

MALDIVES PENSION ADMINISTRATION OFFICE

Key roles, general decision making process and mechanisms for supervision and accountability

INTRODUCTION

The Maldives Pension Administration Office (Pension Office) is an independent legal entity established under the Maldives Pension Act. The main functions of the Pension Office are:

- Administering the Pension Schemes established under the Pension Act
- Providing the Maldives Retirement Pension.
- Formulating regulations, standards and guidelines to operate the schemes established under the Pension Act.
- Paying Old-Age Basic Pensions
- Conducting awareness programmes on the pension schemes

This document provides details of key roles, decision making process and mechanisms for supervision and accountability within Maldives Pension Administration Office.

Board of Directors

a. Roles and Powers

Pension Office is administered by a Board composed of eight (8) members. The Board has the following powers necessary to implement its functions under the Pension Act and regulations formulated under this Act.

- Tendering to select External Asset Managers, Custodians, Openended Vehicle, who shall be fiduciaries
- To contract with Asset Managers, Custodians, Open-ended Vehicle, Accountants, Auditors, and other service providers, and administer such contracts
- Demanding and receiving information from Asset Managers, Custodians, Open-ended Vehicle and other service providers with respect to all transactions related to the Scheme

- Charging a reasonable fee from participants of the scheme, on the advice of the Regulative Authority, in order to recover the cost of administering the Retirement Pension Scheme
- Purchase, sale and lease of movable and immovable assets required for the operation of the Pension Office
- Employ and dismiss personnel required for the operation of the Pension Office including the appointment of a Chief Executive Officer
- Preparing the budget of the Pension Office
- Enter into contracts and agreements with government institutions in order to administer programs such as social protection programs. Determine the procedure for the operation of programs conducted under such agreements
- Conduct board meetings of the Pension Office, and formulate regulations for the operation of the Pension Office.
- Administer the Pension Office in accordance with Pension Act and regulations

b. Mechanisms for supervision and accountability

- Pension Act
- Regulations made under Pension Act
- Rules of Procedures
- Code of Conduct

Chief Executive Officer (CEO)

a. Roles and Powers

The CEO is responsible for the management of day-to-day operations of the Pension Office. This include:

- Developing and implementing strategic policies and priorities
- Administering the MRPS and the Basic Pension Scheme
- Oversee all operations of the Pension Office
- Driving institutional change and continued innovation through organisational transformation
- Representing the Pension Office to the public, external stakeholders and media
- Effectively collaborating with the Board members of Pension Office, the Custodian, the Pension Supervision Department of the Capital Market Development Authority (CMDA), relevant International Bodies and the Government of Maldives
- Participating in the meetings of the Pension Office Board, its Investment Committee (IC), the Audit and Risk Management Committee (ARMC), the Remuneration and Nomination

Committee (RNC), Innovation and Technology Committee (ITC) and other related bodies as and when required

- Responsible for providing administrative guidance to ensure effective and efficient functioning of the Investment Management functions of the Pension Office
- Directing the modernisation of administrative management of Pension Office through technologically based solutions.
- Maintain effective institutional process and procedure to ensure data integrity and confidentiality.
- Ensure compliance with relevant laws and regulations, process and procedures in operations of the Pension Office.

b. Mechanisms for supervision and accountability

- Pension Act
- Regulations made under Pension Act
- Terms of Reference
- Employment Contract
- Employment policies and procedure

Divisions and Sections of Pension Office

a. Roles and responsibilities

The organisational Structure of the Pension Office consists of four divisions, namely, 1) Pension Administration and Technology, 2) Corporate Affairs and Public Relations, Investments and Financial Management and 3) Internal Audit.

Pension Administration and Technology Division

Pension Administration and Technology division consists of 3 sections 1) Pension and Claims 2) Collections and compliance 3) Data and Applications.

Pension and Claims is responsible for processing claims and benefits to pensioners and members. The following are different types of pension and benefits processed through this section.

- Old Age Basic Pension
- Pensions to members of Retirement Pension Scheme
- Other Pension and retirement benefits funded through government budget

- Process claims under Regulation on Collateralizing Pension Fund Balance for Home Purchases
- Process claims under Regulation on Disbursement of Maldives Retirement Pension Scheme Funds to Perform Obligatory Hajj - 2019
- Portfolio change

Compliance and Collection is responsible for receiving MRPS contributions from employers, reconciling contributions and ensuring employer compliance with Pension Act and regulations.

Data and applications is responsible for management of “Koshaaru” system, other internal systems and databases of Pension Office, maintaining IT cloud infrastructure, providing technical assistance, Management Information System (MIS) reporting, developing software, providing software related training and maintaining the Pension Office website and applications

Investments and Financial Management Division

The mandate of the Investments and Financial Management Division involves managing all investment related activities of the Pension fund. This includes Research and advisory services, Daily fund valuation and unit price determination, ensuring proper record keeping, reporting to regulators on MRPS and liaise with industry stakeholders in relation to investment fund management.

