

15. RETIREMENT AND RETIREMENT BENEFITS – PENSION SCHEME FOR THE PUBLIC SECTOR

Introduction

- 15.1 Retirement benefit is a monthly payment to an officer who has retired from work. A pension is payable to the officer who has retired from regular employment, paid by the state arising from the person's former employment or the product of investment in a personal or stakeholder pension scheme.
- 15.2 In the context of the 2008 PRB Report, a major reform was brought to the Public Sector Pension Scheme i.e. a single modified Defined Benefit (DB) Pension Scheme was introduced whereby, (a) a single contributory pension scheme has been implemented for all public officers, (both current and future) and (b) transitional measures have been recommended for officers in post as at 30 June 2008 to secure their existing pension rights in conformity with the constitutional provision and to ensure acceptability.

Contribution

- 15.3 We are maintaining the present provisions regarding contribution and recommending accordingly.

Recommendation 1

- 15.4 **We recommend that the present provision regarding contribution be maintained as follows:**
- (i) all employees under the Defined Benefit (DB) Pension Scheme set in 2008 PRB Report should contribute at the rate of 6% of their pensionable emoluments rounded to the nearest rupee; and**
 - (ii) trainees, students, cadets or apprentices recruited under traineeship, studentship, cadetship or apprenticeship scheme should contribute at the rate of 3% of their emoluments rounded to the nearest rupee.**
- 15.5 **The employee pension contributions, the taxable element thereon, as well as all the other changes in pension provision have been taken into account in arriving at the salaries recommended for the different grades.**

Refund of Contribution

Recommendation 2

- 15.6 **We recommend that a Public Sector employee should continue to be refunded 100% of his contribution together with compound interest at the rate of 4% per annum, in the event the employee leaves or otherwise ceases to be in the Public Sector and no portable benefit is transferable**

and no pension, gratuity or other allowance is payable for him in respect of his past service in the public sector, provided he has effectively contributed to the modified Defined Benefits (DB) Pension Scheme for a year or more.

Retirement Age

- 15.7
- (i) Subject to the transitional provision as at **Annex**, the normal retirement age of a public officer holding a pensionable office is 65 years. However, officers have the right to retire at the age of 60. On the approval of the relevant Service Commissions, the officer may retire at the age of 55, or in the case of overmanning, at the age of 45.
 - (ii) Management may, where physical fitness is an essential requirement for the proper performance of the duties, require any officer who opts to work beyond the age of 60 to undergo a yearly medical examination to certify his fitness for continued employment.
 - (iii) A member of the Disciplined Forces or an officer of the Correctional Youth Centre or the Rehabilitation Youth Centre who, on attaining the age of 60, opts to work beyond that age is required to undergo a yearly medical examination to certify his fitness for continued employment.
 - (iv) The normal retirement age for Judges is 67 years.
 - (v) A public officer may retire on medical ground (irrespective of length of service or age) or may be made to retire compulsorily in the interest of the Public Service, or on abolition of office, or for the purpose of facilitating improvement in an organisation.
 - (vi) A female officer reckoning five years' pensionable service may retire on ground of marriage, irrespective of age.
 - (vii) A member of the Disciplined Forces or an officer of the Correctional Youth Centre or the Rehabilitation Youth Centre may retire on proportionate pension after 25 or 28³/₄ years' pensionable service, as appropriate, irrespective of age.
- 15.8 Since the present provision regarding retirement age is in force till June 2018, we are maintaining the same provision as any amendment may entail legal implications.

Recommendation 3

- 15.9 **We recommend that the above provisions regarding retirement age be maintained.**

Accrual Rate and Qualifying Period for officers appointed on or after 01 July 2008

