

18.14 FAMILY PROTECTION SCHEMES

18.14.1 The Family Protection Schemes in the Public Sector fall into three main categories and they are:

- (i) The Civil Service Family Protection Scheme;
- (ii) The Statutory Bodies Family Protection Fund ; and
- (iii) The Family Protection Scheme with the State Insurance Company of Mauritius Ltd.

Civil Service Family Protection Scheme

18.14.2 On 01 July 1993, the Civil Service Family Protection Scheme Board came into operation with the enactment of the Widows' and Children's Pension Scheme (Amendment) Act No. 28 of 1993. The Act made it mandatory for female officers to contribute to the scheme. The Civil Service Family Protection Scheme (CSFPS) is a contributory scheme which provides family protection to the dependents of deceased civil servants whether the contributor dies in service or after retirement. The CSFPS provides for a monthly benefit paid in the form of a pension upon death of a contributor and it also makes provision for refund of contributions to contributors in specific circumstances.

18.14.3 As at 31 December 2015, the scheme reckoned around 50,450 contributors and 17,628 pensioners.

Rate of Contribution

18.14.4 The monthly contribution is made at the rate of 2% of the officer's gross salary.

Membership

18.14.5 The persons required to contribute to the scheme are:

- (a) public officers who have attained the age of 18 and who are appointed to a pensionable office;
- (b) public officers who have been transferred to approved services and who have elected to continue contributing to the scheme;
- (c) members of the National Assembly during their period of legislative service; and
- (d) officers of the Civil Service Family Protection Scheme Board.

Refund of Contribution

18.14.6 A refund of contribution is made to a contributor where no pension is payable and the refund with compound interest at the rate of 4% per annum is made to a contributor or his legal representative in the following circumstances:

- (a) At the time of leaving the public service, where:

- (i) the contributor has either not contracted civil marriage or is a widow/widower provided that the contributor has no:
- legitimate or legitimated child
 - adopted child
 - step child
 - natural child or
 - a child whose filiation has been pronounced by a Court of Law.
- (ii) the contributor is a divorcee and has no child.
- (b) In case both husband and wife are contributors, the surviving spouse is refunded on the death of his/her spouse and he/she may opt (within 60 days of the event) not to continue contributing to the scheme.
- (c) Where contributors in post as at 30 June 2008 opt to cease to contribute at the age of 60 and no pension is payable.

Pensions

- 18.14.7 Following the pension reforms in the 2008 PRB Report, for all those public officers who have joined the public service as from 01 July 2008, the amount of pension is computed at the rate of 1/690th (instead of 1/600th) of annual pensionable emoluments on retirement for every month of pensionable service, subject to a maximum of 460/690th (instead of 400/600th).
- 18.14.8 At the death of a contributor, the monthly pension payable varies depending upon whether the deceased left behind a spouse only, spouse and children, one child only or more than one child but no spouse. The details of the monthly pension payable is provided hereunder:

Beneficiaries	Computation for Monthly Pension Payable
Spouse only	$\frac{1}{3} \times \frac{1}{12} \times \text{BUP}^*$
Spouse and child/children	$\frac{1}{2} \times \frac{1}{12} \times \text{BUP}$
One child but no spouse	$\frac{1}{4} \times \frac{1}{12} \times \text{BUP}$
More than one child but no spouse	$\frac{1}{2} \times \frac{1}{12} \times \text{BUP}$

***BUP- Basic Unreduced Pension**

- 18.14.9 The basic unreduced pension is computed, for those civil servants joining the public service as from 01 July 2008, at the rate of 1/690th of the annual salary of the contributor at the date of death or at the date he ceases to be a public

officer, for each completed month of the contributory service (not exceeding 460 months).

- 18.14.10 A surviving spouse's pension ceases on the death or remarriage of the beneficiary.
- 18.14.11 The children's pension ceases on the date the last child reaches 18 years of age, or if the child receives full-time education, until he receives such education or attains the age of 21, whichever is earlier. The Board may, on compassionate grounds, approve the payment of pension to children beyond the age of 21.
- 18.14.12 Upon the death of a beneficiary, the legal personal representative is paid one full month's pension in respect of the month in which the beneficiary dies together with a gratuity of an equivalent amount.

Recommendation 1

- 18.14.13 We recommend that the rate of contribution to the Civil Service Family Protection Scheme be maintained at 2%.**
- 18.14.14 We also recommend that the highlighted provision governing membership, refund of contribution and pensions of the Civil Service Family Protection Scheme should be maintained.**

Transitional Measures

Contribution

- 18.14.15 The CSFPS was revisited in line with the new pension scheme enunciated in the 2008 PRB Report and transitional arrangements were subsequently made with regard to retirement age, computation of the amount of pension and the qualifying period to benefit for a full pension. The transitional measures should continue to be applicable.

Recommendation 2

- 18.14.16 We recommend that the transitional measures outlined below should continue to apply:**
- (a) public officers and Members of the National Assembly in post as at 30 June 2008 may, while in service, opt to cease to contribute to the Civil Service Family Protection Scheme on reaching 60 years of age. However, in that case, widows and orphans pension will be computed on the salary drawn at the time the member ceases to contribute to the scheme;**
 - (b) public officers should cease to contribute to the scheme on the occurrence of the following events: reaching 65 years of age, resignation from the Public Service, dismissal from the Public Service, retirement from the Public Service, and leaving the Public Service for any other reason;**

- (c) **Members of the National Assembly should cease to contribute to the scheme upon reaching 65 years of age; and**
- (d) **when a Member of the National Assembly ceases to be a member, provided he has not reached 65 years of age, he may opt to cease to contribute or continue to contribute to the Civil Service Family Protection Scheme at the rate of 4% of his salary at the time he ceases to be a member, to enable longer period of contribution.**

Pensions

18.14.17 Transitional measures regarding computation of pension were also provided in the 2008 PRB Report. Hence, these provisions are being maintained.

