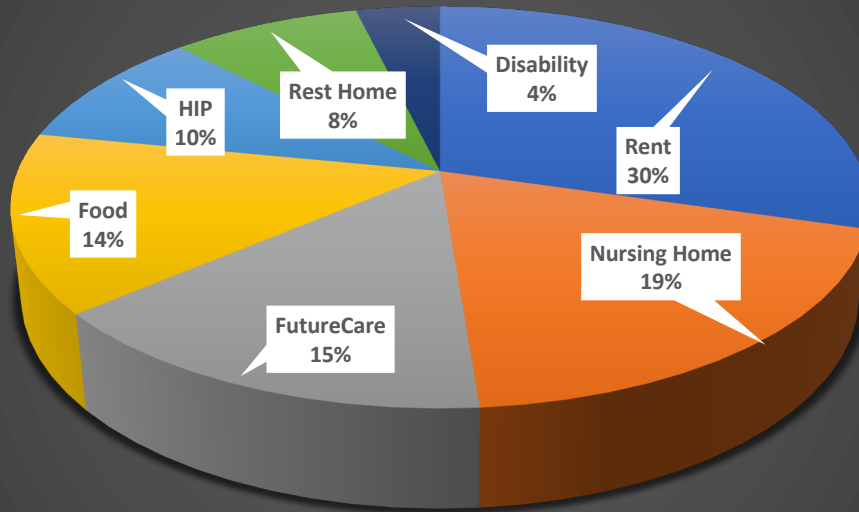
### Expenditure Type

The top seven (7) expenditure categories for financial assistance payments remained consistent across both years, ranging from the lowest (4% on Disability) to the highest (33% on Rent) during FY 2024/25.

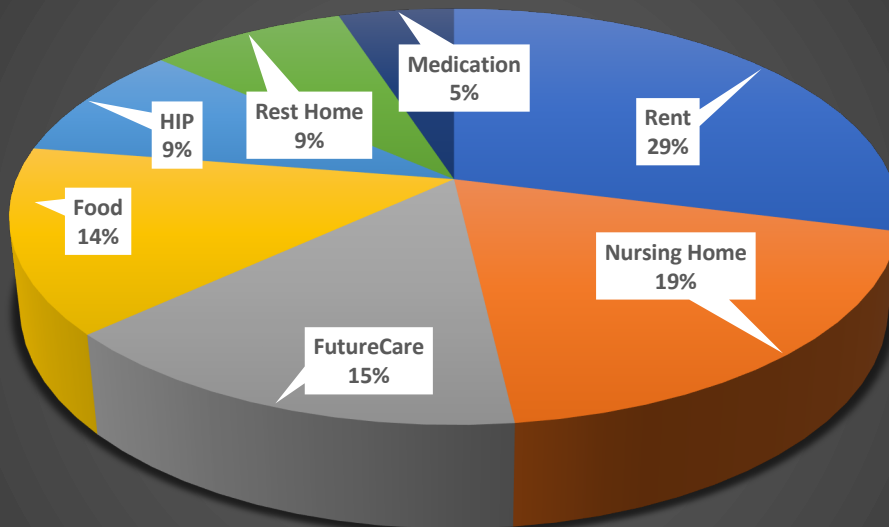
The Department of Financial Assistance identifies drivers of expenditure such as these, primarily to trigger and facilitate innovation. The top seven (7) expenditure groups also enable robust decision-making concerning Financial Assistance Reform.



