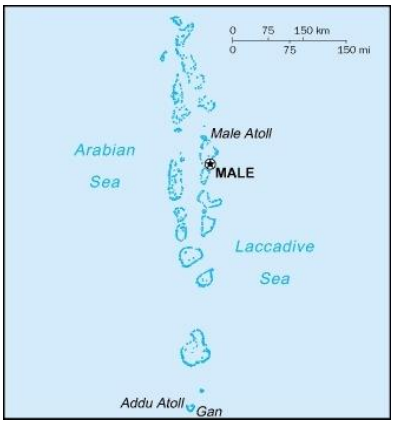
IOPS COUNTRY PROFILE: MALDIVES



DEMOGRAPHICS AND MACROECONOMICS

GDP per capita (USD)[a]	**12,330**
Population (000s)[b]	**612.226**
Labour force (000s)[c]	**270.346**
Employment rate[d]	**95.40%**
Population over 65 (000s)[e] (%)[f]	**24.491 (4.64%)**
Dependency ratio[g]	**9.06%**

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 20th 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 MVR 2,000 per month (currently set at MVR 5,000 per month) for all the citizens who are above 65 years of age, regardless of the sector they worked for[h]. 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[i].

a GDP per capita estimate from Maldives Monetary Authority as at 31st December 2025.

b Maldives Bureau of Statistics (2025), Statistical Year Book 2025. Projected Mid-year Population of Maldives 2014-2030

c World Bank (2025). Labour Force, total – Maldives. Latest available data is for 2024.

d Based on World Bank data on Unemployment – Maldives. Latest available data is for 2024. [100% - 4.6% = 95.4%]

e Word Bank. Population over 64, Total – Maldives. Latest available data is for 2024.

f [24.494 / 612.226 × 100 = 4.00%]

g 24.49/270.346 × 100 = 9.06%]

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

i 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.

Restricted Use - À usage restreint

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)

- Maldives Retirement Pension Scheme (MRPS) is a DC scheme.
- Empolyer and employee each contribute 7% (total 14%) of the employees basic salary.

Additional Information

- During the year 2022, defined benefit pension schemes[j] were introduced by the following state institutions.
  - Auditor General's Office
  - Information Commissioner's Office
- Voluntary contributions to MRPS is allowed up to the limit of 7% of the basic salary equivalent of the highest paid Civil Servant (Permanent Secretary of line Government Ministries)

[j] The separate DB schemes introduced by state institutions do not fall under the mandate of the pension regulations authority (Capital Market Development Authority)

Restricted Use - À usage restreint

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 MVR 5,000 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 mandatary 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 collaterisation Scheme**

Members of MRPS are eligible to use pension savings as collateral to obtain loans for purchasing houses on the open market. The amount that can be used as collateral depends on the member's age.

Table 1 Housing Collateralisation Scheme – Age-based Specific Collateral Limits

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

Restricted Use - À usage restreint

- **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[k]. 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[l] and eligible members could withdraw[m] 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 pension are tax-free.

[k] Regulation on Disbursement of Maldives Retirement Pension Scheme Funds to Perform Obligatory Hajj (2019/R-1032)