- 15.10 (i) The amount of pension is computed at the rate of $1/690^{\text{th}}$ of pensionable emoluments on retirement for every month of pensionable service, subject to a maximum of $460/690^{\text{th}}$.
- (ii) The normal qualifying period to benefit from full pension for public officers other than those at paragraphs (iii) and (iv) below holding pensionable office is $38\frac{1}{3}$ years (460 months) of pensionable service.
- (iii) Members of the Disciplined Forces or officers of the Correctional Youth Centre or the Rehabilitation Youth Centre, after completing $28\frac{3}{4}$ years of pensionable service, are granted an enhanced pension at the rate of $1/414^{\text{th}}$ of pensionable emoluments for each additional month of service, which enables them to qualify for full pension after $34\frac{1}{2}$ years of service.
- (iv) Members of the Medical and Dental professions are entitled to pension at the rate of $1/621^{\text{st}}$ of pensionable emoluments thus qualifying them for full pension after $34\frac{1}{2}$ years of pensionable service.
- (v) Members of the Judiciary (Chief Justice, Senior Puisne Judge and Puisne Judge) qualify for pension at the rate of $1/460^{\text{th}}$ of their pensionable emoluments, subject to a maximum of $460/460^{\text{th}}$.
- (vi) A female officer, reckoning not less than five years' pensionable service, retiring on grounds of marriage qualifies for a gratuity of an amount equivalent to 18% of the last monthly salary times number of months of pensionable service, subject to a maximum of one year's pensionable emoluments.
- 15.11 Representations have been received from officers of the Engineering, Architect – Quantity Surveying Cadres to the effect that, since they join the public service late due to long years of study, they be allowed to buy remaining years of pensionable service in order to enable them to qualify from full pension.
- 15.12 Provisions pertaining to the above were made in the 1998 PRB Report. However, due to difficulties encountered in its implementation, the provision was withdrawn in the 2003 PRB Report.
- 15.13 We have analysed the issue anew in the context of this Report and the following were observed:
- (i) With the extension of retirement age from 60 years to 65 years, most officers would complete $33\frac{1}{3}$ years of service at retirement age;
- (ii) Changing eligibility for full pension would entail an actuarial study in respect of accrual rate; and
- (iii) Possibility exists for any officer to have recourse to a private pension scheme.

15.14 In light of the foregoing, the Bureau cannot accede to the above request and is maintaining the present provisions.

Recommendation 4

- 15.15 We recommend that the provision regarding accrual rate and qualifying period for officers appointed on or after 01 July 2008 be maintained.**

Pension on Early Retirement for Entrants after 30 June 2008

- 15.16 On early retirement (after age 55 and before age 65), the annual rate of pension payable, which is 12/690th of the salary received in the last full year of employment is reduced by 2.5% a year.
- 15.17 The rate of pension is not reduced when an officer is retiring on grounds of marriage, on medical grounds and in case of abolition of office and re-organisation.

Recommendation 5

- 15.18 We recommend that the provision regarding pension on early retirement for those entrants who join after 30 June 2008 should be maintained.**

Transitional Provision – Retirement Age

- 15.19 A public officer in post as at 30 June 2008 has to compulsorily retire as per Table I. The age at which they may retire with or without the approval of the relevant Service Commission are as per Tables II and III respectively. Members of the Disciplined Forces or officers of the Correctional Youth Centre or the Rehabilitation Youth Centre in post as at 30 June 2008 benefit from the early retirement scheme in force prior to 01 July 2008. The arrangements for early retirement for officers in post as at 30 June 2008 are maintained.

Recommendation 6

- 15.20 We recommend that:**
- (a) the normal retirement age of officers in post as at 30 June 2008 as recommended in 2008 Report, be gradually raised from 60 to 65 years in accordance with Table I.**
 - (b) the optional retirement age of officers in post as at 30 June 2008 (i.e. the age at which officers can leave the service without seeking permission) as recommended in 2008 Report be gradually raised from 55 to 60 years in accordance with Table II; and**
 - (c) the retirement age of officers (who retire with the approval of the relevant Service Commission) in post as at 30 June 2008 as recommended in 2008 PRB Report be gradually raised from 50 to 55 years in accordance with Table III.**
- 15.21 Tables I to III are given at the end of this Chapter.

Transitional Provision – Accrual Rate

15.22 The retirement benefits of public officers in post as at 30 June 2008 is computed on the basis of the provision in force prior to the coming into effect of the modified Defined Benefit (DB) Pension Scheme.

Recommendation 7

15.23 We recommend that the retirement benefits of public officers in post as at 30 June 2008 should continue to be computed on the basis of the provision in force prior to 01 July 2008.

