16.15 FAMILY PROTECTION SCHEMES

16.15.1 Family Protection Schemes are contributory schemes which provide for a pension to the dependants of a contributor upon the latter's death. Presently, three such schemes are operational to cover public sector employees, namely:

(i) The Civil Service Family Protection Scheme (CSFPS);

(ii) The Statutory Bodies Family Protection Fund (SBFPF); and

(iii) The Family Protection Scheme operated by the State Insurance Company of Mauritius Ltd (SICOM).

16.15.2 Following the proclamation of the Finance (Miscellaneous Provisions) Act No. 26 of 2012, the SICOM is now providing family protection schemes to all employees joining the public sector as from 01 January 2013. We are, hereunder, elaborating on the provisions governing each scheme.

Civil Service Family Protection Scheme (CSFPS)

16.15.3 A monthly pension is payable to the dependants of a deceased contributor, whether the latter died in service or after retirement. However, the payment ceases when dependants no more satisfy the eligibility criteria. It is worth noting that with the new provision in place since 01 January 2013, the CSFPS is not allowed to register new adherents. The profiles of contributors to that scheme are set down as hereunder:-

(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.

Contribution

16.15.4 Regulations governing the CSFPS provide for the payment of a monthly contribution at the rate of 2% of an officer's gross salary. Those who joined service prior to 1 July 2008 may opt to cease contributing to the CSFPS on reaching the age of 60 while those who joined service as from 01 July 2008 would cease contributing on reaching the age of retirement or 65 whichever is the earlier. Public Officers also cease contributing to the CSFPS upon early retirement, resignation or dismissal from the public service and also when leaving the service on any other grounds.

16.15.5 In cases where no pension is payable, the contribution is refunded to the contributor or to his legal representative, with compound interest at the rate of 4% per annum, subject to certain conditions.

16.15.6 The prevailing provisions are considered to be still valid and are, therefore, hereunder reproduced for their continued application.

Recommendation 1

16.15.7 We recommend that the following provisions should continue to apply:-

(i) The rate of contribution to the Civil Service Family Protection Scheme should be kept at 2% of monthly gross salary.

(ii) Public Officers in post as at 30 June 2008 may opt to stop contributing to the scheme on reaching 60 years of age, though still in service. In such case, the widows and orphans pension will be computed on the basis of the salary drawn at the time of the last contribution.

(iii) Public Officers should cease contributing to the scheme:

(a) on reaching the age of 65; or

(b) upon retirement, resignation or dismissal from the public service; or

(c) when leaving the service on any other grounds.

(iv) The contributor or his legal representative should be refunded the contribution, together with compound interest at the rate of 4% per annum, provided no pension is payable. The conditions that determine eligibility for refund are as follows: -

(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**
- **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

16.15.8 The pension payable under this scheme depends on the number of beneficiaries and their relationship to the contributor. Another determinant in the amount of pension payable is the Basic Unreduced Pension (BUP), which is computed on the basis of the length of service and the annual pensionable emoluments. It should be noted that subsequent to the pension reforms in 2008, the mode of computation of the BUP has been reviewed. However, provision has also been made for existing contributors not to be worsened by the review.

16.15.9 The said provisions are still valid and considered to be important for the proper management of the scheme. We are, therefore, hereunder, elaborately reproducing the set of recommendations.

Recommendation 2

16.15.10 We recommend that:

(i) the pension payable to beneficiaries should be as per the table below:

Beneficiaries	Computation for Monthly Pension Payable
Spouse only	**$^1/_3$ x $^1/_{12}$ x BUP***
Spouse and child/children	**½ x $^1/_{12}$ x BUP**
One child but no spouse	**¼ x $^1/_{12}$ x BUP**
More than one child but no spouse	**½ x $^1/_{12}$ x BUP**

BUP- Basic Unreduced Pension

(ii) the payment of pension to a surviving spouse should cease on the latter's death or remarriage.