[l] Maldives Hajj Corporation

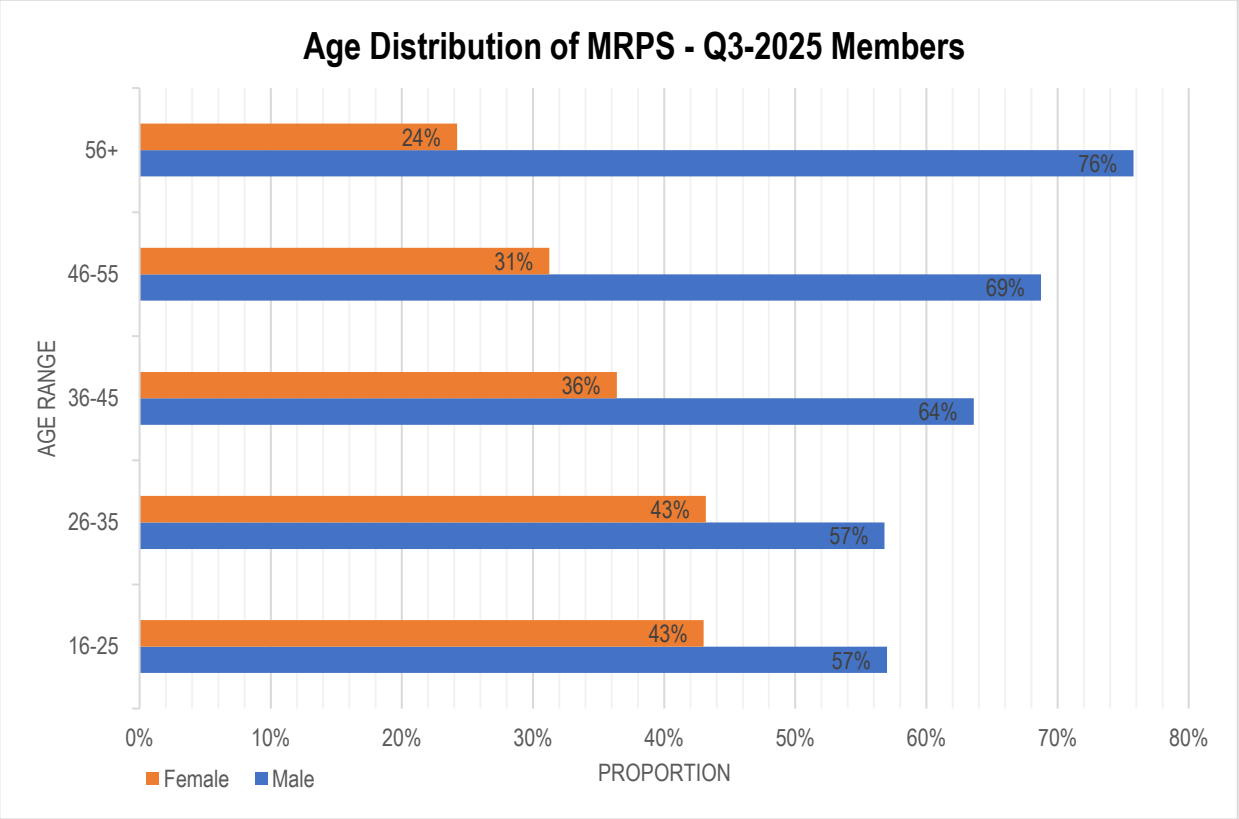
[m] The amount is reserved until the year and payment will be made to the Maldives Hajj Corporation Ltd during the eligible year of the individual member who has received confirmation.

Restricted Use - À usage restreint

Value and Age distribution of MRPS

As of 30th September 2025, there are 196,547 members in the MRPS including 6,808 expatriates. Including the recognition bond and the housing fund, the value of MRPS fund stood at MVR 26.98 billion. The Net Asset Value (NAV) of MRPS was valued at MVR 22.69 billion, excluding the values of the aforementioned portfolios (USD 1.47 billion)[n]. Of the members, 62.8% are male and 37.2% 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.

Figure 1 Age Distribution of MRPS Membership as of 30th September 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

[n] Exchange rate of 1USD = MVR15.42

Restricted Use - À usage restreint

The level of participation has remained consistent since the inception of the scheme. The total value of MRPS has increased by over MVR 2.94 billion within the timeframe spanning from Q3-2024 to Q3-2025. This indicates an annual increment of MRPS by 12.22%.

