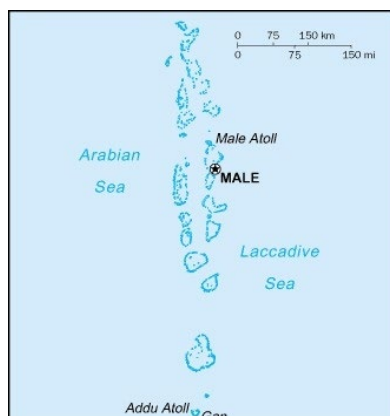


## IOPS COUNTRY PROFILE: MALDIVES



### DEMOGRAPHICS AND MACROECONOMICS

GDP per capita (USD) <sup>a</sup>	12,730
Population (000s) <sup>b</sup>	538
Labour force (000s) <sup>c</sup>	270
Employment rate <sup>d</sup>	95.40%
Population over 65 (%) <sup>b</sup>	5.00%
Dependency <sup>e</sup> ratio <sup>f</sup>	9.95%

Source:

1. Ratio of over 65-year-olds / labour force.

## MALDIVES: COUNTRY PENSION DESIGN

### STRUCTURE OF THE PENSION SYSTEM

The current pension system was introduced through the Maldives Pension Act (8/2009). Prior to 2009, only government employees were eligible for pension. To be eligible to government pension, 20 years of consecutive service to the government is a condition. Those who served for 20 consecutive years were eligible to receive 50% of their final salary (at the time their 20<sup>th</sup> year of service was completed) for life. Similarly, those who went on to serve for 40 years received 100% of their final basic salary for life.

The Maldives Pension Act (8/2009) introduced an unfunded (supported by state budget) basic pension of MVR2,000 per month (currently set at MVR5,000 per month) for all the citizens who are above 65 years of age, regardless of the sector they worked for<sup>g</sup>. Additionally, the Maldives Retirement Pension Scheme (MRPS) that was introduced with the legislation is a fully funded defined contribution (DC) scheme. Employer and Employees are both expected to contribute 7% of basic salary of each employee (totalling 14%). MRPS fund is invested, and members are eligible for retirement at the age of 65 years old with the possibility of early retirement at the age of 55 years old

<sup>h</sup>.

<sup>a</sup> GDP per capita estimate from [Maldives Monetary Authority](#), as at 31<sup>st</sup> December 2025

<sup>b</sup> Projected figure for 2024 based on World Bank: Population, total – Maldives (<https://data.worldbank.org/indicator/SP.POP.TOTL?locations=MV>) – Latest available data is for 2023.

<sup>c</sup> World Bank. Labour Force, Total – Maldives (<https://data.worldbank.org/indicator/SL.TLF.TOTL.IN?locations=MV>) – Latest available data is for 2024.

<sup>d</sup> Based on World Bank data on Employment (<https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=MV>). Latest available data is for 2022. [100% - 4.6% = 95.4%]

<sup>e</sup> 5% of the population is above 65 and 69% of the population are 15-64 years.

<sup>f</sup> [537.534 × 5% = 26.88. 26.88/270 × 100 = 9.95%]

<sup>g</sup> Those who are receiving > MVR10,000 from MRPS or those receiving > MVR5,000 from other pension schemes are ineligible for basic pension scheme.

<sup>h</sup> Provided that the balance in RSA is sufficient to cover basic pension based on life expectancy at early retirement. To qualify for early retirement, the RSA balance would need to support a monthly payout of at least MVR 10,000 for the remainder of the individual's life expectancy at age 55. The exact required balance will depend on the life expectancy figures at that time. current minimum balance of RSA for early retirement is [MVR 5,000.00 × 2 × 22 × 12] = MVR 2,640,000.00.

### Public pensions

- Under basic pension (DB Scheme), all retirees are eligible to MVR 5,000 as long as one does not receive an amount equal to or greater than MVR 10,000 under the Maldives Retirement Pension Scheme or MVR 5,000 under any government funded scheme.
- Various pension schemes exist for uniformed bodies and some independent institutions.

### Private pensions: occupational (mandatory)

- Often referred as MRPS, it is a DC scheme.
- Employer and employee each contribute 7% (total 14%) of the employees basic salary.