Discounted Salaries for officers not opting for Pension Reforms

15.24 For officers, who did not opt for the pension reforms on 01 July 2008 but instead opted for the pension arrangements in force prior to the coming into effect of the 2008 PRB Report, the new salary structures recommended are implemented at a discounted rate and these officers are eligible for 92% of the salary recommended. We are maintaining this arrangement.

Recommendation 8

15.25 We recommend that the provision regarding discounted salaries at the rate of 92% of the recommended salary for officers who did not opt for pension reforms on 01 July 2008 be maintained.

Abolition of Office and re-organisation

15.26 Presently, in case of abolition of office and re-organisation, an officer is granted an additional pension at the annual rate of one sixty ninth of his pensionable emoluments for each completed period of three years' pensionable service provided that:

- (a) the addition does not exceed twenty three-one hundred and thirty eighths; and
- (b) the addition together with the remainder of the officer's pension does not exceed the pension for which he would have been eligible;

if he had continued to hold the office held by him at the date of his normal retirement.

15.27 However, for an officer in post as at 30 June 2008, the additional pension is computed at the annual rate of one sixtieth of his pensionable emoluments for each completed period of three years' pensionable service provided that the addition does not exceed ten sixtieths and the addition together with the remainder of the officer's pension does not exceed the pension for which he would have been eligible if he had continued to hold the office held by him at the date of his normal retirement.

Recommendation 9

15.28 We recommend that the present pension provisions governing officers in the case of abolition of office and re-organisation should be maintained.

Other Provisions Governing Retirement and Retirement Benefits

Pensionable Emoluments (Reverted Officers)

15.29 At present the retirement benefits of a public officer, who has been appointed to act in or has been assigned duties of a higher office by the appropriate Service Commission or through delegation of power conferred by the Public Service Commission and retires or is subsequently reverted to his substantive office, is computed on the prevailing pensionable emoluments of the office to which he was appointed to act or assigned duties provided that:

- (a) he has been performing the duties of the office for a continuous period of at least two years or an aggregate period of at least two years within a period of three years;
- (b) his reversion to his substantive office was not the result of inefficiency or misconduct; and
- (c) at the time of retirement or reversion he had reached the age of 55 (or for an officer in post as at 30 June 2008 he had reached the age at which an officer may retire with the approval of the relevant Service Commission as specified at Table III).

15.30 The retirement benefits of a public officer, who has been appointed to act in or has been assigned the duties of a higher office by the appropriate Service Commission or through delegation of power conferred by the Public Service Commission and is drawing part of the Acting Allowance and retires or is subsequently reverted to his substantive office, is computed on the basis of the aggregate earnings (i.e. the salary of the substantive post plus any Acting Allowance drawn) provided the conditions set out at paragraph 15.29 above are satisfied.

Recommendation 10

15.31 We recommend that the present mode of computation of retirement benefits of reverted officers should be maintained.

Pensionable Emoluments (Reverted Officers in position of Accounting Head/Chief Executive)

15.32 At present the retirement benefits of a public officer who has been appointed to act in or has been assigned the duties of:

- (a) a higher office in a position of Accounting Head/Chief Executive, the salary of which office is not less than Rs 95000 a month or

(b) a higher office than the one at (a) above in the same cadre

by the appropriate Service Commission and retires or is subsequently reverted to his substantive office, are computed on the prevailing pensionable emoluments of the office to which he was appointed to act or the duties which had been assigned to him, provided that:

Either

- (i) he performed the duties of such office for a continuous period of not less than twelve months; and
- (ii) his reversion to his substantive office was not the result of inefficiency or misconduct and at the time of retirement or reversion he had reached the age of 55 (or for an officer in post as at 30 June 2008 he had reached the age at which an officer may retire with the approval of the relevant Service Commission as specified at Table III).

Or

he has successfully served for a minimum period of six months and has reached compulsory retirement age.

Recommendation 11

15.33 We are recommending that the above provision regarding the mode of computation of retirement benefits of retired officers in position of Accounting Head/Chief Executive, except that the salary of the higher office should not be less than Rs 101000 a month.

15.34 We also recommend that an officer who had already qualified for enhanced pension benefits as per previous PRB Reports should continue to be eligible, on a personal basis, for the enhanced pension benefits.