Table 1 MRPS Membership and Changes in Value Q1-2022 – Q3-2025

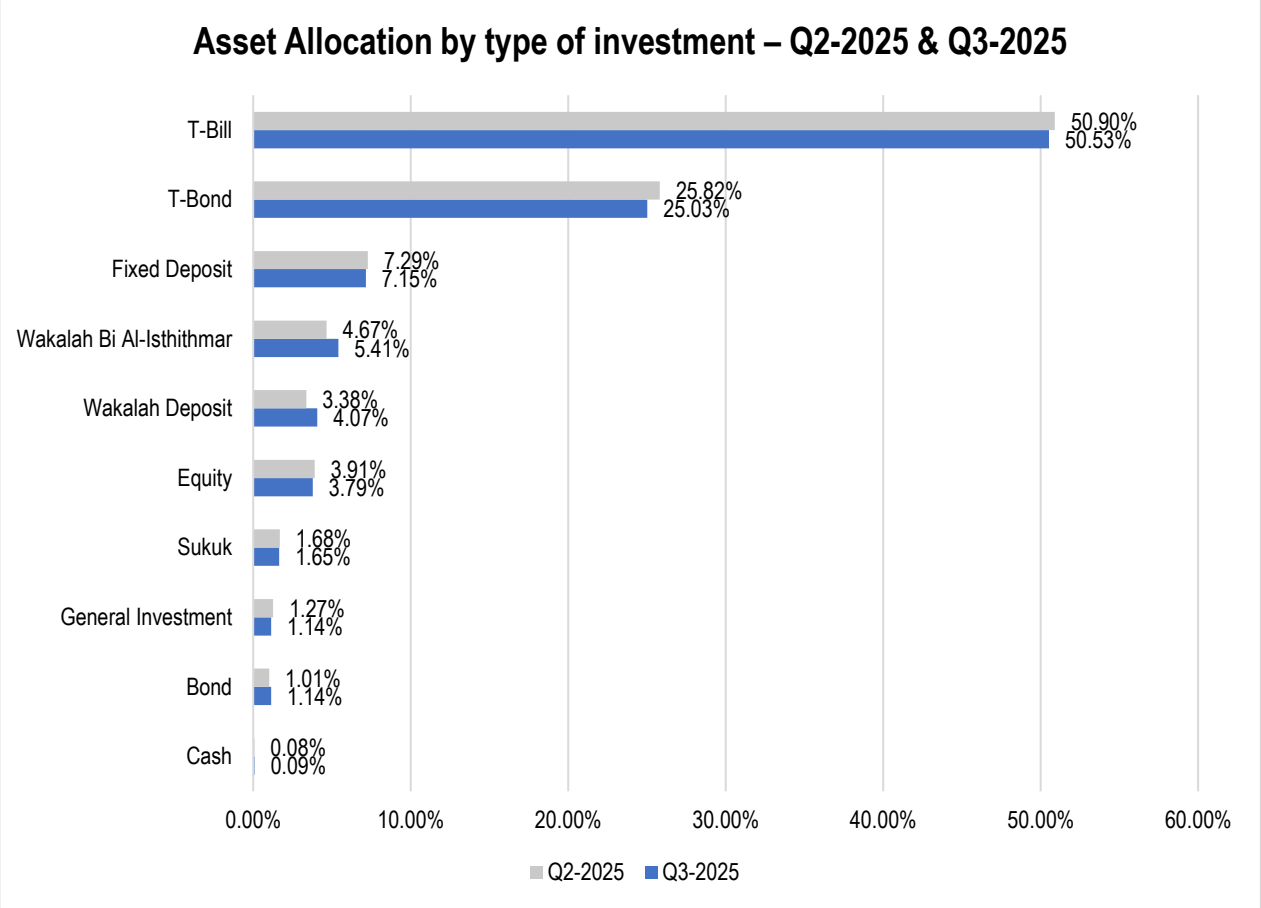
Quarter	Members	MRPS (MVR Bn)	Employers	Members % change	MRPS Value % change	Employers % change
Q1-2022	168,268	17.9	14,847	1.40%	2.87%	11.31%
Q2-2022	170,449	18.45	16,269	1.30%	3.07%	9.58%
Q3-2022	172,326	19	17,650	1.10%	2.98%	8.49%
Q4-2022	174,423	19.56	19,391	1.22%	2.95%	9.86%
Q1-2023	176,759	20.14	20,941	1.34%	2.97%	7.99%
Q2-2023	178,733	20.74	22,536	1.12%	2.97%	7.62%
Q3-2023	180,556	21.31	24,223	1.02%	2.67%	7.49%
Q4-2023	182,905	21.92	25,950	1.30%	2.86%	7.13%
Q1-2024	185,883	22.67	27,753	1.63%	3.42%	6.95%
Q2-2024	188,286	23.37	29,322	1.29%	3.09%	5.65%
Q3-2024	189,879	24.04	31,474	0.85%	2.87%	7.34%
Q4-2024	190,413	24.74	33,575	0.28%	2.91%	6.68%
Q1-2025	192,057	25.5	35,271	0.86%	3.07%	5.05%
Q2-2025	194,849	26.21	37,245	1.45%	2.78%	5.60%
Q3-2025	196,547	26.98	39,725	0.87%	2.94%	6.66%

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.