Graph 6 - Top 7 Expenditures 2023/24



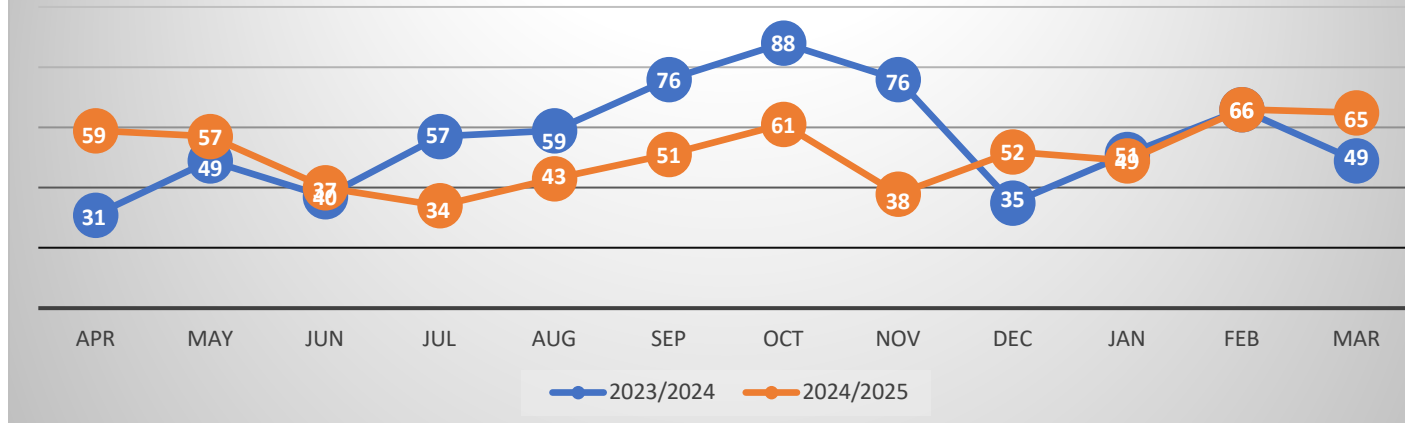
Graph 7 - Top 7 Expenditures 2024/25



## NUMBER OF APPLICATIONS PRESCREENED

The following data pertains to the number of persons who submitted Financial Assistance and Child Day Care Allowance applications for consideration for the two years 2023/24 and 2024/25.

## Graph 8 - Number of Applications Prescreened



## SHORT-TERM RELIEF BENEFIT PROGRAMME

### STRB Payouts to Qualifying Recipients

The Short-Term Relief Benefit (STRB) Programme was launched in July 2024 and is administered by DFA. This programme was created to purposely provide a maximum of three (3) months' temporary benefit, at a maximum amount of \$1,500 per month. The establishment of this Programme has helped maintain the resilience of Bermudians while they press through situations of unforeseen sudden financial hardship and enabled them to continue their contribution to the Bermuda economy without stress and without fear of the unknown. For FY 2024/2025, total payments made to eligible recipients of the programme amounted to twenty thousand dollars (\$20,000).

### STRB Applications Prescreened

DFA received and prescreened a total of one hundred and two (102) applications. From this total, approximately 89% or ninety-one (91) applications were ineligible and therefore, not approved, 5% or five (5) applications were withdrawn by the applicants, and 6% or six (6) applications were approved. For compliance, all applications received are prescreened for eligibility in accordance with the Financial Assistance (Short-term Relief Benefit) Act 2024. Applications not approved were due to one or more of the following reasons:

- Incomplete applications and support documentation (**48**).
- Applicants do not meet the eligibility criteria (**39**).
- Applicants are already in receipt of Financial Assistance awards (**3**).
- Applicants with assets that exceed the \$5,000 threshold or limit (**1**).

While the majority of applications were not approved due to ineligibility, the Government continues to work through the Financial Reform Working Group's recommendations to improve and strengthen Bermuda's social safety net. This includes an analysis of any other type of evidence found causing financial hardship, whereby the Minister may amend the eligibility criteria (in accordance with the Act), so as to better facilitate persons that may qualify for the STRB Programme. In addition, for those applications not approved, the Financial Assistance Officer may advise those applicants of alternative programmes that can assist with alleviating their sudden financial hardship. For example, one such alternative programme would entail assisting applicants apply for financial assistance as provided by the Financial Assistance Act 2001.

## TRANSACTION MONITORING, COMPLIANCE, FRAUD & INVESTIGATIONS

### Transaction Monitoring and Compliance

During FY 2024/25, transaction monitoring was performed on 78,022-line transactions in the Financial Assistance System Software (FASS) and the Government JDE E1 System. Transactions were scrutinized for compliance with Department Legislation (Table of Allowable Expenses), as per Table 1 on Page 11.

### Fraud and Investigations

At the end of FY 2024/25, there were 40 active client cases under investigation. The reason client cases are investigated is mainly due to non-disclosure or misrepresentation of facts, or willful abuse of Programmes (Financial Assistance, Child Day Care Allowance and Short-Term Relief Benefit).

At the end of FY 2024/25, the total amount of monies owed to DFA because of investigations was \$291,112. Of the 40 active cases under investigation, 34 cases with a value of \$264,228 were referred to the Attorney General Chambers for legal restitution, whilst 6 cases with a total value of \$26,884 remained under the remit of Financial Assistance Investigative Officers to investigate for repayment.

The Department's investigative officers received on average, seven (7) tips per month during FY 2024/25. Suspicious activities are brought to the Department's attention via certain channels, such as field investigations, officers' observations and internal findings, together with tips from the public. Primary and secondary data research is conducted within a compliance framework, to assist with evidence gathering. The compliance framework is guided by legislation, policies and procedures and the Criminal Code.

The documentation of "department-specific fraud typologies" is in the final stages. This will enable officers to have a point of reference in identifying patterns, trends, and red flags, of fraud and abuse of the system. This is expected to reduce the number of overpayments and promote a culture of compliance. Staff training in this regard is expected to commence in the next FY 2025/2026.

## FINANCIAL ASSISTANCE SOCIAL WORK

Throughout FY 2024/25, the Financial Assistance Social Workers are committed to continue streamlining internal processes and improving the Department's social services delivery system. The FA social workers continued to reinforce and expand collaborations and partnerships with other government departments and agencies such as the King Edward Memorial Hospital Social Workers team, Ageing and Disability Services Social Workers, the Salvation Army, Department of Health and others. These collaborations facilitated general department updates, addressed concerns and challenges, and identified common client trends to service clients more effectively.