Mobility of Manpower

15.35 In the 2008 and 2013 PRB Reports, the Bureau made provisions for officers to retire on grounds of facilitating mobility (among sectors) and to allow people to take advantage of better prospects outside the service.

15.36 We also recommended that the MCSAR should continue to look into applications for retirement of officers having reached the age of 45 and completed a minimum of 10 years of pensionable service provided that these officers join the local private sector or become self-employed and their replacement can easily be made, that is, there is no dearth of qualified personnel in the field in which they are employed.

15.37 We are, in this Report, maintaining the provision regarding mobility of manpower.

Recommendation 12

- 15.38** We again recommend that to allow mobility between the Public Sector, private sector and International Organisations (of which Mauritius is a member, foreign countries under a scheme approved by Government and member countries of regional organisation like SADC), an officer reckoning a minimum of 10 years of pensionable service and having reached the age of 45 should be allowed to retire with the approval of the relevant Service Commission without foregoing his earned pension benefits. The payment of the benefits accruing to the officer should be deferred till the time the officer attains the age of 55. However, for officers in post as at 30 June 2008, the payment of the benefits accruing to the officer should be deferred till the time the officer attains the age at which he may retire with the approval of the relevant Service Commission as specified at Table III.
- 15.39** We further recommend that the Ministry of Civil Service and Administrative Reforms should look into applications for retirement of officers having reached the age of 45 and completed a minimum of 10 years of pensionable service provided that these officers join the local private sector or become self-employed and their replacement can easily be made, that is, there is no dearth of qualified personnel in the field in which they are employed.
- 15.40** In case an officer dies before the age of 55, the payment of benefits accruing to the officer, should be paid to the heirs notwithstanding the age of 55.

Retirement Benefits – Overmanning

Recommendation 13

- 15.41** The retirement benefits of an officer who is allowed to retire at the age of 45 and above on the ground of overmanning should continue to be computed as if his office had been abolished and should be payable immediately.

Approved Leave and Pension

Recommendation 14

- 15.42** We recommend that officers who are granted leave without pay should continue to contribute 18% of their salaries to Government in order to have such period of leave reckoned for pension purposes.

Traineeship, Studentship, Cadetship or Apprenticeship

Recommendation 15

- 15.43 We recommend that half of the period of any service in the public service under any traineeship scheme, when immediately followed by appointment in the related grade in the public service, should be reckoned for pension purposes.**

Temporary Appointment and Pension

- 15.44 At present the retiring benefits of an officer holding a substantive post and appointed or promoted to a higher office in a temporary capacity but who is still performing in a temporary capacity on attaining the compulsory retiring age i.e. 65 years in accordance with the provision of this Scheme or the date on which an officer in post as at 30 June 2008 are required to retire compulsorily as per the transitional arrangements is computed on the basis of the annual pensionable emoluments attached to the higher office, provided the higher office does not require an additional qualification for appointment thereto in a substantive capacity.
- 15.45 The retiring benefits of an officer holding a substantive post and appointed or promoted to a higher office in a temporary capacity but who passes away are computed on the basis of the annual pensionable emoluments attached to the higher office, provided the higher office does not require an additional qualification for appointment thereto in a substantive capacity.

Recommendation 16

- 15.46 We are maintaining the above provisions.**

Compassionate Allowance

- 15.47 For officers not on permanent and pensionable establishment, the monthly compassionate allowance payable on retirement is computed as follows:

$$\frac{\text{No of months of service}}{720} \times \frac{\text{Annual Wage}}{12}$$

Salary of an Officer upon Death

- 15.48 A full month salary is paid to the heirs of an officer on his demise, irrespective of the number of days he has been in service during that month.

Gratuity for eligible officers retiring with less than 10 years' pensionable service

- 15.49 An eligible officer retiring with less than 10 years' pensionable service benefits from a gratuity equivalent to 18% of his last monthly salary multiplied by the number of months of pensionable service, subject to a maximum of one year's pensionable emoluments.