Restricted Use - À usage restreint

Figure 2 Asset Allocation – Q3 2024 and Q3 2025



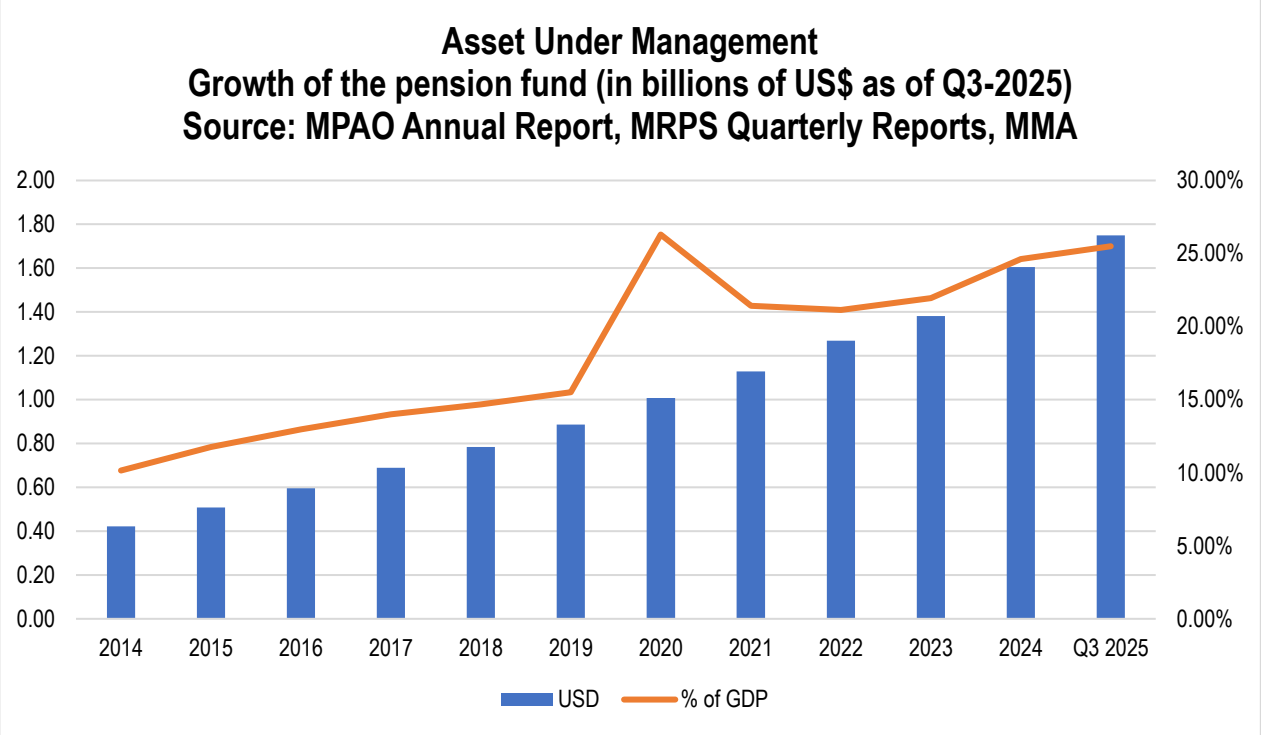
Between Q2-2025 and Q3-2025, the portfolio remained heavily concentrated in government securities, with combined exposure to Treasury Bills and Treasury Bonds marginally declining from 76.72% in Q2-2025 to 75.56% in Q3-2025, indicating a continued conservative investment stance anchored in low-risk sovereign instruments. Treasury Bills remained the dominant allocation despite a slight reduction (50.90% to 50.53%), alongside a modest decrease in Treasury Bonds (25.82% to 25.03%). This marginal rebalancing was accompanied by small increases in Shariah-compliant and deposit-based instruments, including Wakalah Deposits, Wakalah Bi Al-Istithmar, and conventional Bonds, suggesting a cautious diversification within income-generating assets while preserving overall liquidity and capital security.