Recommendation 3

18.14.18 We recommend that the transitional measures should continue to apply in respect of:

- (i) **public officers in post as at 30 June 2008, the Basic Unreduced Pension should continue to be computed at the rate of 1/600th of the annual salary of a contributor at the date of death or at the date he ceases to be a public officer for each completed month of his contributory service (not exceeding 400 months); and**
- (ii) **Members of the National Assembly in post as at 30 June 2008, the Basic Unreduced Pension should continue to be computed at the rate of 1/600th of the annual salary of a contributor at the date of death or when he ceases to be a member of this legislature for each completed month of his contributory service (not exceeding 400 months).**

Additional Recommendations

Pension in case of Actingship in a Higher Office

18.14.19 Pension is based on the BUP of a contributor at the date of his death or at the date he ceases to be a public officer, whichever is the earlier.

18.14.20 For a contributor who has been acting in a higher office, the pension under the Family Protection Scheme is computed on the basis of the same salary used for the computation of the retiring pension.

Recommendation 4

18.14.21 We recommend that for a contributor who has been acting in a higher office, the same retiring salary used to compute the retiring pension should be used to compute the pension under the Family Protection Scheme.

Pension for Members of the National Assembly

18.14.22 A former Minister, on retiring as a member of the National Assembly and not as a Minister, receives a pension under the Family Protection Scheme based on the last annual salary drawn i.e. that of a member and not of the higher post. We are maintaining this provision.

Recommendation 5

18.14.23 We recommend that the annual salary in respect of a member of the National Assembly should mean:

- (i) the annual salary payable to a member immediately before he ceases to be a member; or**
 - (ii) the annual salary drawn in respect of any office established by the Constitution and held by him at any time while he was a member**
- whichever is the higher.**

Interest on Refund of Contribution

18.14.24 The interest on refund of contribution is presently computed up to the date of retirement or the date the contributor ceases to be a public officer. This provision is being maintained.

Recommendation 6

18.14.25 We recommend that interest on contribution to be refunded should continue to be computed up to the date the contributor is eligible for a refund.

Statutory Bodies Family Protection Fund

18.14.26 The Statutory Bodies Family Protection Fund (SBFPF) came into operation on 01 July 2001 with the objective to rationalise the computation of beneficiaries' pension and the payment of membership contribution in line with the recommendations of the PRB. The SBFPF provides financial assistance to some 1000 beneficiaries of associates of the Fund i.e. employees of Local Authorities; Sugar Industry Labour Welfare Fund and Town and Country Planning Board.

18.14.27 In addition to the existing Housing Loan Scheme, the SBFPF offers personal loans on a short term basis up to Rs 100,000 based on the Statutory Bodies Family Protection Fund (Personal Loan) Scheme Regulations 2011.

18.14.28 Under the Statutory Bodies Family Protection Fund (Pensions) Regulations 2011, new regulations have been set to be in line with the pension reforms. In 2012, the Statutory Bodies Family Protection Fund Act was amended such that employees joining Local Authorities with effect from 01 January 2013 are contributing to the State Insurance Company of Mauritius Ltd.

18.14.29 As at 15 September 2015, the number of associates and beneficiaries under the scheme stood to 6900 and 1050 respectively.

Recommendation 7

18.14.30 We recommend that:

- (i) officers in post as at 30 June 2008 may, while in service, opt to cease to contribute to the Statutory Bodies Family Protection Fund on reaching 60 years of age. However, in that case, pension will be computed on the salary drawn at the time the member ceases to contribute to the scheme; and**
- (ii) in respect of public officers in post as at 30 June 2008, the basic unreduced pension would continue to be computed at the rate of 1/600th of the annual salary of a contributor at the date of death or at the date he ceases to be a public officer for each completed month of his contributory service (not exceeding 400 months).**

Refund of Contribution

18.14.31 Members of the SBFPP as at July 1988 may presently opt for a refund of contribution in lieu of retaining eligibility to family benefits.

Recommendation 8

18.14.32 We recommend that existing members of the Statutory Bodies Family Protection Fund as at July 1988, who opt for a refund of contribution in lieu of retaining eligibility to family benefits, should continue to be refunded their contributions with compound interest at the rate of 4% per annum.

SICOM Family Pension Scheme

18.14.33 The State Insurance Company of Mauritius (SICOM) Ltd operates as a public company and offers an array of services to meet the specific needs of its clients. The SICOM Family Protection Scheme is one of the major services of SICOM Ltd which provides financial security in terms of either a lump sum or a monthly pension to the legal beneficiaries of a member upon his death, whether it occurs before or after retirement. This Scheme is a group whole life assurance group scheme open to the permanent employees of corporate bodies as well as private companies.

18.14.34 A proposal has been made by the Government of Mauritius to SICOM Ltd to establish a new Family Protection Scheme for public officers. Under the Finance (Miscellaneous Provisions) Act No. 26 of 2012, all employees in the public sector joining with effect from 01 January 2013 are no more contributing to the CSFPS and SBFPP.

18.14.35 The SICOM Ltd has as far as possible amended its Family Protection Scheme to be in line with the CSFPS and the SBFPF.

Recommendation 9

18.14.36 We recommend that the SICOM Ltd should continue to align the SICOM Family Protection Scheme with the Civil Service Family Protection Scheme and the Statutory Bodies Family Protection Scheme.