Recommendation 17

- 15.50 We are maintaining the provisions regarding Compassionate Allowance, salary of an officer upon death and gratuity for eligible officers retiring with less than 10 years' pensionable service.**

Pensionable Value of Rent Allowance

- 15.51 The estimated value of free quarters or rent allowance for pension purposes is presently equated to 10% of initial annual salary of the officer, subject to a maximum of Rs 6050 per annum.**

Recommendation 18

- 15.52 We recommend that the estimated value of free quarters or rent allowance for pension purposes should continue to be equated to 10% of initial annual salary of the officer, subject to a maximum of Rs 6350 per annum.**

Pensionable Value of Car Benefit

Recommendation 19

- 15.53 We recommend that the monetary value of the private use of a chauffeur-driven official car and 75% of that monetary value are reckoned for the computation of the retirement benefits of beneficiaries of chauffeur-driven government car (including officers of the same status eligible for an official car and driver's allowance) and self-driven government car respectively.**

National Savings Fund

- 15.54 The National Savings Fund provides for the payment of a lump sum to every employee on his normal retirement age or earlier, or on his death. Every employer contributes 2.5% of the basic wage/salary of every employee to the Fund subject to a certain maximum. On retirement, the employee receives a lump sum constituting the contributions on his behalf together with any accrued interest.**

Recommendation 20

- 15.55 We recommend that the payment of a lump sum to an employee on the normal retirement age or on early retirement or on his death should be maintained.**

Portable Pension Fund

Recommendation 21

- 15.56 We recommend that the portable benefits of a qualified officer (i.e. an officer who, after having completed at least one year's pensionable service, leaves the Public Service to take up employment in the Private**

Sector or to become self-employed) are transferred to such superannuation fund as may be established by the employer who employs him or to such personal pension scheme to which the officer may have adhered to, on his leaving the Public Service. The portable benefits of the officer are computed as if, at the time of leaving the Public Service, he had become eligible for a gratuity under the Pensions Act, corresponding to his length of service.

Mutually Agreeable Retirement Scheme

15.57 The Mutually Agreeable Retirement Scheme allows an officer, aged 50 or more, who would be willing to retire voluntarily, and whom Management would wish to part with, to do so with enhanced retirement benefits as provided for an officer becoming redundant in the case of reorganisation under the Pensions Regulations 1951 whereby the officer is granted an additional pension at the annual rate of one sixty ninth of his pensionable emoluments for each complete period of three years' pensionable service provided that:

- (a) the addition does not exceed twenty three – one hundred and thirty eighths; and
- (b) the addition together with the remainder of the officer's pension does not exceed the pension for which he would have been eligible if he had continued to hold the office held by him at the date of his normal retirement.

Recommendation 22

15.58 We recommend that the above provisions pertaining to the Mutually Agreeable Retirement Scheme be maintained.

Continuation of Service beyond Compulsory Retiring Age

15.59 In 2008 PRB Report we recommended that, up to year 2018, an officer in post as at 30 June 2008 who has attained the compulsory retirement age as per the transitional provision of this Scheme may, with the approval of the relevant Service Commission, be allowed to remain in service beyond the age of 60, but not beyond the age of 65, where Government considers that the continuation of his service is in the interest of the Public Service.

15.60 We highlighted that the continued employment beyond compulsory retiring age was not meant for general application but only for officers of a certain level and in very specialised areas where skills and competencies are in short supply or are not available; and is implemented in a manner that does not cause prejudice to officers in post.

- 15.61 We also recommended that where it was considered that the continued employment of a public officer beyond compulsory retiring age, would be in the interest of the service, the following procedures should be adhered to:
- (i) the Responsible Officer should submit his recommendation to the Prime Minister's Office for consideration by the High Powered Committee;
 - (ii) the recommendation of the High Powered Committee would be submitted to the Prime Minister for his consideration and approval; and
 - (iii) if the recommendation is approved, the Responsible Officer seeks the approval of the relevant Service Commission and take such other action as may be recommended by the High Powered Committee.
- 15.62 The provision of paragraph 15.57 also applies to officers of the Parastatal and Other Statutory Bodies and Local Authorities.
- 15.63 As regards Parastatal and Other Statutory Bodies where it is considered that the continued employment of an officer beyond compulsory retiring age, subject to the provision of paragraph 15.58, would be in the interest of the service, the following procedures should be adhered to:
- (i) the approval of the Board should be obtained to initiate action, in the first instance, and the Chief Executive Officer of the organisation should submit the request to the parent Ministry;
 - (ii) the Responsible Officer of the Parent Ministry should submit his recommendation to the Prime Minister's Office for consideration by the High Powered Committee;
 - (iii) the recommendation of the High Powered Committee would be submitted to the Prime Minister for his consideration and approval; and
 - (iv) if the recommendation is approved, the Chief Executive Officer of the organisation should then seek the approval of the Board and take such other action as may be recommended by the High Powered Committee.
- 15.64 As regards the Local Authorities, the following procedures should be adhered to:
- (i) the Chief Executive of the Local Authority should submit the request to the Ministry of Local Government;
 - (ii) the Responsible Officer of the Ministry of Local Government, should submit his recommendation to the Prime Minister's Office for consideration by the High Powered Committee;
 - (iii) the recommendation of the High Powered Committee would be submitted to the Prime Minister for his consideration and approval; and