Restricted Use - À usage restreint

Size of the Pension Fund (MRPS)

As at Q3-2025, the pension funds administrator has accumulated assets equivalent to 1.75 billion dollars. In the last 10 years, the growth the pension fund has been 13.84% on average in nominal terms each year.

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



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

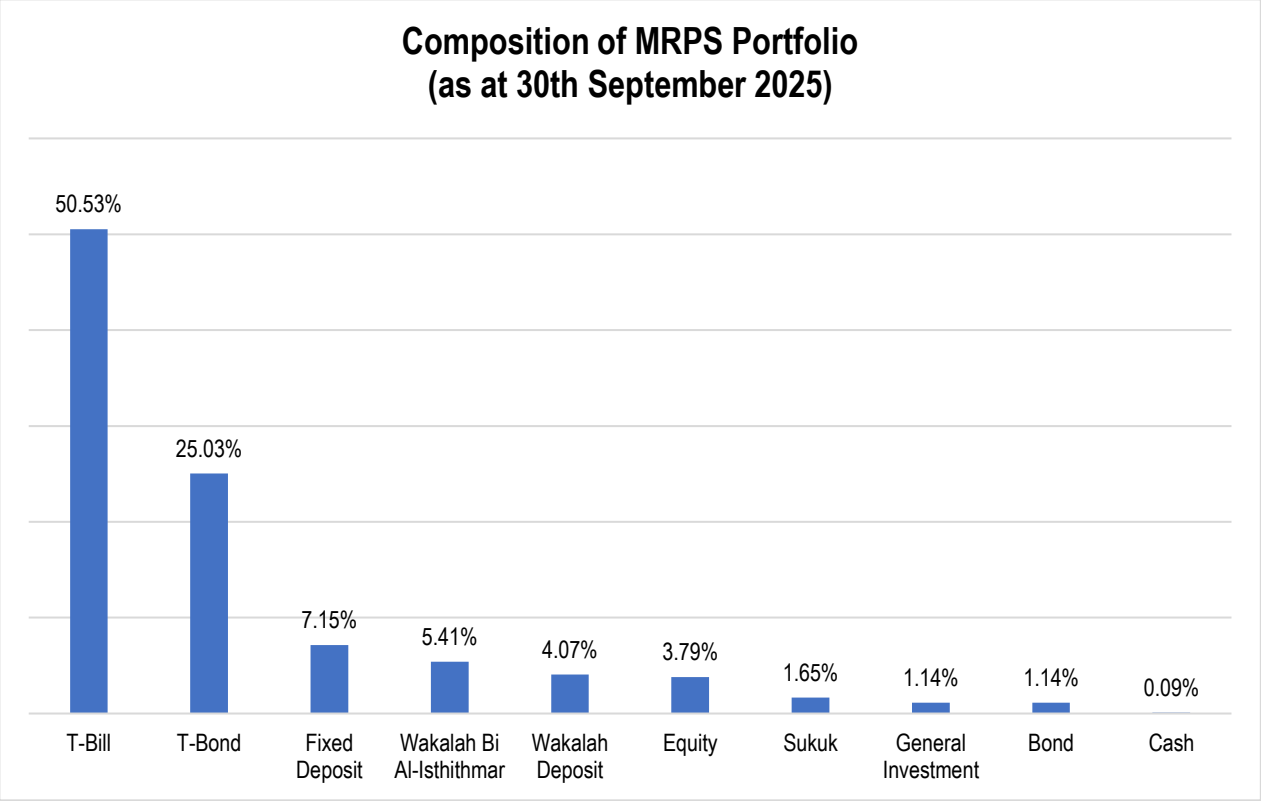
In 2020, the COVID-19 pandemic caused a sharp contraction in GDP from USD 5.71 billion in 2019 to USD 3.83 billion, while MRPS assets continued to grow at 14% year-on-year, broadly in line with its historical trend rather than reflecting an exceptional expansion. As a result, the sharp increase in MRPS assets as a share of GDP—from 15.51% in 2019 to 26.30% in 2020—was driven predominantly by the collapse in GDP (denominator effect) rather than a disproportionate rise in pension assets. Over the period 2015 to Q3-2025, MRPS assets recorded an average annual growth rate of approximately 14%, demonstrating steady and structurally driven expansion supported by contributions and investment returns. This pattern confirms that the spike in MRPS-to-GDP observed in 2020 was temporary and macroeconomic in nature, while the subsequent increase to 25.49% of GDP by Q3-2025 reflects genuine long-term deepening of the pension system alongside the post-pandemic recovery of economic activity.

