

## Terms of Reference for Board Members of the Maldives Pension Administration Office

### Background

An independent entity – the Maldives Pension Administration Office (MPAO) has been established on 13<sup>th</sup> May 2009 and is functioning as required by the Maldives Pension Act (Law No. 08/2009). The MPAO administers two national pension schemes: 1) a non-contributory Old-Age Basic Pension, financed by the public budget; and 2) a mandatory Defined Contribution Retirement Scheme, financed by the contributions of employers and employees.

The President of the Republic of Maldives appoints Members to the MPAO Board. The MPAO Board has a Chairperson, from the public or private sector, and four private sector Members selected for their qualifications and professional experience. Three other Board members represent the public sector.

### Board Member Duties

Board Members are fiduciaries of the MPAO within the meaning of the Maldives Pension Act and, therefore, have legal responsibility to the Participants and Beneficiaries. This includes, but is not limited to, the following tasks that are related to General Administration, Basic Pensions, Retirement Schemes, and the transition programmes for public servants:

General Administration, including:

- selecting a Chief Executive Officer of the MPAO
- approving an organizational chart of the MPAO
- oversight over the MPAO staff as needed
- directing the development of a MPAO budget, and separation of budgeted items related to Basic Pensions and the Retirement Scheme
- adopting By laws for the MPAO
- adopting a grievance procedure for Participants and Beneficiaries
- adopting a public information program for the MPAO
- reporting to Government agencies as required by the Maldives Pension Act
- ensuring compliance with audit requirements specified in the Maldives Pension Act

Basic Pensions:

- making arrangements for payment of Basic Pensions, including application forms and procedures and payment systems
- proposing the annual budget for payment of Basic Pensions to MOFT
- other activities as needed to make basic Pensions accessible according to the Maldives Pension Act

## Retirement Scheme:

- investment and custody of pension assets for the Retirement Scheme, including appointment of an Investment Committee, adoption of a Statement of Investment Principles, contracting with asset manager(s), and ongoing investment of assets
- collection of contributions for the Retirement Scheme
- maintenance of individual member accounts
- making arrangements for payment of annuities or phased payments of benefits
- reporting to CMDA as required by the Maldives Pension Act
- other activities as needed to safeguard the assets of Retirement Schemes and pay benefits according to the Maldives Pension Act

The Board is authorized by the Maldives Pension Act to hire a CEO and staff members to conduct the daily administration of the Pension Schemes.

As fiduciaries, Board members must avoid conflicts of interest or their appearance, maintain the confidentiality of Board proceedings, review all materials presented for Board review, and respond adequately to unforeseen financial conditions. In order to prevent any conflicts of interest, candidates who are appointed as Board Members by the President are required to submit annual confidential personal financial disclosure statements.

## Board Member Requirements

Board members appointed from private sector must have an educational level of, at least a First Degree in the area of Business or Economics or Law and have experience in matters concerning finance or pension or investment.

Board members must not be convicted of criminal breach of trust, defamed, and must be capable to execute the functions of the post and have technical expertise of pension or financial matters or investment.

Must not have been declared bankrupt, or been convicted of theft, fraud, larceny, criminal breach of trust or corruption.

Must not be an official or an employee of the Asset Manager or Custodian of the MPAO. And must not be a beneficial owner of five percent or more of an equity interest in such Asset Manager or Custodian, as stipulated in the Maldives Securities Act.

In addition, all Board Members must have a high degree of integrity and must not be in any way compromised by previous financial impropriety. Board Members will be required to attend several meetings a year and review documents in the interim.

## Remuneration

Board Members shall be compensated in a manner similar to other Boards of Maldivian financial institutions. At present, Board Members are paid a monthly pensionable remuneration of MVR 12,000.00. The Chairperson is paid a monthly pensionable remuneration of MVR 15, 000.00.

## Term

Board appointments will be for a period of three (3) years. As per good governance practice adopted by the Maldives Pension Administration Office (MPAO) Board, no Board member shall be appointed to Board for more than two consecutive terms.

## **Selection Process**

A Selection Committee will be convened to assist the President in appointing Board members. The Selection Committee will identify names of the potential candidates to be submitted to the President.

Applications for the one private sector Board Member are now being solicited. The candidates will be evaluated on the basis of their qualification and professional experience. All interested applicants are asked to submit a curriculum vitae and a cover letter indicating their interest including at least the following items:

- Education
- Professional experience in pensions or the banking, insurance or financial sectors
- Current employment, whether or not related to pensions or finance
- Previous experience in serving on Boards of financial institutions or as a fiduciary
- Contact details

Application materials may be submitted to Maldives Pension Administration Office to the address below or via email: [admin@pension.gov.mv](mailto:admin@pension.gov.mv).

**Applications are due by 4 p.m. on Thursday, 13<sup>th</sup> July 2017.**

Candidates who are selected to be proposed to the President will be required to provide three professional references and to complete a detailed application.

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02<sup>nd</sup> July 2017