Source: OECD/IOPS/World Bank Global Pension Statistic

## MALDIVES: THE PENSION SYSTEM'S KEY CHARACTERISTICS

### PUBLIC PENSION

Basic Pension of MVR 5,000 is paid for citizens who are 65 years of age or older as long as they do not receive at least MVR5,000 from any other government funded pension scheme or an equivalent of twice the basic pension from MRPS.

### OCCUPATIONAL MANDATORY PRIVATE PENSIONS

#### Coverage

#### Scheme Name: Maldives Retirement Pension Scheme (MRPS)

Pension contribution is mandatory for all Maldivian citizens who are employees. The participation of self-employed and expatriates in the scheme are optional.

#### Contributions

Both employer and employee are required to contribute a minimum of 7% of the "pensionable wage" refers to the basic salary amount specified in an employment contract, as outlined in the ["Regulation on Determining the Pensionable Wage"](#). of employee every month towards pension (a total of 14%). Such contributions to the scheme are made by employees aged 16 to 65. No contributions are made for employees who are more than 65 years of age. Although the requirement is to contribute equally, employers could choose to pay full 14% in contribution.

#### Benefits

Contributed funds to Retirement Savings Account (RSA) is invested and the members are entitled to receive pension benefits when they reach the age of 65. Early retirement is possible at 55 years of age for those who are eligible. Other benefits include:

#### ➤ Housing Collateralization Scheme

Members of MRPS are eligible to use pension fund as a collateral to obtain loans for house purchases in turnkey projects. The collateralizable amount is age dependent.

**Table 1 Housing Collateralization Scheme - Age Specific Limits on Collateralization**

Age group	Collateralizable proportion
16-35	100%
36-49	80%
50-60	50%

### ➤ Hajj Scheme

Members whose RSA balance is at least MVR 336,000 (USD 21,790) are eligible for Hajj so long as they have not yet fulfilled the obligatory Hajj<sup>i</sup>. The members are eligible to withdraw 80% of the officially quoted price for Hajj by Maldivian authorities. Currently, the quoted price is MVR 69,965<sup>j</sup> and eligible members could withdraw<sup>k</sup> MVR55,972 (USD 3,630) or roughly 16.66% of RSA compared to the balance at the time of eligibility.

### *Taxation*

All the contribution to Maldives Retirement Pension Scheme (MRPS) are tax-free.

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<sup>i</sup> Regulation on Disbursement of Maldives Retirement Pension Scheme Funds to Perform Obligatory Hajj (2019/R-1032)

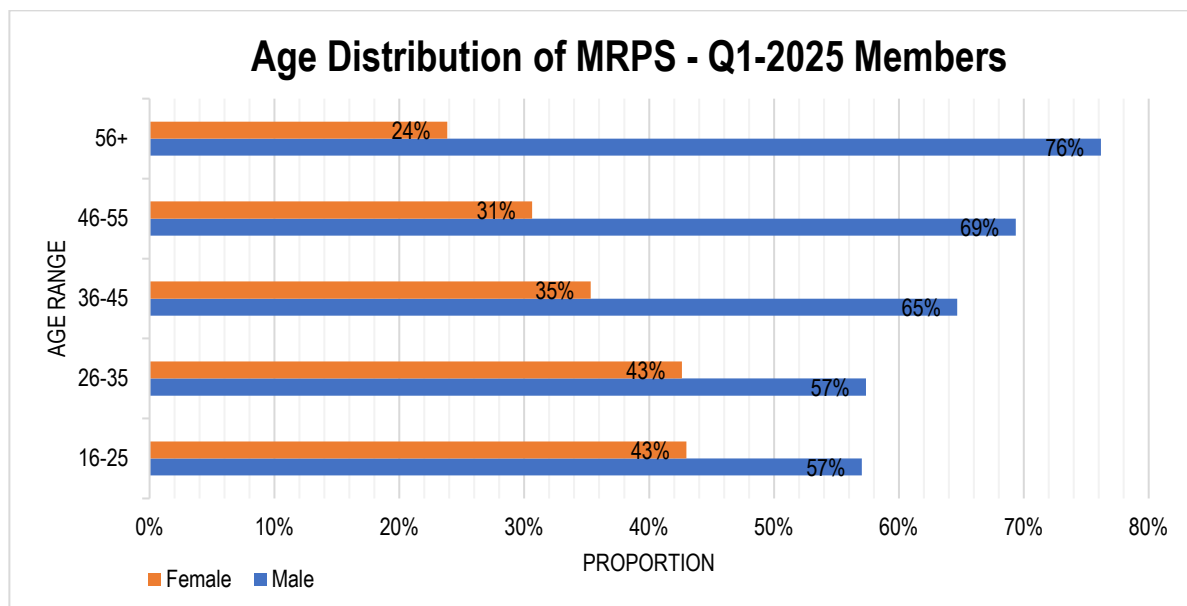
<sup>j</sup> [Maldives Hajj Corporation](#)

<sup>k</sup> The amount is reserved until the year and payment will be made to the Maldives Hajj Corporation Ltd during the eligible year of the individual member who has received confirmation.