(iii) the pension payable to children should cease upon the last child reaching 18 years of age. In case the latter is receiving full time education, he should continue drawing the pension until such time he receives such education or attains the age of 21, whichever the earlier. The Board may also approve the payment of pension to a child beyond the age of 18 years and not receiving full time education, if the Board is satisfied that there are compassionate grounds for payment of such a pension.

(iv) Upon the death of a beneficiary, a full month's pension is payable to his legal representative in respect of the month in which he passed away along with a gratuity of an equivalent amount.

Recommendation 3

16.15.11 We also recommend that the pension payable to the beneficiary of an officer who has been acting in a higher capacity should be computed on the same salary used to compute the retiring pension.

16.15.12 The Basic Unreduced Pension is computed at the rate of 1/600th of annual pensionable emoluments on retirement for every month of pensionable service, subject to a maximum of 400/600th for those in post as at 30 June 2008. For those appointed as from 1 July 2008, the computation rate is 1/690th of the annual salary of the contributor when the latter ceases to be a member or at the time of demise, for each completed month of the contributory service subject to a maximum of 460/690th.

Pension for Members of the National Assembly

16.15.13 Members of the National Assembly are also covered by this protection scheme, the provisions of which are still relevant. We are, therefore, maintaining same.

Recommendation 4

16.15.14 We recommend that:

(i) Members of the National Assembly in post as at 30 June 2008 may, "while in service", opt to stop contributing to the scheme on reaching 60 years of age. In that case, widows' and orphans' pension will be computed on the basis of the salary drawn at the time of the last contribution;

(ii) Members of the National Assembly should cease contributing to the scheme on reaching 65 years of age. However, on ceasing to be a member but have not yet reached 65 years of age, they may opt to cease contributing to the CSFPS or continue contributing at the rate of 4% of their last salary drawn, to enable longer period of contribution;

(iii) the annual salary in respect of a Member of the National Assembly should mean:

(a) the annual salary payable to a Member immediately before he ceases to be a Member of the National Assembly; or

(b) 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.

16.15.15 The pension payable to the Members of the National Assembly depends on their BUP and the rate of earnings is based on the same formula that is applicable to public officers. **Hence, the BUP for Members of National Assembly should be computed on the basis, as provided at paragraph 16.15.10. Provision at paragraph 16.15.12 should also be applicable to them.**

Interest on Refund of Contribution

16.15.16 The mode of computation of interest paid on refund of contribution is appropriate and hence maintained.

Recommendation 5

16.15.17 We recommend that the computation of interest on refund of contribution up to the date the contributor is eligible for a refund should continue to prevail.

Statutory Bodies Family Protection Fund

16.15.18 The Statutory Bodies Family Protection Fund (SBFPF) runs a protection scheme for the benefit of employees of Statutory Bodies. The contributors to this Fund belong to the Local Authorities, Sugar Industry Labour Welfare Fund, Town and Country Planning Board and the Statutory Bodies Family Protection Fund.

16.15.19 Besides the pension scheme, the SBFPF also administers a Housing Loan Scheme and grants short term personal loans of up to Rs 100,000 to its associates.

16.15.20 Following the proclamation of the Finance (Miscellaneous Provisions) Act No. 26 of 2012, employees joining the abovenamed organisations as from 01 January 2013 should join the Family Protection Scheme run by SICOM.

16.15.21 The present provisions governing the Fund are appropriate. We are, hereunder, reiterating these recommendations.

Recommendation 6

16.15.22 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 (BUP) 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).

(iii) 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 Protection Scheme

16.15.23 In accordance with the Finance (Miscellaneous Provisions) Act No. 26 of 2012, all employees joining the public sector since 01 January 2013 are contributing to the SICOM Family Protection Scheme which provides for the payment of a lump sum on the death of the employee/member. This Scheme is also opened to private companies and corporate bodies for full-time and permanent employees.

Recommendation 7

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