Laws and Regulations related to Pension

- Maldives Pension Act
- Regulation on Maldives Retirement Pension Scheme
- Regulation on Participation of Self-Employed Persons in the Maldives Retirement Pension Scheme
- Regulation on Disbursement from the Maldives Retirement Pension Scheme
- Regulation on Collateralization of Pension Funds for Home Purchase
- Regulation on Enrollment and Disbursement of Benefits to Foreign Employees under the Maldives Retirement Pension Scheme
- Regulation on Payouts from the Maldives Retirement Pension Scheme Funds to Perform Obligatory Hajj
- Regulation on Determining Pensionable Wage
- Regulation on Provision of Pension Benefits
- Regulation on Basic Pension to Older Persons
- Regulation for Custodial Service Providers

It is the responsibility of the Authority to take the necessary measures to protect the rights of the Pension Fund participants.

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CMDA
Capital Market Development Authority

The Process of Pension Supervision and Regulation

It is the responsibility of the Authority to ensure that the investment of the pension fund is carried out in accordance with the Pension Act and established regulations.

Introduction to the Maldives Pension System

The Pension Supervision Department (PSD), established within the Capital Market Development Authority (CMDA), is the legal entity responsible for supervising and regulating the Maldives Retirement Pension Scheme established under the Maldives Pension Act (No. 8/2009). The primary responsibility of this department is to monitor all pension-related arrangements and ensure that the investment of the pension fund is carried out in accordance with established regulations. Furthermore, it includes taking necessary measures to protect the rights of the scheme participants.

Which entities are supervised and regulated by the PSD?

1. **Maldives Pension Administration Office (MPAO)** is an independent institution established under the Pension Act to provide the Old-Age Basic Pension and the Maldives Retirement Pension.
2. **Asset Managers** are entities that invest and manage the pension fund assets or provide investment advice under an agreement with the Pension Office.
3. **Custodians** are entities entrusted by the Pension Office with the responsibility of safeguarding and maintaining the participants' funds.

Obligations of CMDA under the Maldives Pension Act

These include ensuring that individuals appointed to the Board of Directors of the Pension Office meet the criteria specified in the Pension Act and possess the professional technical competence (in pensions, finance, or investments) required to fulfill their duties.

To safeguard the investments of the Pension Fund, the obligations mandated by the Pension Act include:

- ✓ Providing advice on determining the fees charged to participants for the administration of the Pension Fund.
- ✓ Ensuring that the "Statement of Investment Principles" prepared by the Pension Office complies with the Authority's regulations.
- ✓ Monitoring the manner in which pension assets are invested and overseeing the performance of those investments.
- ✓ Establishing the procedures for preparing and publishing reports related to the Maldives Retirement Pension Fund.
- ✓ Determining the types of investment instruments in which the Pension Fund may be invested.
- ✓ Licensing and regulating asset managers and open-ended vehicles.
- ✓ Taking necessary measures by the Authority to enforce the Pension Act.

Introduction to the Maldives Pension System

Old-Age Basic Pension

- Any Maldivian citizen who has reached the age of 65 and is residing in the Maldives shall be considered eligible for the Old-Age Basic Pension.
- The Old-Age Basic Pension is funded through the state budget.
- This pension is granted for life upon reaching the age of 65.
- Under this pension scheme, the state currently provides five thousand (5,000) Rufiyaa as the Basic Pension to eligible individuals.

Maldives Retirement Pension Scheme

- Participation in this fund is mandatory for both state employees and those employed by entities other than the state.
- This is a fund managed by depositing 7% of the basic salary from both the employer and the employee (totaling 14%), with pensions being paid out from the profits generated by investing these funds.
- This pension will be received upon retirement at the age of 55 or 65.
- Under this pension scheme, once an individual reaches the pensionable age, the accumulated funds will be paid out as a pension. The amount is calculated based on the life expectancy of a person who has reached the age of 65 (currently estimated to be 79 years in the Maldives) and distributed accordingly.