### Age distribution of MRPS

As of 31<sup>st</sup> March 2025, there were 192,057 members in the MRPS including 6,793 expatriates. Including the recognition bond and the housing fund, the value of MRPS fund stood at MVR 25.5 billion (USD 1.65 Billion)<sup>1</sup>. The Net Asset Value (NAV) of MRPS was valued at MVR 21.26 billion, excluding the values of the aforementioned portfolios. Of the members, 63.1% are male and 36.9% are female. Although the disparity is huge, the gap is closing within present generation as can be seen from the narrowing gap of bars in the chart below. The current proportion of female representation of 36.9% is about 2% higher than the corresponding figures for 2023.

**Figure 1 Age Distribution of MRPS Membership as of 31<sup>st</sup> March 2025**



A clear gender gap is evident, and it appears to widen significantly as age increases. In the younger age groups (16-25 and 26-35), the distribution is closer, although males still represent a majority. However, as you move into the older age brackets, the percentage of males increases substantially while the percentage of females decreases. The most pronounced gap is seen in the 56+ age group, where males make up 76% compared to just 24% females. This trend highlights a growing disparity between the representation of males and females in the context from which this data was drawn, particularly in older demographics.

Source: Capital Market Development Authority

<sup>1</sup> Exchange rate of 1USD = MVR15.42

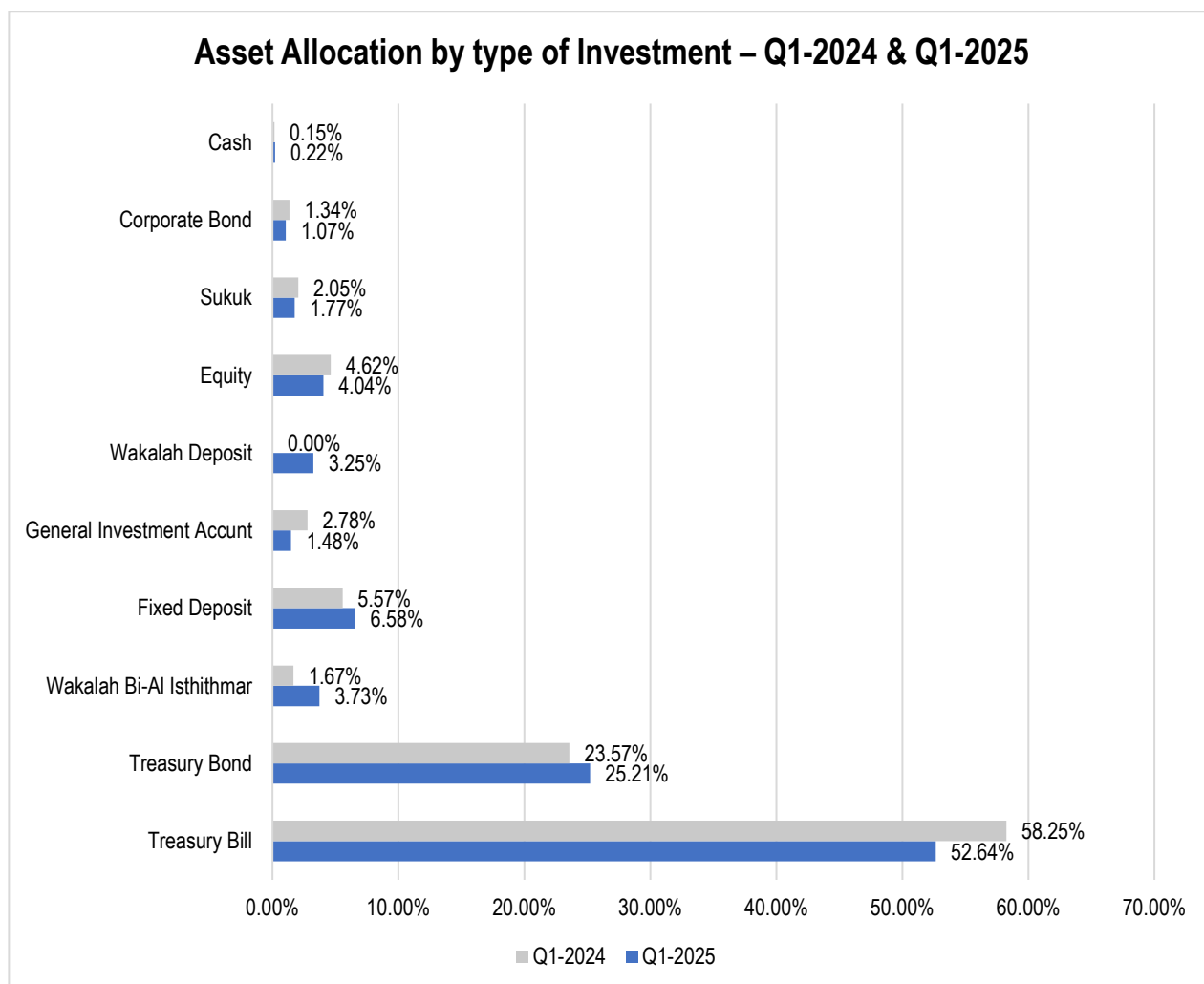
The level of participation has remained consistent since the inception of the scheme. The total value of MRPS has increased by over MVR 2.9 billion within the timeframe spanning from Q1-2024 to Q1-2025. This indicates an annual increment of MRPS by 12.83%.

