

Private Pension Schemes (Licensing and Authorisation) (Amendment) Rules 2023

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THE PRIVATE PENSION SCHEMES ACT

FSC Rules made by the Financial Services Commission under section 93 of the Financial Services Act and sections 9, 10, 12 and 39 of the Private Pension Schemes Act

1. These Rules may be cited as the **Private Pension Schemes (Licensing and Authorisation) (Amendment) Rules 2023**.
2. In these Rules –
"principal Rules" means the Private Pension Schemes (Licensing and Authorisation) Rules 2012..
3. Rule 2 of the principal Rules is amended by inserting, in the appropriate alphabetical order, the following new definitions –
"accrued benefits" means all rights and benefits which beneficiaries are entitled to at the time they cease to be in the employment of the sponsoring employer;
"administrator" has the same meaning as in the Private Pension Schemes (Administration) Rules 2014;
"cash equivalent transfer value" means –
 - (i) in the case of a defined contribution scheme or defined contribution section of a private pension scheme, the accumulated value of total accrued benefits that stands to the credit of the member in his individual account at the time of transfer; or
 - (ii) in the case of a defined benefit scheme or defined benefit section of a private pension scheme, the actuarial value of the total accrued benefits calculated at the time of transfer.
4. Rule 5 of the principal Rules is amended by –
 - (1) deleting paragraph (3) and replacing it by the following paragraph –
 - (3) The Commission shall not issue a licence to a private pension scheme sponsored by an employer unless its constitutive documents provide for the following –
 - (a) where a member ceases to be in the employment of the sponsoring employer, either the total accrued benefits shall be retained in the scheme until payment of pension benefits at the appropriate retirement age or the value of the total accrued benefits shall be transferred to another person or an individual pension scheme or plan;
 - (b) where a member of a defined benefit scheme or the defined benefit section of a private pension scheme exercises his option under sub-paragraph (a) to transfer the total

accrued benefits to another person or an individual pension scheme or plan, whereby a transfer value of the total accrued benefits is being calculated, the value of the total accrued benefits to be transferred shall be the higher of –

- (i) the cash equivalent transfer value payable at the time of transfer as determined by the actuary of the private pension scheme; or
 - (ii) the accumulated value of the member's share of contributions, and any return on investment net of expenses or an interest rate determined by the governing body of the scheme acting on the advice of the actuary of the scheme, as applicable, from the date that the member joined the private pension scheme to the time of transfer.
- (c) where a member ceases to be in the employment of the sponsoring employer, any accrued benefits transferred from his previous employment and any additional voluntary contributions paid into the private pension scheme, and any return on investment net of, expenses or an interest rate determined by the governing body of the scheme acting on the advice of the actuary of the scheme, shall be included in the total accrued benefits, cash equivalent transfer value or the accumulated value of the member's share of contributions as provided under 3(b)(ii).
- (d) For the purposes of above requirements, the total accrued benefits of beneficiaries in the case of a defined benefit scheme or defined benefit section of a private pension scheme, shall be based on pensionable remuneration and service, as defined in the constitutive documents of the scheme.
- (e) For the purposes of a transfer referred to in (a) –
- (i) where the value of the total accrued benefits is being transferred to another person or to an individual pension scheme or plan –
 - (A) the administrator of the pension scheme shall inform the member in writing of the value of the total accrued benefits to be transferred within one month of the transfer request date;
 - (B) the member shall reply to the administrator within one month of receiving the written statement in relation to sub-paragraph (A); and
 - (C) the administrator shall effect the relevant transfers within one month of receiving the member's reply.
 - (ii) "person" means a scheme, whether or not sponsored by an employer or several employers, which is established under the laws of Mauritius, with the primary objective of providing –
 - (A) a monthly pension; or
 - (B) a lump sum payment not exceeding one-fourth of the annual pension and a monthly reduced pension payable at retirement.

(2) inserting the following paragraph after paragraph (3) –

(3A) The provisions referred to in paragraph (3) shall be deemed to form part of the constitutive documents of all private pension schemes licensed or deemed to be licensed on or before 31 March 2023 and any provision in the constitutive documents of the schemes which is in contradiction with these provisions shall be null and void.

5. These Rules shall come into operation on 10 April 2023.

Made by the Financial Services Commission on 31 March 2023.