

Regulation Number: 2021/R-27

Gazetted Date: 25th February 2021

Regulation on Determining the Pensionable Wage

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| Introduction and Title | 1. (a) | This Regulation determines Pensionable Wage and specifies all the guidelines applicable to Pensionable Wage for the purposes of the Maldives Retirement Pension Scheme established under the Act Number: 8/2009 (Maldives Pension Act). |
| | (b) | This Regulation shall be cited as the “Regulation on Determining the Pensionable Wage”. |
| Objective | 2. | The objective of formulating this Regulation is to determine Pensionable Wage for the purposes of the Maldives Retirement Pension Scheme, specify detailed guidelines applicable to Pensionable Wage, administer and enforce the guidelines. |
| Rulemaking Authority | 3. | This Regulation is formulated as specified in Subsection 14 (a) of the Act Number: 8/2009 (Maldives Pension Act), in accordance with the authority granted to the Pension Office under Subsection 3 (c) of the said Act. |
| Jurisdiction | 4. | This Regulation applies to employers, employees, and in general to all the participants of the Maldives Retirement Pension Scheme. |

- Authority of other regulations
5. Unless otherwise specified in the provisions herein, this Regulation shall be read and construed concurrently with the provisions of the Regulation Number: 2014/R-20 (Regulation on Maldives Retirement Pension Scheme).
- Determining Pensionable Wage
6. The Board of the Pension Office determined Pensionable Wage to be the amount stated as the Basic Salary in the Employment Contract. Accordingly, an employee who is a participant of the Maldives Retirement Pension Scheme shall contribute a minimum of 7% (seven percent) of the Basic Salary, and the employer shall also contribute a minimum of 7% (seven percent) of the Basic Salary to the Scheme every calendar month.
- Circumstances for deducting from the Pensionable Wage
7. (a) In the following circumstances, 7% (seven percent) of the Basic Salary required to be contributed to the Maldives Retirement Pension Scheme shall be calculated after deducting from the Basic Salary based on the circumstance and using the amount earned by the employee in the given month as Basic Salary.
- (1) Amount deducted from the Basic Salary for lateness penalty as provided for in the Employment Contract.
 - (2) Amount deducted from the Basic Salary for unauthorized absence from work as provided for in the Employment Contract.
 - (3) Amount deducted from the Basic Salary for days in which salary is not owed in a specific month based on the date of commencement or termination of employment.

(b) Except for the 3 (three) circumstances specified in Subsection (a) hereof, any additional deduction from the Basic Salary in accordance with the Employment Contract or in any other manner shall be made after deducting the contribution payable to the Maldives Retirement Pension Scheme.

Responsibility to specify Pensionable Wage in the Employment Contract

8. (a) Since it is a requirement under Subsection 12 (b) of the Act Number: 8/2009 (Maldives Pension Act) to specify in the Employment Contract the manner of deducting pension contribution, it is the responsibility of the employer to include a clause in the Employment Contract specifying how deductions will be made from the Basic Salary as pension contribution to the Maldives Retirement Pension Scheme every calendar month.

(b) The Pension Office has the authority to order the employer to include a clause in the Employment Contract, as stated in Subsection (a) hereof, specifying the manner of deducting and making pension contribution to the Maldives Retirement Pension Scheme.

Consequence of not specifying Pensionable Wage in the Employment Contract

9. (a) If the Employment Contract does not specify the Pensionable Wage and that deductions for pension contribution will be made from the Basic Salary, and instead provides the remuneration amount or uses a term other than Basic Salary, then in such instances Pensionable Wage shall be the total amount earned as remuneration and/or allowances in every calendar month.

(b) If the Employment Contract does not specify that pension contribution will be deducted from the Basic Salary of

employees working for daily, weekly, or monthly wage, or if such employees do not have an Employment Contract, then Pensionable Wage will be the monthly total of the remuneration and/or allowances earned on a daily wage basis, weekly wage basis or monthly wage basis or wage paid in any other basis.

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| Revising Pensionable Wage | 10. | Section 33 of the Act Number: 8/2009 (Maldives Pension Act) states that Pensionable Wage shall be the salaries and allowances determined as Pensionable Wage in the regulations formulated by the Board of the Pension Office. Accordingly, if the Board of the Pension Office decides to revise Pensionable Wage, an amendment to this Regulation shall be published by the Pension Office detailing the modification made to the Pensionable Wage definition and the effective date of the revision. |
| Definition | 11. | The meanings of the phrases and words used in this Regulation shall have the same meanings as the phrases and words used in the Act Number: 8/2009 (Maldives Pension Act) and the Regulation Number: 2014/R-20 (Regulation on Maldives Retirement Pension Scheme). |
| Amending the Regulation | 12. | Where necessary, the Pension Office has the power to amend this Regulation. |
| Commencement of the Regulation | 13. | This Regulation shall commence from the date of publication on the Gazette of the Government of Maldives. |