**Table 1 MRPS Membership and Changes in Value Q1-2022 – Q1-2025**

Quarter	Members	MRPS (MVR Bn)	Employers	Members % change	MRPS Value % change	Employers % change
<b>Q1-2022</b>	168,268	17.90	14,847	1.40%	2.87%	11.31%
<b>Q2-2022</b>	170,449	18.45	16,269	1.30%	3.07%	9.58%
<b>Q3-2022</b>	172,326	19.00	17,650	1.10%	2.98%	8.49%
<b>Q4-2022</b>	174,423	19.56	19,391	1.22%	2.95%	9.86%
<b>Q1-2023</b>	176,759	20.14	20,941	1.34%	2.97%	7.99%
<b>Q2-2023</b>	178,733	20.74	22,536	1.12%	2.97%	7.62%
<b>Q3-2023</b>	180,556	21.31	24,223	1.02%	2.67%	7.49%
<b>Q4-2023</b>	182,905	21.92	25,950	1.30%	2.86%	7.13%
<b>Q1-2024</b>	185,883	22.67	27,753	1.64%	3.10%	6.95%
<b>Q2-2024</b>	188,286	23.37	29,322	1.29%	3.09%	5.65%
<b>Q3-2024</b>	189,879	24.04	31,474	0.85%	2.87%	7.34%
<b>Q4-2024</b>	190,413	24.74	33,575	0.28%	2.91%	6.68%
<b>Q1-2025</b>	192,057	25.50	35,271	0.86%	3.07%	5.05%

Source: Capital Market Development Authority

As a result of restricted range of financial instruments and ongoing development of legal frameworks for investment along with the developing capital market, the majority of the fund is invested in government securities.

