Seychelles
Pension Fund

PENSION
In Figures

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Background Information

The Seychelles Pension Fund is a cost sharing retirement system through contributions from employers, employees including self-employed and proceeds from its investments. It provides pensions on retirement related to earnings, in case of disability and to qualified surviving spouses and children in case of death of the member before and after retirement. It also provides benefits to dependants or heirs where members do not have children or a surviving spouse and a lump sum payment equivalent to their contribution for those who eventually do not qualify for a pension.

The Seychelles Pension Fund was established under the Seychelles Pension Fund Act 2005 on 1 January 2006 as a fully fledged pension fund in addition to the universal social security retirement pension from the Welfare Protection Agency. It covers all public and private sector Seychellois workers in formal employment, self-employed persons, casual workers and part time who are contributing to the Fund. To be eligible for a monthly retirement pension a member must have made a minimum of ten years of continuous mandatory contribution to Seychelles Pension Fund prior to retirement, or twenty years aggregate contribution to the Social Security Fund up to 30th June 2010 or the Seychelles Pension Fund prior to retirement.

2.0 Mission

The Seychelles Pension Fund is dedicated to providing retirement and related benefits, accurate information, dependable communication and act in the best interest of its members. The resources of the Fund are professionally managed and the Fund implements its practices, plans and benefit services with the highest ethical standards.

2.1 Vision

The Seychelles Pension Fund will continue to be a fully fledged pension system, be a leader and model among retirement systems, providing peace of mind to our members and a level of service that exceeds expectations.

2.2 Core Values

2.3 Prudence The Seychelles Pension Fund will continue to make prudent decisions while delivering our benefit services, selecting our investment strategies, undertaking investments at the highest possible return and executing our operational practices.

2.4 Integrity

The integrity of our organization is based on accuracy, trust, credibility, accountability and ethical conduct at all times.

2.5 Empathy

The Seychelles Pension Fund will respond in an appropriate and timely manner with respect and honesty to all enquiries from every audience.

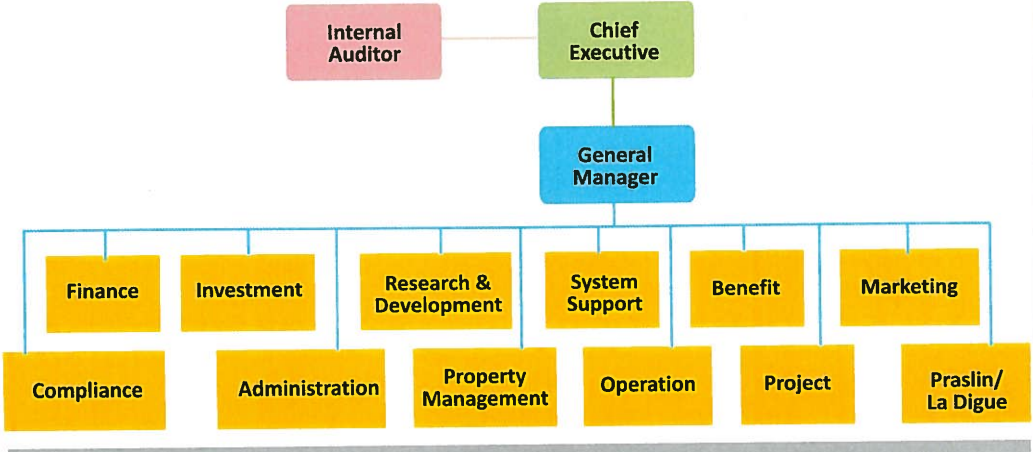
The Fund's Objectives

The objectives for the Fund are enshrined in Section 4 of the Seychelles Pension Act 2005 which include the following:-

- Provide a timely, accurate and helpful service to our customers;
- Secure the prompt and accurate collection and payment of all sums due and their proper accounting;
- Manage the resources available to secure value for money in all aspects of our operations ;
- Make prudent investment of its funds which are not for the time being required ;
- Provide timely and high quality advice and information about the management of the Fund;
- Contribute to the national pension policy and its evaluation and development;
- Enable workers to spend their retirement in basic comfort;
- Promote individual voluntary contributions to the Fund as a means to save for retirement;
- Ensure the prompt payment of contributions due by employers and members;