The Department's social workers continue to handle case conferences, case discussions, case referrals and individual Counseling. Overseas Medical Transfers for financial assistance clients averaged between 2-4 per month, with longer stays due to more acute medical conditions and subsequent care being required. The Financial Assistance social workers continued to conduct site visits to rest and nursing homes throughout the fiscal year. These site visits allow the Department to survey each of the facilities to ensure that Financial Assistance clients are served in safe and healthy environments, are receiving appropriate services and programming, and are receiving quality care.

**Table 1 – Table of Allowable Expenses**

<b>COMPLIANCE CHECK COMPLETED (Y/N)</b>				
<i>The Schedule Table of Allowable Expenses (effective 1st October 2023)</i>				
<b>Item of Expenditure</b>	<b>Description</b>	<b>Parameters</b>	<b>Maximum Rates \$</b>	<b>April 2023 to March 2024</b>
Adult Day Care		Cost per month	\$1,500.00	Y
Auditory exam	Hearing Testing	Cost per year	\$500.00	Y
Auditory equipment	Hearing aids	Once every 5 years based on 2 stdnd aids	\$5,000.00	Y
Belco	1 - 2 persons	Cost per month	\$175.00	Y
Belco	3 - 4 persons	Cost per month	\$275.00	Y
Belco	5 or more persons	Cost per month	\$380.00	Y
Child Care	After school/camps/ transportation.	Cost per month	\$500.00	Y
Clothing	under-garments/shoes	Cost per year	\$100.00	Y
Dental Care		80% of cost	\$1,500.00	Y
Disability allowance	Mental/Physical	Cost	\$750.00	Y
Disability equipment	As prescribed by a registered practitioner	Cost per year	\$1,000.00	Y
Disability services		Cost per month	\$1,000.00	Y
Eye care exam	As prescribed by a registered practitioner	Cost per year	\$200.00	Y
Eye care supplies	Frames/lenses	Cost per year	\$350.00	Y
Food	As prescribed in accordance with the Ministry of Health	Cost at Gov. nutrition rates		Y
Food (Supplementary)	As prescribed by a registered medical practioner	Cost at Gov. nutrition rates - per department policy		Y
Fuel	Cooking gas only	Cost not exceeding the rate for one cylinder		Y
Funeral Expenses	General fees for services rendered	At cost - must be an active receipt at the time of death	\$4,000.00	Y
Group Home Rates	Special needs care for adults (18 years or older)	Cost per month for residential care	\$3,000.00	Y
Health Insurance Plan (HIP)	Persons under the age of 65	At cost		Y
Health Insurance (Future C Home Care)	Persons aged 65 or older	At cost		Y
Internet	Only registered practioners	Cost per month	\$2,000.00	Y
Laundry		Cost per individual in the household per month	\$80.00	Y
Medical equipment		Cost per year	\$6,000.00	Y
Medical supplies		Cost per month	\$500.00	Y
Medical overseas travel (client only)		To be determined by the Director	\$4,000.00	Y
Medication		At cost per month	\$8,000.00	Y
Mental Health Outpatient Treatment	For up to 6 sessions /yr	Cost per year or maximum 6 sessions per year	\$840.00	Y
Nursing Home	Approved by the Health Insurance Department	Cost per month	\$6,000.00	Y
Podiatry	Treatment of the foot, ankle and some parts of the leg	Cost per year or maximum of 12 visits per a year.	\$600.00	Y
Public transportation - Adults	Includes bus, ferry or as prescribed by government	Cost per month based on government rates		Y
Public transportation - Students/Children	Includes bus, ferry or as prescribed by government	Cost per month based on government rates		Y
Rent - 1 Bedroom	Safe long-term accomodation	Cost per month	\$1,800.00	Y
Rent - 2 Bedroom	Safe long-term accomodation	Cost per month	\$2,200.00	Y
Rent - 3 Bedroom	Safe long-term accomodation	Cost per month	\$2,800.00	Y
Rent-Studio	Safe long-term accomodation	Cost per month	\$1,400.00	Y
Residential Mental Health Treatment Facility	For 3 months with option to extend based on re-evaluation	Cost per month	\$3,000.00	Y
Rest Home	Approved by Health Insurance Department	Cost per month	\$5,000.00	Y
Room	Safe long-term accomodation	Cost per month	\$550.00	Y
Room and board	Safe long-term accomodation	Cost per month	\$650.00	Y
School supplies		Cost per child per academic year	\$100.00	Y
School clothing		Cost per child per academic year	\$700.00	Y
Telephone		Cost per month	\$50.00	Y
Transitional Living Facilities		Cost per month	\$250.00 (if shared); \$550.00	Y
Water Supply	For household use only	At cost	\$480 per year	Y