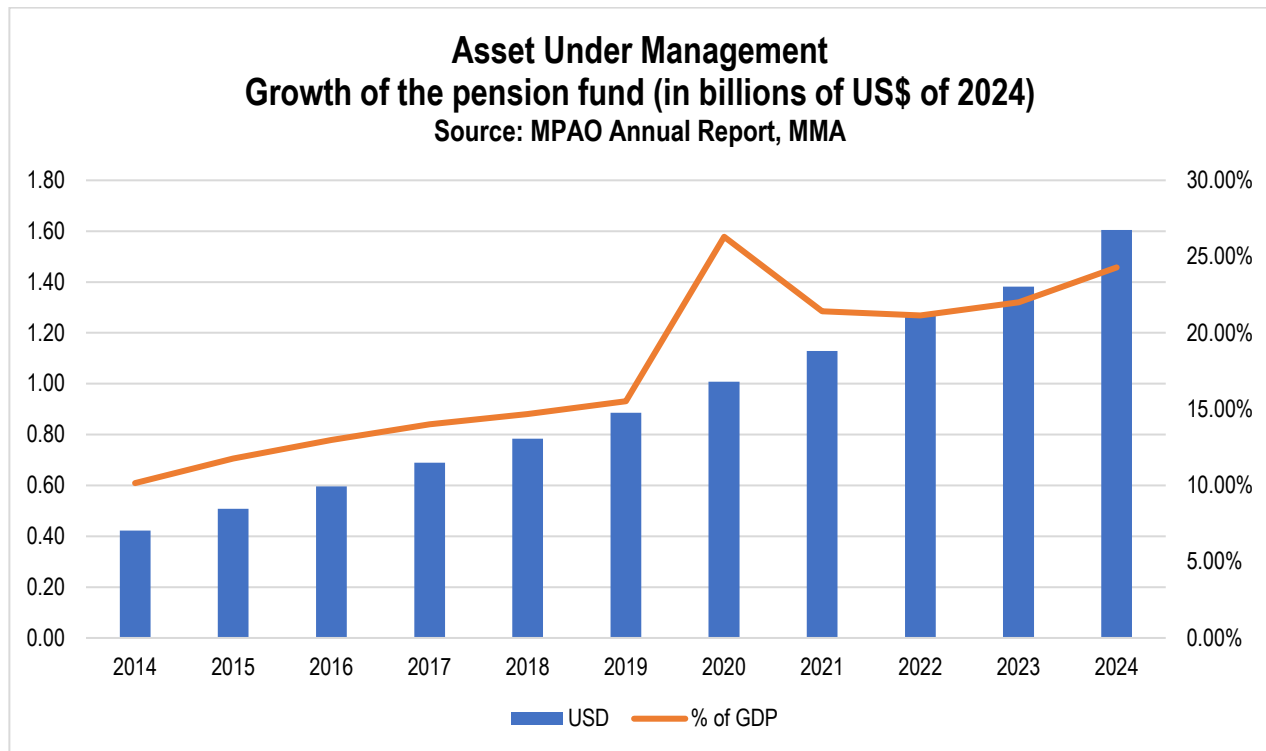
**Figure 2 Asset Allocation – Q1 2024 and Q1 2025**

The MRPS portfolio continues to prioritize fixed-income securities, with Treasury Bills representing the largest single holding at 52.64% in Q1-2025. Compared to Q1-2024, there's been a rebalancing within government debt, with a decrease in the short-term Treasury Bill allocation and an increase in Treasury Bonds (25.21%), suggesting a potential move towards a slightly longer duration. A significant development is the increased allocation to Islamic financial instruments, specifically Wakalah Bi-Al Istithmar (3.73%) which more than doubled, and the introduction of Wakalah Deposits (3.25%). On the other hand, the portfolio has seen decreased allocations to General Investment Accounts, Equity, Sukuk, and Corporate Bonds, indicating a potentially more conservative stance or a reallocation strategy away from these asset classes. The allocation to Cash remains very low (0.22%) with a minor increase from the previous year. In summary, the Q1-2025 composition highlights a sustained focus on government debt, a growing interest in Islamic finance, and a reduced exposure to other investment categories compared to the previous year.

### Size of the Pension Fund (MRPS)

As at Q1-2025, the pension funds administrator has accumulated assets equivalent to 1.68 billion dollars. In the last 10 years, the growth the pension fund has been 14.32% on average in nominal terms each year.