- Encourage self employed persons to be members of the Fud and contribute to the Fund;
- Enable members to save sufficiently in order to use the voluntary contributions to their credit as security for a housing loan or a loan for medical treatment ;
- Provide the prescribed retirement benefits and other benefits on meeting the qualifying conditions;
- Foster good management practices for the efficient and effective management of the Fund;
- Provide for the financial security of members by the payment of a monthly pension;
- Provide for the financial security of the surviving spouse and children of members who die mainly before retirement by the payment of a monthly surviving spouse's pension or children's pension;
- Provide in accordance with the Act for the financial security of those who are incapacitated due to injuries or illness while being employed or thereafter;
- Provide death benefit where a member dies before reaching retirement age and has no surviving spouse living with him or has no children at the time of death;

4. Organisation structure and staffing



The total workforce is 63 including a team of 16 staff members who are engaged full time at managerial/professional level.

5. Population Statistics

	2005	2006	2007	2008	2009	2010
Total resident population ('000)	82.9	84.6	85.0	87.0	87.3	89.7
Male	41.2	42.9	43.2	45.0	45.0	45.9
Female	41.6	41.7	41.8	42.0	42.3	43.8

6. Life Expectancy at Birth (yrs)

	2005	2006	2007	2008	2009	2010	2011
Both sexes	71.9	72.2	73.1	72.9	72.9	73.3	72.6
Male	67.4	68.9	68.9	67.7	68.4	69.7	67.7
Female	77.1	75.7	77.7	78.9	77.9	77.4	78.0

7. Labour Statitics (Total Employment (Number)

	2005	2006	2007	2008	2009	2010	2011
All Sectors	34,542	37,625	39,572	41,342	41,891	44,159	49,891
Public Sector	10,015	10,837	11,018	10,913	9,305	8,799	8,831
Private Sector	18,595	20,778	22,417	24,833	27,721	30,508	35,916
Parastatal Sector	5,932	6,010	6,136	5,596	4,865	4,852	5,144

8. Average Monthly Earnings (rupees)*

	2005	2006	2007	2008	2009	2010	2011
All Sectors	3,750	3,938	4,015	4,645	5,958	6,987	7,882
Public Sector	4,081	4,324	4,216	4,650	5,340	6,929	7,409
Private Sector	3,469	3,566	3,669	4,387	5,915	6,693	10,907
Parastatal Sector	4,081	4,528	4,920	5,781	7,365	8,959	8,040

Source:* NATIONAL BUREAU OF STATISTICS

Inflation Rate *

2007	2008	2009	2010	2011
5.3%	37.0%	31.8%	-2.3%	2.6%

9. GDP at Market Prices (million prices) *

2005	2006	2007	2008	2009	2010	2011
4,860.7	5,341.5	6,962.5	9,100.8	11,450.4	11,621.3	12,558.1

Source:* CENTRAL BANK OF SEYCHELLES

10. Membership

	Active Members	Non-Active Members	Total Registered Members	Rate of Growth%	No. Of Deaths
2006	33,505	16,377	49,882	3.21	978
2007	32,104	19,787	51,891	4.03	1,083
2008	32,174	20,725	52,476	1.13	1,133
2009	30,166	23,613	53,779	2.48	1,182
2010	33,371	21,975	55,346	2.91	1,371
2011	35,252	18,859	55,396	0.09	1,285

Source:* NATIONAL BUREAU OF STATISTICS

11. Members' Funds

Year Ending 31 December	Members' Fund (Sr'000')	Rate of Growth	Unallocated Funds	Rate of Growth	Proportion
2006	465,748.00	9.98%	66,876.00	2.8%	14.35%
2007	511,808.00	9.00%	224,057.00	2.35%	43.77%
2008	571,282.00	11.62%	113,530.00	0.49%	19.87%
2009	620,731.00	8.65%	219,620.00	0.93%	35.38%
2010	664,331.00	7.02%	1,391,275.00	5.81%	0.21%

-Other funds

SR113,909,000 making a total of SR837,621,000 of all funds as at 31st December 2011