Corporate Affairs and Public Relations Division

Executive Bureau: Main functions of the Executive Bureau include, providing administrative support to the Board and CEO, discharging the duties of Board Secretariat, preparing and safekeeping Board documents and conducting induction program for newly appointed Board Members.

Legal Affairs: Key responsibilities of the Legal Affairs department are providing legal advice, representing the Pension Office at courts of law, drafting laws, regulations and contracts and communicating with state institutions on legal matters.

Corporate Affairs: Corporate Affairs department manages the development of policies related to staff and human resources, manages all matters pertinent to staff, and facilitates administrative support.

Public Relations: Key responsibilities of Public Relations department are, conducting campaigns through various mediums to raise awareness about the pension system, working on stakeholder relations, organizing Pension Office events, maintaining Pension Office website and social media platforms

Member Services: Member Services department facilitates service delivery to MRPS members, employers, pensioners and other relevant stakeholders. Main functions of Member Services

include communicating with individuals and organisations seeking information, providing assistance to members and employers using online systems of Pension Office, accepting/issuing documents and maintaining its records

Internal Audit Division

This function was established to audit different areas of the Pension Office, report audit findings to CEO and Board Committees, and to oversee implementation of audit recommendations. The following are the main responsibilities of internal audit division:

- To provide an independent assessment on the adequacy and effectiveness of internal controls and provide recommendations for continuous improvement.
- Facilitates detection of operational inefficiencies and non-compliances.
- Conduct investigations on ad hoc basis as requested by management/ARMC.

b. Laws, regulations, policies, principles and norms used for discharging responsibilities

- Maldives Pension Act - 2009
- Regulation on Basic Pension to Older Persons - 2009
- First Amendment to Regulation on Basic Pension to Older Persons - 2015
- Second Amendment to Regulation on Basic Pension to Older Persons - 2018
- Regulation on Maldives Retirement Pension Scheme - 2010
- First Amendment to Regulation on Maldives Retirement Pension Scheme - 2016
- Second Amendment to Regulation on Maldives Retirement Pension Scheme - 2018
- Regulation on Disbursement from Maldives Retirement Pension Scheme - 2010
- First Amendment to Regulation on Disbursement from Maldives Retirement Pension Scheme - 2018
- Regulation on Collateralizing Pension Fund Balance for Home Purchases - 2016
- Regulation on Enrollment and Disbursement of Benefits to Foreign Employees under the Maldives Retirement Pension Scheme - 2018
- Regulation on Disbursement of Maldives Retirement Pension Scheme Funds to Perform Obligatory Hajj - 2019
- First Amendment to Regulation on Disbursement of Maldives Retirement Pension Scheme Funds to Perform Obligatory Hajj - 2019
- Statement of Investment Principles
- Policy for taking actions against non-compliant employers
- Internal Standard Operating Procedures

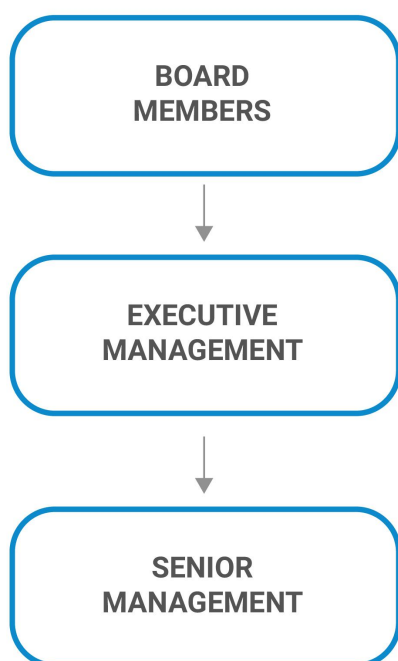
c. Decision making process

The basis for all decisions regarding the work of the Pension Office is Pension Act and Regulations made under this Act. These decisions can be made at the 3 key levels given in the following diagram.

The Board of Directors being the highest authority of the Pension Office makes all policy decisions and sets directions for the management.

Executive Management makes decisions regarding implementation of policies and overall management of the organisation.

Senior management makes decisions on day to day operations based on the Pension Act, Regulations approved Policies and Procedures.



d. Mechanisms for supervision and accountability.

For Board Members

- Pension Act
- Regulations made under Pension Act
- Rules of Procedures

- Code of Conduct

For Executives and Senior Management

- Pension Act
- Regulations made under Pension Act
- Terms of Reference
- Employment Contract
- Employment policies and procedure