

**SEYCHELLES PENSION FUND (AMENDMENT) BILL, 2025***(Bill No. 19 of 2025)***EXPLANATORY STATEMENT OF THE OBJECTS AND REASONS**

The object of this Bill is to amend the Seychelles Pension Fund Act, 2005 (Act 8 of 2005) to provide for a pension known as the “age pension” in place of the existing “retirement pension”. This amendment allows the members of the Fund to elect to draw the age pension upon reaching the prescribed pensionable age while continuing to be employed.

Additionally, the Bill provides for members who have moderate functional restrictions and are unfit for work for a period of at least one year to be eligible to receive an incapacity pension.

**Dated this 28<sup>th</sup> day of July, 2025.**

**AHMED AFIF  
VICE-PRESIDENT/MINISTER FOR FINANCE,  
TRADE AND NATIONAL PLANNING**

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**SEYCHELLES PENSION FUND (AMENDMENT) BILL, 2025**

*(Bill No. 19 of 2025)*

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**SECTIONS**

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**SEYCHELLES PENSION FUND (AMENDMENT) BILL, 2025**

*(Bill No. 19 of 2025)*



**A BILL**

**FOR**

**AN ACT TO AMEND THE SEYCHELLES PENSION FUND ACT (CAP. 220); TO PROVIDE FOR THE REPLACEMENT OF THE RETIREMENT PENSION WITH AN AGE PENSION AND TO ALLOW MEMBERS WITH MODERATE FUNCTIONING RESTRICTIONS WHO ARE UNFIT FOR WORK FOR A PERIOD OF AT LEAST ONE YEAR TO BE ELIGIBLE TO RECEIVE AN INCAPACITY PENSION; AND TO PROVIDE FOR OTHER CONNECTED OR INCIDENTAL MATTERS.**

**ENACTED BY THE PRESIDENT AND THE NATIONAL ASSEMBLY**

**Short title and commencement**

1.(1) This Act may be cited as the Seychelles Pension Fund (Amendment) Act, 2025 and shall be deemed to have come into operation on the 01 January, 2025.

(2) The provisions of section 16 of this Act shall be deemed to have come into operation on the 01 September, 2024.

**Amendment of section 2**

2. Section 2 of the Seychelles Pension Fund Act (Cap.220) (in this Act referred to as the “principal Act”) is amended as follows —

- (1) by inserting, immediately before the definition of “benefit”, the following definition —

“ “age pension” means a benefit payable to members who attain the pensionable age;”;

- (2) in the definition of “Continuous contribution”, by repealing the words “a retirement pension” and substituting them with the words “an age pension”;

- (3) by inserting, immediately after the definition of “Minister”, the following definitions —

“ “pension” means a monthly payment accruing to any member under this Act consequent to a member’s contributions to Fund;

“pensionable age” means the age at which a person is eligible to receive an age pension as prescribed under this Act;”;

- (4) by repealing the definition of “retirement age”.

**Amendment of section 4**

3. Section 4 of the principal Act is amended as follows —

- (1) in paragraph (b), by the substitution for the words “before retirement” of the words “before attaining the pensionable age”;

- (2) in paragraph (d), by the substitution for the word “retirement” of the words “attaining the pensionable age”;
- (3) by repealing paragraph (e) and substituting it with the following new paragraph —
  - “(e) to enable members who attain the pensionable age to live in basic comfort;”

#### **Amendment of section 18**

4. Section 18 of the principal Act is amended by repealing subsection (7), and substituting it with the following new subsection —

“(7) A member who is eligible for an age pension under section 33(1) shall cease making further contributions to the Fund on the date the member submits the member’s application for the age pension to the Fund, and the age pension is to be calculated as at that date.”

#### **Amendment of section 20**

5. Section 20 of the principal Act is amended by repealing subsection (1)(b), and substituting it with the following —

“(b) on the date the member submits the member’s application for the age pension to the Fund; or”.