- (iv) if the recommendation is approved, the Chief Executive of the Local Authority should then seek the approval of the Local Government Service Commission and take such other action as may be recommended by the High Powered Committee.

Recommendation 23

15.65 The present provisions regarding continuation of service beyond compulsory retirement age is maintained.

Enhanced Pension Benefit for a Tour of Duty in Agalega or St. Brandon

Recommendation 24

15.66 We again recommend that any period during which an officer domiciled in the Republic of Mauritius who is required to serve as a public officer in Agalega or St. Brandon should continue to be reckoned as pensionable service at the rate of two times.

New Retirement Date

15.67 We have, under the second column "New Retirement Date" of the annexed tables at the end of this chapter, mentioned the month during which employees opting for the pension scheme would retire if they choose to work up to their retirement date. Evidently, for each employee his date of birth during the month should apply.

Special Provision for officers drawing salary in scales not exceeding Rs 36575

Recommendation 25

15.68 We recommend that public officers in post as at 31 December 2015 who:

- (a) draw salary in a scale the maximum of which is not more than Rs 36575 in the revised 2016 pay structure;**
- (b) attain the compulsory retirement age as per the transitional provision;**
- (c) reckon at least 33 1/3 years of pensionable service;**
- (d) have contributed to the pension scheme for a continuous period of at least 12 months after eligibility for full pension; and**
- (e) have drawn the top salary of the recommended scale for a year notwithstanding additional increments drawn over and above the top salary by virtue of different provisions**

should be granted hypothetically one additional increment for the purpose of determining the pensionable emoluments for pension purposes.

15.69 We further recommend that officers who have retired after 01 July 2008 up to 31 December 2015 and who have not benefitted from the above provision should exceptionally be granted hypothetically one additional increment for pension purposes provided they satisfy all the conditions laid at paragraph 15.68 above.

Transitional Provision – Retirement Age

Recommendation 26

15.70 We recommend that officers in post as at 30 June 2008 who have opted for pension reforms and whose retirement age has gradually been raised from 60 to 65 years in accordance with Table I should continue to be provided with the option of working beyond 60, should they so wish.

Special Provision for officers in post as at 30 June 2008 who reckon at least 33¹/₃ years of pensionable service

15.71 Following the Pension Reforms in the Public Sector, officers contribute 6% of their pensionable emoluments in line with the new pension scheme. The employee contributions are deducted at source and paid directly to the Consolidated Fund.

15.72 Several representations have been received from various quarters that the one-off payment of 2% of the annual pensionable emoluments for each completed year of pensionable service is insufficient for employees who reckon more than 33¹/₃ years of pensionable service and continue to work up to the normal date of retirement. We have re-examined the issue and it has been revealed that any increase of the one-off payment would be burdensome on the sustainability of the pension fund. We are, therefore, maintaining the recommendation.

Recommendation 27

15.73 We recommend that, as from the date of implementation of this Report, public officers in post as at 30 June 2008 who:

- (a) attain the new compulsory retirement age as per the transitional provision;**
- (b) reckon at least 33¹/₃ years of pensionable service; and**
- (c) have opted for the Pension Reforms on 01 July 2008 and contributed effectively to the Pension Scheme**

should, on retirement, be granted a one-off payment equivalent to (2%) of their annual pensionable emoluments for each completed year of pensionable service beyond 33¹/₃ years of pensionable service as from 01 January 2013.