12. Benefits paid over the years

		2008	2009	2010	2011
Number of Beneficiaries on pension	63 and above	571	798	1,034	1,279
	Between 60-63 (60 inclusive)	288	414	460	518
	Between 55-60 (55 inclusive)	182	361	354	325
Amount Paid (SR)	63 and Above	18,880,260.98	29,660.,044.17	40,301,738.07	55,206,491.00
	Between 60-63 (60 inclusive)	7,592,330.74	13,909,288.14	16,749,448.86	21,451,032.00
	Between 55-60 (55 inclusive)	3,501,066.49	12,824,345.00	14,172,830.00	17,526,134.00
Total Number of Pensioners		1,041	1,573	1,848	2,122
Total Value of Pension (SR)		29,973,658.21	56,393,677.31	71,224,016.95	94,183,657.00

13. Different types of benefits

Type	No. of Beneficiary 2006	Amount Paid 2006	No. of Beneficiary 2007	Amount Paid 2007	No. of Beneficiary 2008	Amount Paid 2008	No. of Beneficiary 2009	Amount Paid 2009	No.of Beneficiary 2010	Amount Paid 2010
Normal Retirement	308	806,5013.08	568	1,697,837.00	808	2,878,889.07	1,164	3,916,439.33	1,457	4,981,292.53
Permanent Incapacity	24	56,085.00	49	125,905.00	105	312,915.00	141	417,890.81	171	5,181,06.20
Surviving Spouse's Pension	12	24,079.00	28	49,349.50	43	98,931.66	57	131,324.39	74	166,106.20
Children's Pension	18	11,540.80	43	42,947.57	3	59,835.84	50	64,274.84	64	82,902.73
Special Pension	417	166,800.00	499	199,600.00	520	204,400.00	495	198,000.00	481	240,500.00
Special Entitlement	98	39,200.00	114	45,600.00	114	45,600.00	113	45,600.00	110	55,000.00
(1)Post Surviving Spouse's Pension			3	5,528.00	7	17,870.40	13	37,198.40	16	45,028.40
(2)Post Surviving Children's Pension					3	2,851.20	4	3,492.00	4	4,692.00
(3)Early Retirement					190	621,059.58	378	1,204,595.00	387	1,4300,890.00
Total	877	1,104,205.88	1,304	2,166,767.07	1,840	4,242,352.75	2,399	6,018,814.77	2,764	7,395,393.86

Footnote:

1 -2 introduced in 2007
3 Introduced in 2008

14. Average Percentage of pension payable to salary

The monthly pension is based on the worker's average monthly salary received during the period of five years preceding retirement. The rates are stipulated in schedules 1, 3, 4 and 5 of the Seychelles Pension Fund (Benefits (Amendment) Regulations 2011 (SI 99). However, the percentage of pension payable is as follows:

Salary Band SR	SPF	SPF & SSF
≤ minimum wage of 3,100	18%	106%
> 3,101 to 7,500	35%	86%
> 7,501 to 15,000	31%	50%
> 15,001 to 20,000	35%	48%
> 20,001	38%	47%
Average	**31%**	**67%**

The maximum pension is currently at SR17, 000 per month from 1 January 2012 excluding social security retirement pension of SR2,550 per month.

The Fund is working on future indexation to maintain the initial relationship between earnings and pension scale.

15. Contributions collected over the years

Year	Compulsory		Voluntary		Total
	Employer SR. '000'	Employee SR. '000'	Employer SR. '000'	Employee SR. '000'	SR. '000'
2006	19,770	9,773	114	1,793	31,450
2007	19,860	9,920	571	2,091	32,443
2008	20,823	20,626	1,351	3,147	45,947
2009	19,394	19,358	1,742	2,861	43,355
2010	21,056	21,072	1,743	3,458	47,329
2011	32,390	32,219	1,546	3,499	69,655