Restricted Use - À usage restreint

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.

Figure 4 Composition of MRPS Portfolio as at Q3 2025



Source : MPAO Quarterly Report

Restricted Use - À usage restreint

Rate of Return

There are four difference investment portfolios. The table below shows the annualized returns of the portfolios as at the end of September 2025.

Portfolio	Applicability	Annualised Nominal Return (1-year)	Annualised Real Return (1-year)	Return since Inception
MRPS Investment fund	For members up to age 65, default fund unless members choose MRPS Sharia fund	5.31%	1.38%	6.15%
MRPS Shariah fund	For members up to age 65	4.61%	0.71%	3.66%
MRPS Conservative fund	This is a default fund for those members age 65 and over who do not choose the MRPS retirees sharia fund	4.47%	0.57%	2.43%
MRPS Sharia Conservative fund	For members age 65 and above	3.67%	-0.20%	5.23%

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[o].

[o] President ratifies 1st Amendment to Tobacco Control Act (13 November 2024)

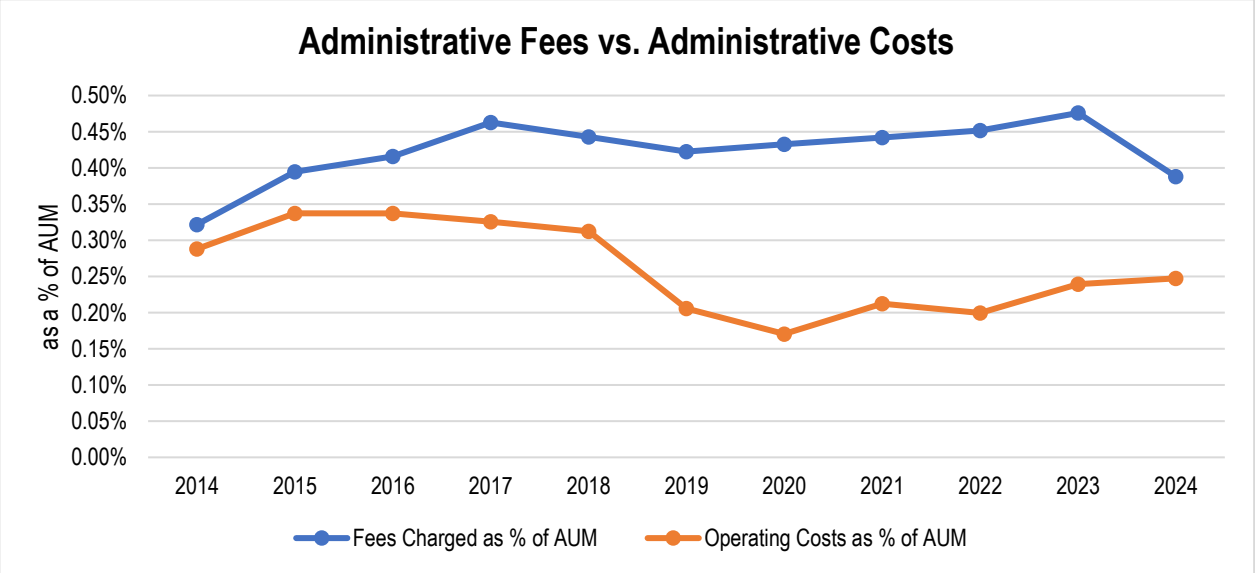
Restricted Use - À usage restreint

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 5 Administrative Fees vs. Administrative Costs as at 2024[p]



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.

[p] Data regarding administrative costs and revenues are available for the end of the year 2024.

Restricted Use - À usage restreint

RECENT REFORM

Changes to the Maldives Pension Act and Regulations thereunder:

- Regulation on Maldives Retirement Pension Scheme - Revised on 25th April 2024 (in Dhivehi[q]).