**Figure 3 Growth of the Pension Fund (in billions of USD\$)**



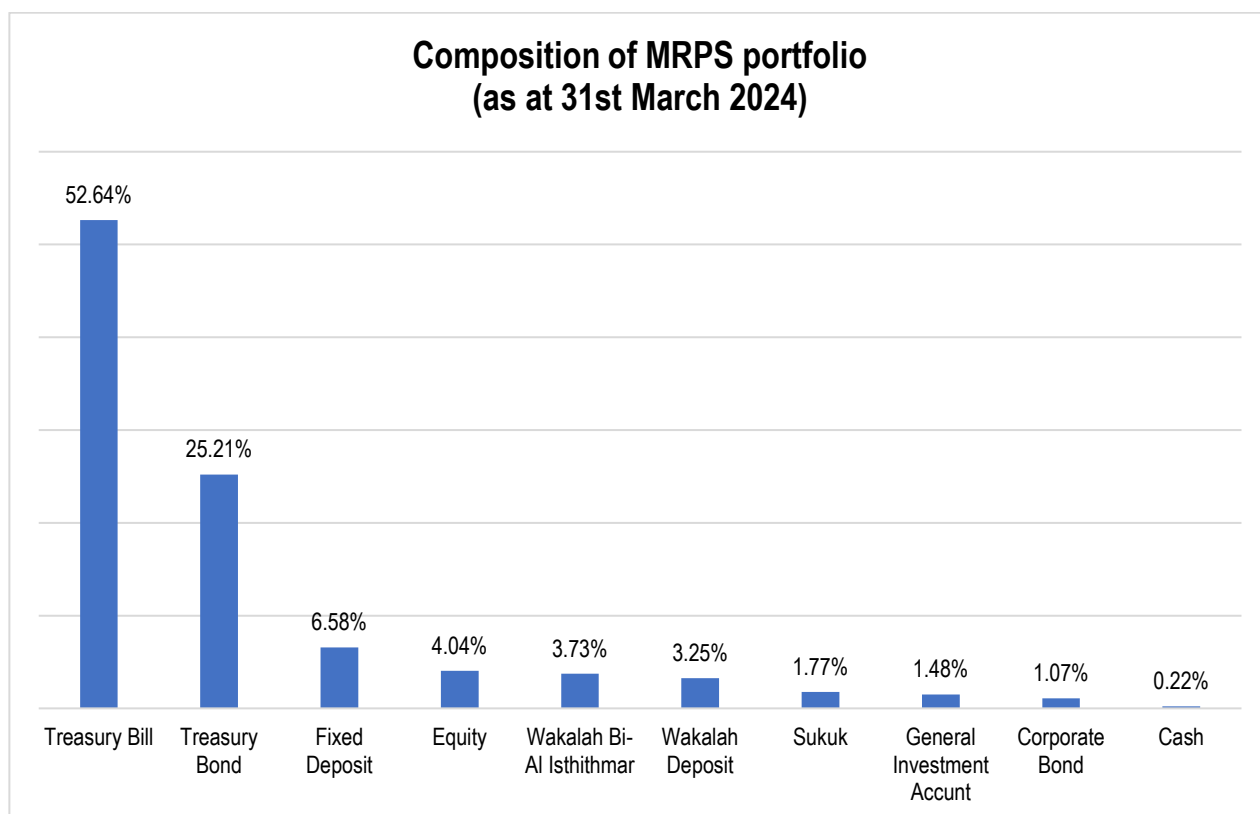
Source: MPAO Annual Reports & GDP data from the World Bank

In 2020, the COVID-19 pandemic significantly impacted the GDP, causing a substantial decrease from \$5.73 billion in 2019 to \$3.71 billion. However, owing to a swift rebound driven by the tourism sector, the economy swiftly returned to nearly pre-pandemic levels by reaching \$5.25 billion in 2021. In addition, the pension assets represent a growing proportion of GDP. In 2010, MRPS represented only 6% of the GDP, but by December 2024 they amounted to 24.29%.



## Composition and Diversification of the Pension Fund

The development of the pension fund highlighted the requirement for new, sustainable investment tools to broaden the range of choices available, meeting the rising demand for financial assets of varying types. Since the initial reforms took place in 2011, two major forces have driven the portfolio composition of the pension fund: the increase in the size of pension fund and the development of the domestic capital market.



Source: MPAO Quarterly Report

## Rate of Return

There are four difference investment portfolios. The table below shows the annualized returns of the portfolios as of March 31st, 2025.

Portfolio	Applicability	Annualised Nominal Return (1-year)	Annualised Real Return (1-year)	Return since Inception
<b>MRPS Investment fund</b>	For members up to age 65, default fund unless members choose MRPS Sharia fund	5.32%	-0.03%	6.19%
<b>MRPS Shariah fund</b>	For members up to age 65	4.65%	-0.67%	3.62%
<b>MRPS Conservative fund</b>	This is a default fund for those members aged 65 and over who do not choose the MRPS retirees sharia fund	4.49%	-0.81%	5.26%
<b>MRPS Sharia Conservative fund</b>	For members aged 65 and above	3.69%	-1.57%	2.36%

*Note: Annualised Real Returns show negative growth rates due to rise in CPI mainly due to tobacco and related products in the past two quarters as a result of a ban on vape<sup>m</sup>.*