16. Administrative Expenses

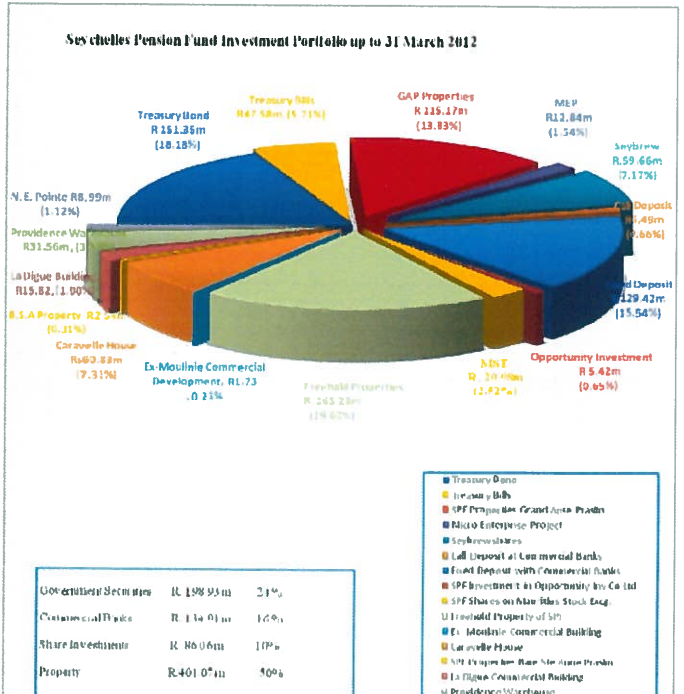
Year	Administration Expenses SR'000	As a % of Contribution	As a % of Total Income
2006	6,999.00	22.25%	20.82%
2007	6,736.00	20.76%	16.07%
2008	12,530.00	27.30%	25.54%
2009	12,084.00	27.87%	16.73%
2010	12,822.00	27.09%	15.17%
2011	15,115.00	21.70%	24.20%

17. Investment Income

Year ending 31 December	Income on Investment (SR '000)	Return on Members Account (SR '000)	Average return on investment	Interest credit to members fund
2006	33,550.00	21,422.00	7.08%	5.00%
2007	38,312.00	23,454.00	7.59%	5.00%
2008	43,620.00	30,514.00	7.81%	6.00%
2009	71,833.00	29,446.00	8.55%	5.00%
2010	56,812.00	26,382.00	9.00%	4.00%
2011	62,258.00	28,253.00	9.16%	4.00%

	2007	2008	2009	2010	2011
Revenue (In SR million)					
Interest Received	22,216,468	21,270,000	46,023,055.00	22,465,548.00	17,550.456.00
Rental Income (Property)	8,177,303	13,820,000	16,956,599.00	21,850,278.00	25,707.131.00
Dividend Received	7,918,077	8,530,000	8,852,846.00	12,496,064.00	19,000.119.00
Total Income	**38,311,848**	**43,620,000**	**71,832,500.00**	**56,811,890.00**	**62,257.706.00**

18. Investment Portfolio



Government Securities	R 198.93m	24%
Commercial Banks	R 134.01m	16%
Share Investments	R 86.06m	10%
Property	R401.0[illegible]m	50%

- Treasury Bond
- Treasury Bills
- SPF Properties Grand Anse Praslin
- Micro Enterprise Project
- Seychrewshares
- Call Deposit at Commercial Banks
- Fixed Deposit with Commercial Banks
- SPF Investment in Opportunity Inv Co Ltd
- SPF Shares on Mauritius Stock Exch.
- Freehold Property of SPF
- Ex-Moulinie Commercial Building
- Caravelle House
- SPF Properties Baie Ste Anne Praslin
- La Digue Commercial Building
- Providence Warehouse
- North East Pointe Property

19. Investment Plan

The Fund has revised and issued its investment plan for the years 2012 to 2016. The plan has a long-term vision to generate sufficient income to pay pension and other benefits. The approved investment plan in property development for the five-year period is as follows:

Residential Development

Apartment North East Pointe Mahe	2012/2013
Apartments Praslin	2012
Multi-Storey Building Victoria	2012/2013
Pirates Arms Complex Re-development	2014
Huteau Lane Complex Re-development	2015

This is in addition to the Fund's investment in government securities, bank deposits and shares in profitable companies as per the investment portfolio.

20.Actuarial Evaluation of the Fund

In accordance with Section 55 of the Seychelles Pension Fund Act 2005 an actuarial examination of the Fund shall be made at intervals of not more than 3 years.

The Actuarial Review of the Fund for the period up to period ending December 2011 was completed and submitted by Mr. Chris Latham of Price waterhouse Coopers (PwC) of Sydney, Australia.

The Review set out the actuarial valuation of the assets and liabilities of the Fund and looked at the best way forward to sustain the Fund until year 2037.

The objective is to set future contributions so as to ensure an orderly progression of future target level of funding namely to start the collection of additional contributions for the future:

* 1% of earnings in 2014
* 1.5% of earnings in 2024
* 2% of earnings in 2029

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