#### **Amendment of section 28**

6. Section 28 of the principal Act is amended in subsection (2), as follows —

- (1) by repealing paragraph (ii) and substituting it with the following —

“(ii) the mandatory and voluntary contribution at the time of payment of the death gratuity, which is disbursed if the member dies prior to attaining the pensionable age, or the migration allowance; and”;

(2) by repealing paragraph (iii) and substituting it with the following new paragraph—

“(iii) the refund of contributions, where a member has not contributed the monthly mandatory contribution continuously for a minimum period of 10 years immediately prior to applying for an age pension, or an aggregate of 20 years’ contributions, and does not qualify for an age pension.”.

#### **Amendment of section 30**

7. Section 30 of the principal Act is amended as follows —

- (1) in paragraph (a), by the substitution for the words “retirement pension” of the words “age pension”;
- (2) in paragraph (b), by repealing the words “pre-retirement”;
- (3) by repealing paragraph (c);
- (4) by renumbering paragraphs (d), (e), (f), (g) and (h) as paragraphs (c), (d), (e), (f) and (g);
- (5) by repealing the renumbered paragraph (g) and substituting it with the following new paragraph —

“(g) withdrawal of voluntary contributions upon receiving an age pension.”.

#### **Amendment of section 31**

8. Section 31 of the principal Act is amended as follows —

- (1) by repealing the section heading, and substituting it with the following —

**“Monthly age pension”**

- (2) in subsection (1), by the substitution for the words “a retirement pension for life upon retirement” of the words “an age pension for life upon attaining the pensionable age”;
- (3) in subsection (2), by the substitution for the words “a retirement”, wherever they appear, of the words “an age”
- (4) by inserting after subsection (3), the following new subsection —

“(4) For the avoidance of doubt, a member who —

(a) was receiving a retirement pension as at 1<sup>st</sup> January, 2025 shall continue to receive that pension, which shall, from that date, be deemed to be an age pension;

(b) as at 1<sup>st</sup> January, 2025, was receiving an early retirement pension and had not attained the prescribed pensionable age shall continue to receive that pension at the reduced rate applicable at that time, which shall, from that date, be deemed to be an age pension payable at a reduced rate under this Act; or

(c) has taken early retirement and who subsequently resumes or undertakes employment, whether before or after attaining the prescribed pensionable age, shall not be entitled to receive an age pension under this Act unless that person satisfies the eligibility requirements set out in section 33(1).”

**Amendment of section 32**

9. Section 32 of the principal Act is amended by the substitution for the words “a retirement” of the words “an age”.

**Amendment of section 33**

10. Section 33 of the principal Act is amended by repealing subsection (1) and substituting it with the following new subsection—

“(1) A person is entitled to an age pension or an incapacity pension only if the person has a minimum of 10 years of continuous contribution to the Social Security Fund, or a minimum of 10 years of continuous mandatory contribution to the Seychelles Pension Scheme after the Seychelles Pension Scheme came into operation on 1<sup>st</sup> January 1991 or the Seychelles Pension Fund immediately prior to applying for an age pension, or an aggregate period of 20 years of contribution to either the Social Security Fund or the Seychelles Pension Fund prior to applying for an age pension.”.

**Amendment of section 34**

11. Section 34 of the principal Act is amended as follows —

- (1) by repealing the section heading and substituting it with the following new heading—

**“Death Gratuity”**

- (2) in subsection (1)—

(a) by the substitution for the words “retirement” of the words “attaining the pensionable age”;

(b) by repealing the word “pre-retirement”.

- (3) in subsection (2) by—

(a) by the substitution for the word “retirement” of the words “attaining the pensionable age”;

(b) by repealing the word “pre-retirement”.

### **Repeal of section 35**

12. Section 35 of the principal Act is repealed.

### **Amendment of section 36**

13. Section 36 of the principal Act is amended as follows —

(1) by repealing the section heading and substituting it with the following new section heading —

**“Surviving spouse’s pension where member dies before attaining pensionable age”**

(2) by the substitution for the words “reaching the retirement age” of the words “attaining the pensionable age”.

### **Amendment of section 37**

14. Section 37 of the principal Act is amended as follows —

(1) by repealing the section heading and substituting it with the following section heading —

**“Surviving spouse’s pension where member dies after attaining pensionable age”**

(2) in subsection (1), by the substitution for the word “retirement” of the words “he begins receiving an age pension,”;

- (3) in subsection (2), by the substitution for the words “for the post-retirement spouse’s pension” of the words “for the spouse’s pension”.