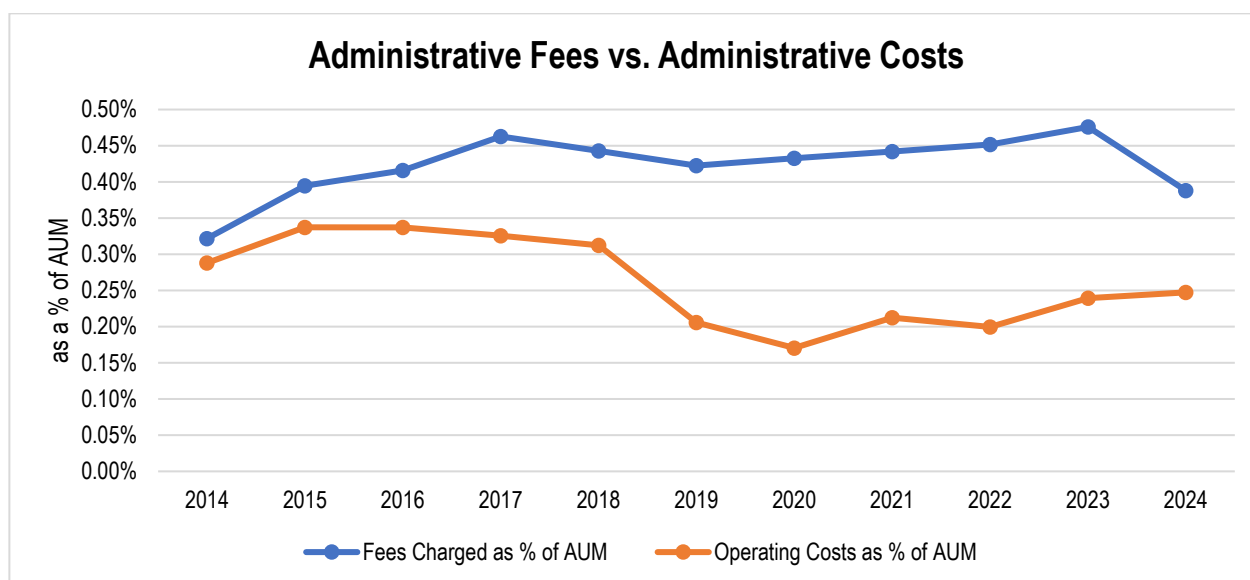
<sup>m</sup> President ratifies 1st Amendment to Tobacco Control Act (13 November 2024)

## Fees

As stipulated by the Maldives Pension Act (8/2009), the pension office operates by collecting a fee from participants of the Maldives Retirement Pension Scheme (MRPS). Under this Act, the Board of Directors of the Pension Office is responsible for determining a reasonable fee from scheme participants, in consultation with the Capital Market Development Authority (CMDA). This fee is intended to cover the costs associated with administering the Scheme.

Year	Administrative fee charged as a % of the Assets Under Management (AUM)
2012	1.00%
2014	0.90%
2017	0.80%
2018	0.60%
2023-till date	0.50% for pre-retirement funds 0.30% for post-retirement funds

Figure 4 Administrative Fees vs. Administrative Costs



The administrative fee is charged on accrual basis based on daily Net Asset Value of the members' balance at the rate of (administrative fee %) per month.

## RECENT REFORM

Changes to the Maldives Pension Act and Regulations thereunder:

- [Regulation on Maldives Retirement Pension Scheme](#) - Revised on 25<sup>th</sup> April 2024 (in Dhivehi<sup>n</sup>).

Changes to investment policies / Guidelines:

- Policy on Valuation of Securities – Revised on 2<sup>nd</sup> April 2024.
- Guideline on Reporting to the Capital Market Development Authority (CMDA) – Introduced on 1<sup>st</sup> March 2024.

