

BUDGET AND STRATEGIC PLAN FOR 2021



Pension Office

MALDIVES RETIREMENT PENSION SCHEME

THE MALDIVES RETIREMENT PENSION SCHEME IS A **GREAT VALUE FOR MONEY** PENSION SCHEME



Pension Office has no shareholders and the Maldives Retirement Pension Scheme is run for the benefit of members



Pension Office charges are the same for all members, regardless of fund choices



Pension Office has been awarded international recognition for service excellence



There are no hidden fees at the Pension Office. All members share an Annual Management Charge (AMC) of

0.6% p.a. of their savings fund:

Fund	+	Monthly Contribution	+	Investment Return (month)	-	AMC deducted (month)	=	Fund Growth
MVR 30,000		MVR 1,000		MVR 150		MVR 16		MVR 31,134

PENSION OFFICE BUDGET

Maldives Pension Act (Law No. 8/2009) mandates the Pension Office to maintain an operational budget separate from Pension Assets.

Our budget comes from the Annual Management Charge and in 2020, for our 160,363 members we delivered:



INVESTMENT

- Investment objectives, design, implementation of fund strategies
- Attractive investment returns maintained
 - Investment returns maintained above 5%
- Risk profile tailored to members, switching of funds
 - 188 members switched funds during the year



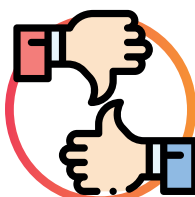
ADMINISTRATION

- Handling member contributions.
 - MVR 1.1 Billion was received as member contribution during 2020
- IT and maintaining member records
 - 507 new employers added during the year
 - 2,302 new members added during the year
- Customer services and telephone calls
 - Over 28,000 calls received and attended
- Paying benefits to retirees and dependents
 - MVR 103 million paid to 1,328 retired members



COMMUNICATION

- Website, email and mobile phone applications
- Online access to view member fund
 - Mobile phone application to access member accounts
- Communications
 - 90% satisfaction from all stakeholders
 - 20% social media engagement
 - 1 favourable media coverage per month
 - 1 significant event every quarter
 - Over 13,000 enquiries for support and advice on benefits



GOVERNANCE

- Board and Committees for risk management
- Human resources for staff to look after member benefits
- Publication of Financials, investment data and other statistics
- Group Internal audit to check processes are robust
 - 4 internal audits based on risk assessments
- Project plans to improve services to members
 - Regular updates of Application forms, FAQs and SOPs
 - 2 surveys on assessment of service standards

STRATEGIC PLAN 2021- 2023

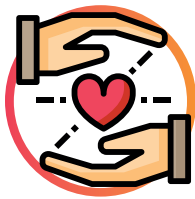
IMPROVE EFFICIENCY, BENEFITS AND SERVICES

Pension Office operating expenses are international best-in-class (0.3% of Funds). Our 2021 budget is:

Percentage of Retirement Funds managed		MVR 'm
Annual Management Charge	0.6%	78
Pension Office Budget (expenses)	(0.3%)	(42)
Surplus	0.3%	36

The Pension Office has reduced annual management charge from 1% to 0.9% (2015), 0.8% (2017) to 0.6% today. Our expense performance means a surplus

The Pension Office is engaged in its Strategic Plan for 2021-2023 and is considering options to reduce costs and enhance member benefits. Eg: reducing the annual management charge, granting better benefits, retirement options, disability and critical illness benefits and supporting communities.



PROTECTION

- Better protection to families on death before retirement
- Protection for members who become ill and unable to work
- Better retirement planning and financial tools for members
- Annuities to members to secure a guaranteed income for life



INVESTMENT & ADMINISTRATION

- Investment in our research expertise to identify high returns for members
- Diversification and new investments to contribute to nation building
- Better systems to collect contributions, pay benefits and reduce costs
- Better benefit statements and ways to access benefits



COMMUNICATIONS & MEMBERS

- On-line website, email and mobile phone applications
- Online access for members to view and manage funds, without charges
- Community support and caring for the vulnerable in our society
- Public events and telephone services to help members with retirement

PENSION OFFICE BUDGET IS PRUDENT

WE STRIVE TO BE BETTER
THAN OUR BUDGET

MVR 'm	2019	2020	2021
Approved Budget	52.5	42.0	42.0
Actual Expenditure	40.5	34.5	
Better than our target	+12	+7.5	

2020 Covid: Less community and charity events and compliance visits than we hoped. We however made good progress internally.

Our accounts talk about our major expenditures	2020		2021
	Budget	Actual	Budget
Board & Staff Salaries	22.5	20.1	26.8
Custodian Services and Consultancies	10.2	9.7	6.4
Total	32.7	29.8	33.2

2021: People are our greatest asset and investing in them guarantees member services. We have reduced reliance on external consultants and plan to recruit roles in Finance, IT, Investment (budget 2.3m p.a.)

IT Infrastructure	3.6	3.1	3.5
Public Relations	1.8	-	1.3
Office Expenses	1.0	0.8	1.2
Professional, Audit fees	0.9	0.5	0.9
Events	0.7	-	0.7
Capital Expenditure	0.3	0.3	0.4
Donations & Charities	0.4	-	0.4
Repairs and Maintenance	0.2	-	0.3
Legal and Compliance	0.2	-	0.1
Total	42.0	34.5	42.0

Internet, Cloud, Koshaaru administration

Ranveyla and member events (based on situation)

Electricity, office cleaning & maintenance

ISSA, external audit and assurance fees

Finance Forum and staff events

Laptops and Printers, furniture and fittings

Helping family and social services (elders)

Building, Court actions on unpaid member contributions