### **Amendment of section 38**

**15.** Section 38 of the principal Act is amended in subsection (1) by the substitution for the word “retirement” of the words “attaining the pensionable age”.

### **Repeal of section 40**

**16.** Section 40 of the principal Act is repealed and the following new section is substituted—

#### **“Incapacity Pension**

**40. (1)** Where a member of the Pension Fund has not yet attained the pensionable age and is determined by the Functional Capacity Assessment Board to have capacity functioning restrictions under section 10(1)(a)(ii), (iii) or (iv) of the Functional Capacity Assessment Board Act and —

- (a) that member qualifies for an incapacity pension under section 33(1) of the Act and is incapacitated from employment for a period of not less than one year, that member shall receive an incapacity pension for life or for such period of time as determined by the Functional Capacity Assessment Board; or
- (b) that member does not qualify for an incapacity pension under section 33(1) of the Act and is incapacitated from employment for a period of not less than one year, the member shall receive a lump sum payment of the member’s voluntary and mandatory contributions to the Fund.

(2) Where a member who is receiving an age pension dies and leaves behind, other than a spouse, a dependent with functioning restrictions determined under section 10(1)(a)(ii), (iii) or (iv) of the Functional Capacity Assessment Board Act, the dependent shall receive a pension of 40% of the deceased member's age pension provided that the Functional Capacity Assessment Board's determination is furnished in support of the claim."

#### **Insertion of new section 41A**

17. The following section is inserted immediately after section 41 of the principal Act —

#### **“Eligibility of members who have attained the prescribed pensionable age as at 01<sup>st</sup> January, 2025**

**41A.(1)** For the purpose of this section, the age of a member as at 1<sup>st</sup> January 2025 shall be deemed to be the pensionable age where the member —

- (a) has attained the pensionable age before 1<sup>st</sup> January 2025;
- (b) continues to be employed in a manner that requires mandatory contributions to the Fund under this Act or any applicable written law;
- (c) continues to contribute to the Fund; and
- (d) is not, at the material time, receiving a retirement pension.”

(2) A member who attained the pensionable age prior to the 1<sup>st</sup> January, 2025 but had not applied for, or begun receiving a retirement pension as of that date, may apply for the age pension, and if the Fund confirms the member's eligibility, the pension shall be calculated from the date the application is lodged with the Fund.

(3) No age pension shall be payable in respect of any period prior to the 1<sup>st</sup> January 2025.

- (4) A member referred to in subsection (1) may elect, instead of receiving the age pension under subsection (2), to obtain a refund of the total contributions in lump sum made by the member to the Fund from the 1st January, 2025, together with interest accrued from the date of application to the Fund.
- (5) Upon making the election under subsection (4), the member shall cease making further contributions to the Fund and shall not be entitled to receive an age pension under this Act at any later date.
- (6) An election under subsection (4) shall be made within one year after the coming into operation of this amending Act.”

#### **Amendment of section 43**

**18.** Section 43 of the principal Act is amended as follows —

- (1) by repealing the section heading, and substituting it with the following heading —  
**“Refund of voluntary contributions by lump sum”;**
- (2) in subsection (1), by the substitution for the words “of his retirement pension” of the words “of his age pension”;
- (3) in subsection (2), by the substitution for the words “monthly pension on retirement” of the words “monthly pension on attaining the pensionable age”;
- (4) in subsection (4), by the substitution for the words “monthly retirement pension” of the words “monthly age pension”.

**Amendment of section 55**

**19.** Section 55 of the principal Act is amended in subsection (3)(b)(vii) by the substitution for the words “retirement age” of the words “pensionable age”.

**Amendment of section 68**

**20.** Section 68 of the principal Act is amended as follows —

(1) in subsection (1)(e), by the substitution for the words “age of retirement” of the words “pensionable age”;

(2) by repealing subsection (2) and substituting it with the following new subsection —

“(2) Upon the coming into operation of this Act, in the case of any member who retires before reaching the prescribed pensionable age and would, but for having not yet attained that age, have been eligible to receive an age pension under section 33(1), the Minister may, by regulations, prescribe a mechanism for the early payment of an age pension at a reduced rate, subject to such terms and conditions as may be specified.”