15.74 We further recommend that a public officer satisfying the conditions at paragraph 15.68 should exercise an option as to whether they wish to be governed by the provision at paragraph 15.68 or at paragraph 15.73.

Early Voluntary Retirement Scheme

Recommendation 28

- 15.75** We recommend that an officer proceeding on retirement should continue to be given the option to cash in full accumulated vacation leave computed on the officer's retiring salary at the rate of 1/30 of the monthly salary per day provided he retires on the day he would normally have proceeded on leave prior to retirement.
- 15.76** We further recommend that on demise of the officer, the total value of accumulated vacation leave be paid to his heir(s).

Pension Reforms – Defined Contribution (DC) Pension Scheme

- 15.77** In line with Government commitment to pursue reforms of the Pension System in the Public Sector and in view of the long term unsustainability of pension funds, Government considered the implementation of a Contributory Defined Contribution (DC) Pension Scheme for new entrants in the Public Sector in the context of the PRB 2013 Report and the Bureau recommended accordingly. The new scheme was made applicable to officers of the Civil Service, as well as Parastatal Bodies, Local Authorities, the Rodrigues Regional Assembly and Private Secondary Schools.
- 15.78** To drive the reform, there was an imperative need for an institutional set up to work out the details. There were a few meetings with stakeholders' concerned to devise and work out the details regarding the new defined contribution pension scheme. However, the Committee set up is still working on the scheme. We are, therefore, maintaining the recommendation made in the context of the previous Report.

Recommendation 29

- 15.79** We recommend that the Committee on Pension Reforms under the Chairmanship of the Financial Secretary and comprising different stakeholders including staff members should continue to work out the implementation details of the Defined Contribution (DC) Pension Scheme in the Public Sector including the setting up of a dedicated fund to cater for pension contribution of new entrants.
- 15.80** The salient features of the Defined Contribution (DC) Pension Scheme are as hereunder:

Contribution

- 15.81** Government contribution into the dedicated Fund will be 12% of employee emoluments. The rate of contribution for new entrants shall be 6% of

pensionable emoluments. The employee will have the possibility to increase his contribution.

Contractual Employment

- 15.82 Consideration would be given to officers employed on a contractual basis to contribute to the Defined Contribution Pension Scheme. Government will not contribute in respect of contractual employees.

Management of Fund

- 15.83 An Investment Committee comprising representatives of Government, Labour Unions and major stakeholders will be set up to manage the Fund and set the modalities.

- 15.84 Pending the establishment of a proper regulatory framework, the administration of the Fund will be entrusted to SICOM.

Payment of Lump Sum

- 15.85 Payment of lump sum will be similar to that in the current arrangements but modalities will be decided by the Committee set up to manage the Fund.

**Phasing of Retirement Age from
60 to 65 years over the Period 2008 to 2018**

Month and Year of Birth	New Retirement Date
July 1948	July 2008
August 1948	September 2008
September 1948	November 2008
October 1948	January 2009
November 1948	March 2009
December 1948	May 2009
January 1949	July 2009
February 1949	September 2009
March 1949	November 2009
April 1949	January 2010
May 1949	March 2010
June 1949	May 2010
July 1949	July 2010
August 1949	September 2010
September 1949	November 2010
October 1949	January 2011
November 1949	March 2011
December 1949	May 2011
January 1950	July 2011

Month and Year of Birth	New Retirement Date
February 1950	September 2011
March 1950	November 2011
April 1950	January 2012
May 1950	March 2012
June 1950	May 2012
July 1950	July 2012
August 1950	September 2012
September 1950	November 2012
October 1950	January 2013
November 1950	March 2013
December 1950	May 2013
January 1951	July 2013
February 1951	September 2013
March 1951	November 2013
April 1951	January 2014
May 1951	March 2014
June 1951	May 2014
July 1951	July 2014
August 1951	September 2014
September 1951	November 2014
October 1951	January 2015
November 1951	March 2015
December 1951	May 2015