Changes to investment policies / Guidelines:

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

REFERENCE INFORMATION

KEY LEGISLATION

- Maldives Pension Act (8/2009) – Last revised on 6th August 2019
- Regulation on Investment Screening and Due Diligence – Last revised on 16th October 2023
- Governance Code of Pension Office – Last revised on 9th August 2023
- Regulation on Determining Pensionable Wage - Last updated on 25th February 2021
- Regulation on Disbursement of Maldives Retirement Pension Scheme funds to Perform Obligatory Hajj – Last updated on 6th October 2019
- Regulation on Enrolment and Disbursement of Benefits to Foreign Employees under the Maldives Retirement Pension Scheme. Last updated on 12th 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 7th August 2014
- Regulation on Disbursement from Maldives Retirement Pension Scheme – Last Updated on 27th December 2018
- Regulation on Maldives Retirement Pension Scheme – Last updated on 25th April 2024
- Regulation on Basic Pension to Older Persons - Last updated on 26th August 2020

[q] 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.

Restricted Use - À usage restreint

KEY REGULATORY AND SUPERVISORY AUTHORITIES

Capital Market Development Authority

KEY PENSION ADMINISTRATION OFFICE

Maldives Pension Administration Office

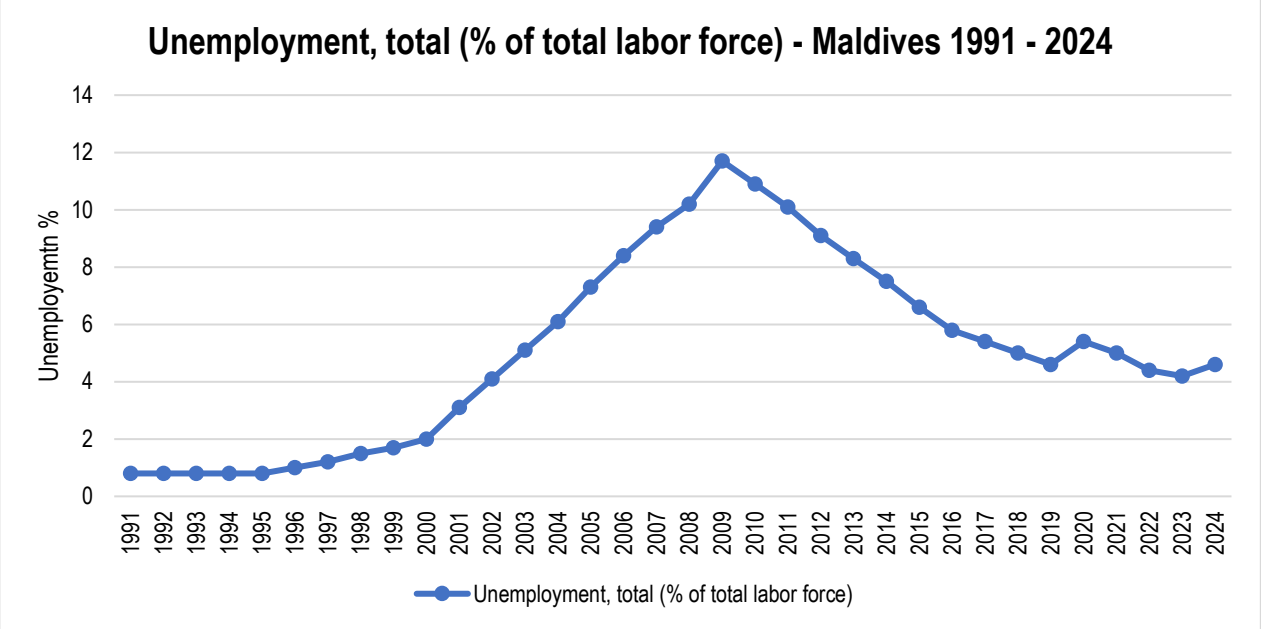
KEY OFFICIAL STATISTICAL REFERENCE AND SOURCES ON PRIVATE PENSIONS

- Annual Reports of Maldives Pension Administration Office
- Maldives Bureau of Statistics
- Maldives Monetary Authority

Restricted Use - À usage restreint

ANNEX – UNEMPLOYMENT RATE – MALDIVES (1991-2024)

Figure 6 Unemployment Rate of Maldives (1991-2024)[r]



[r] World Bank Statistics as of April 2025

Restricted Use - À usage restreint