## REFERENCE INFORMATION

### KEY LEGISLATION

- [Maldives Pension Act \(8/2009\)](#) – Last revised on 6<sup>th</sup> August 2019
- [Regulation on Investment Screening and Due Diligence](#) – Last revised on 16<sup>th</sup> October 2023
- [Governance Code of Pension Office](#) – Last revised on 9<sup>th</sup> August 2023
- [Regulation on Determining Pensionable Wage](#) - Last updated on 25<sup>th</sup> February 2021
- [Regulation on Disbursement of Maldives Retirement Pension Scheme funds to Perform Obligatory Hajj](#) – Last updated on 6<sup>th</sup> October 2019
- [Regulation on Enrollment and Disbursement of Benefits to Foreign Employees under the Maldives Retirement Pension Scheme](#). Last updated on 12<sup>th</sup> October 2023
- [Regulation on Collateralizing Accumulated Pension Fund for Home Purchase](#) - Last updated on 1st August 2016
- [Regulation on Enrolling Self-Employed Employees in Maldives Retirement Pension Scheme](#) – Last updated on 7<sup>th</sup> August 2014
- [Regulation on Disbursement from Maldives Retirement Pension Scheme](#) – Last Updated on 27<sup>th</sup> December 2018
- [Regulation on Maldives Retirement Pension Scheme](#) – Last updated on 25<sup>th</sup> April 2024
- [Regulation on Basic Pension to Older Persons](#) - Last updated on 26<sup>th</sup> August 2020

<sup>n</sup> Amendments included aspects related to (1) Maintenance of Records, (2) Inspection of Employers, and (3) Legal Action towards employers on various misconducts related to regular contribution and inspections.

**KEY REGULATORY AND SUPERVISORY AUTHORITIES**

[Capital Market Development Authority](#)

**KEY PENSION ADMINISTRATION OFFICE**

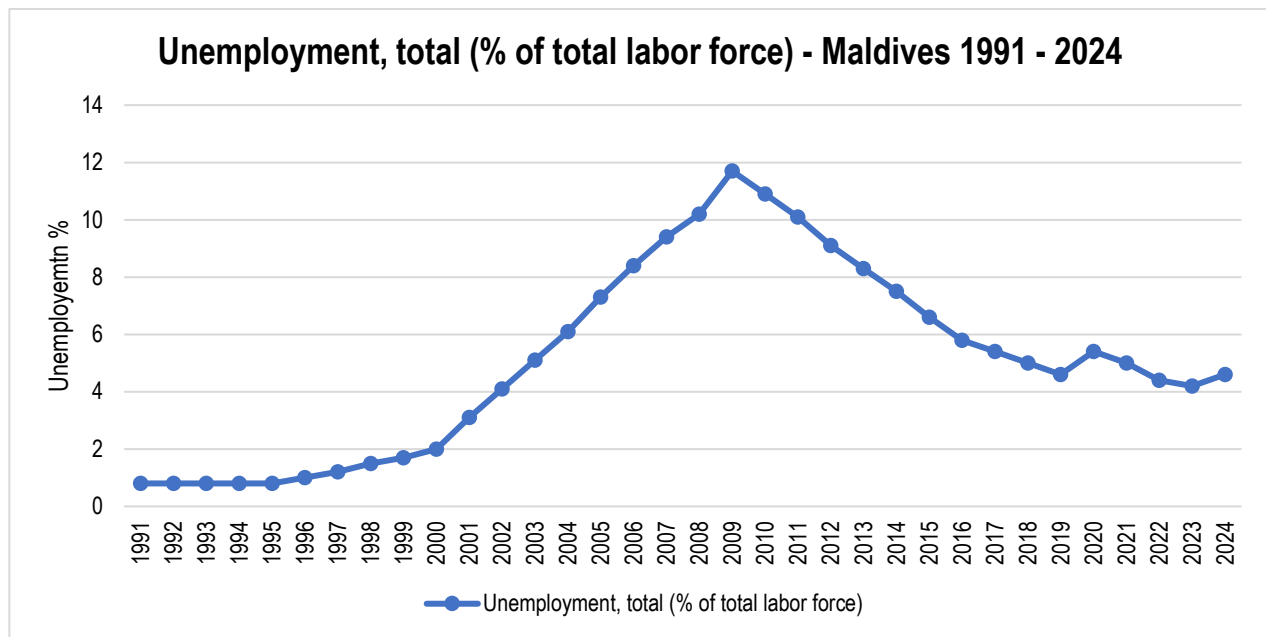
[Maldives Pension Administration Office](#)

**KEY OFFICIAL STATISTICAL REFERENCE AND SOURCES ON PRIVATE PENSIONS**

- [Annual Reports of Maldives Pension Administration Office](#)
- [Maldives Bureau of Statistics](#)
- [Maldives Monetary Authority](#)

## ANNEX – UNEMPLOYMENT RATE – MALDIVES (1991-2024)

Figure 5 Unemployment Rate of Maldives (1991-2024)<sup>°</sup>



<sup>°</sup> [World Bank Statistics as of April 2025](#)