Month and Year of Birth	New Retirement Date
January 1952	July 2015
February 1952	September 2015
March 1952	November 2015
April 1952	January 2016
May 1952	March 2016
June 1952	May 2016
July 1952	July 2016
August 1952	September 2016
September 1952	November 2016
October 1952	January 2017
November 1952	March 2017
December 1952	May 2017
January 1953	July 2017
February 1953	September 2017
March 1953	November 2017
April 1953	January 2018
May 1953	March 2018
June 1953	May 2018
July 1953	July 2018
August 1953 and thereafter	65 th birthday (1 August 2018 or later)

**Annex
Table II**

**Phasing of Optional Retirement Age from 55 to 60 years
over the Period 2008 to 2018**

Month and Year of Birth	New Retirement Date
July 1953	July 2008
August 1953	September 2008
September 1953	November 2008
October 1953	January 2009
November 1953	March 2009
December 1953	May 2009
January 1954	July 2009
February 1954	September 2009
March 1954	November 2009
April 1954	January 2010
May 1954	March 2010
June 1954	May 2010
July 1954	July 2010
August 1954	September 2010
September 1954	November 2010
October 1954	January 2011
November 1954	March 2011
December 1954	May 2011
January 1955	July 2011

Month and Year of Birth	New Retirement Date
February 1955	September 2011
March 1955	November 2011
April 1955	January 2012
May 1955	March 2012
June 1955	May 2012
July 1955	July 2012
August 1955	September 2012
September 1955	November 2012
October 1955	January 2013
November 1955	March 2013
December 1955	May 2013
January 1956	July 2013
February 1956	September 2013
March 1956	November 2013
April 1956	January 2014
May 1956	March 2014
June 1956	May 2014
July 1956	July 2014
August 1956	September 2014
September 1956	November 2014
October 1956	January 2015
November 1956	March 2015
December 1956	May 2015

Month and Year of Birth	New Retirement Date
January 1957	July 2015
February 1957	September 2015
March 1957	November 2015
April 1957	January 2016
May 1957	March 2016
June 1957	May 2016
July 1957	July 2016
August 1957	September 2016
September 1957	November 2016
October 1957	January 2017
November 1957	March 2017
December 1957	May 2017
January 1958	July 2017
February 1958	September 2017
March 1958	November 2017
April 1958	January 2018
May 1958	March 2018
June 1958	May 2018
July 1958	July 2018
August 1958 and thereafter	60 th birthday (1 August 2018 or later)

**Phasing of Retirement Age
(with the Approval of the Relevant Service Commission)
from 50 to 55 years over the Period 2008 to 2018**

Month and Year of Birth	New Retirement Date
July 1958	July 2008
August 1958	September 2008
September 1958	November 2008
October 1958	January 2009
November 1958	March 2009
December 1958	May 2009
January 1959	July 2009
February 1959	September 2009
March 1959	November 2009
April 1959	January 2010
May 1959	March 2010
June 1959	May 2010
July 1959	July 2010
August 1959	September 2010
September 1959	November 2010
October 1959	January 2011
November 1959	March 2011
December 1959	May 2011

Month and Year of Birth	New Retirement Date
January 1960	July 2011
February 1960	September 2011
March 1960	November 2011
April 1960	January 2012
May 1960	March 2012
June 1960	May 2012
July 1960	July 2012
August 1960	September 2012
September 1960	November 2012
October 1960	January 2013
November 1960	March 2013
December 1960	May 2013
January 1961	July 2013
February 1961	September 2013
March 1961	November 2013
April 1961	January 2014
May 1961	March 2014
June 1961	May 2014
July 1961	July 2014
August 1961	September 2014
September 1961	November 2014
October 1961	January 2015
November 1961	March 2015

Month and Year of Birth	New Retirement Date
December 1961	May 2015
January 1962	July 2015
February 1962	September 2015
March 1962	November 2015
April 1962	January 2016
May 1962	March 2016
June 1962	May 2016
July 1962	July 2016
August 1962	September 2016
September 1962	November 2016
October 1962	January 2017
November 1962	March 2017
December 1962	May 2017
January 1963	July 2017
February 1963	September 2017
March 1963	November 2017
April 1963	January 2018
May 1963	March 2018
June 1963	May 2018
July 1963	July 2018
August 1963 and thereafter	55 th birthday (1 August 2018 or later)
