



A QUICK GLANCE AT
THE SEYCHELLES PENSION FUND

PENSION IN FIGURES 2022

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TABLE OF CONTENTS

Foreword	2
1. Demographics	3
1.1 Population	3
1.2 Working population	4
1.3 Birth rate trend for the past 5 years	4
1.4 Life expectancy at birth	5
1.5 Life expectancy at the age of 65 years	5
2. Replacement rate	6
3. Dependency ratio	6
4. Membership	7
4.1 SPF's membership in 2022	7
4.2 Employers	8
4.3 Member's Fund	8
4.4 Rate of growth in total membership and pensioners of SPF	9
4.5 Details of Active members for 2022	10
5. Contribution rates	10
5.1 Mandatory Contribution rate	10
5.2 Voluntary Contributions	11
5.3 Details of contributions collected	11
6. Pension and Benefits	12
6.1 Formula for pension calculation	12
6.2 Total pensions paid	12
6.3 Youngest and oldest pensioners for 2022	13
6.4 Total benefits paid over the past 5 years	13
6.5 New pensioners for the past 5 years	14
7. Investments	14
7.1 Investment portfolio by asset class	14
7.2 Investment portfolio by sectors	15
7.3 Investment income	15
7.4 Expenditure	16
7.5 Investment income over expenditure	16
8. Performance over the years	17
8.1 Comparison of pensioners with active contributors for the past 5 years	17
8.2 Excess contributions over pensions paid	17
9. Administrative costs	18
9.1 Details of administrative costs	18
9.2 Administrative Cost as a percentage of Investment income, Net assets and total income	19
9.3 Comparison of Administrative Costs over 5 years	19
10. Actuarial valuation	20



The Seychelles Pension Fund (SPF) is pleased to present the twelfth edition of its Pension in Figures booklet for the year 2022. This pocket-sized annual publication provides a glance on national demographic developments, and SPF's financial results, with details of pension and investment performance. It also serves to better educate and provide precise information to the members and stakeholders.

In its mission to address the long-term sustainability concern, SPF introduced a new rate of contribution in April 2022, an increase from 6% to 9% (employer 5% and employee 4%). Additionally, the SPF Act 2005 was amended in December 2022 to increase the age of retirement from 60 to 65 years, effective January 2023.

For the year 2022, the overall performance of SPF has been positive with a total surplus of income over expenditure of SCR 94.8 million. This surplus assisted in the growth of SPF's net asset to a peak of SCR 4 billion at year-end, an increase of 16% over last year.

The number of pensioners for the year 2022 increased by 13% to 8,135 with pension payouts of SCR 599 million, representing an increase of 25% compared to 2021. A total of SCR 646 million was collected from our contributing members and the overall membership of SPF was 44,233 members. This resulted to the good performance of excess contribution of SCR 47.2 million over the pension pay-out during the year.

On the investment front, SPF collected Investment income amounting to SCR192 million representing a 18% increase over the last year and a realized net return of 13% at market value, after investment costs. The SPF will continue to pursue its diversification strategy in investments with the aim of maximizing return to support future benefits payments.

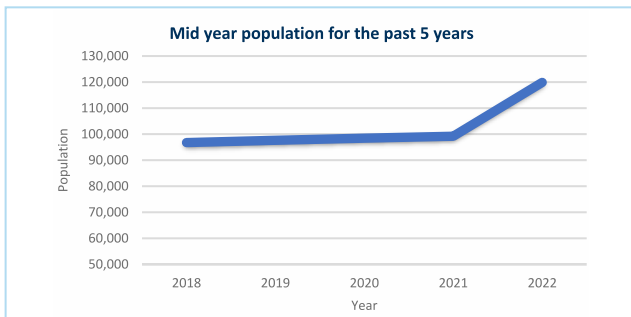
SPF is moving ahead with the process of modernising the Seychelles Pension Fund Act 2005 through a comprehensive review in order to align it with the other relevant Acts and Regulations. The digitalisation of SPF's system also remains a priority to ease the processing of transactions and in return aims to improve customer services.

Happy reading

1. DEMOGRAPHICS

1.1 Population

Total Population of Seychelles: **119,878**
(100,852 are Seychellois) (99,728-2021)



Source: NBS, Mid-2022 Estimated population - Special Edition

1.2 Working Population

(15 years and above)

77,425 (Seychellois only)

Growth rate: **0.9** (0.7 in 2021)

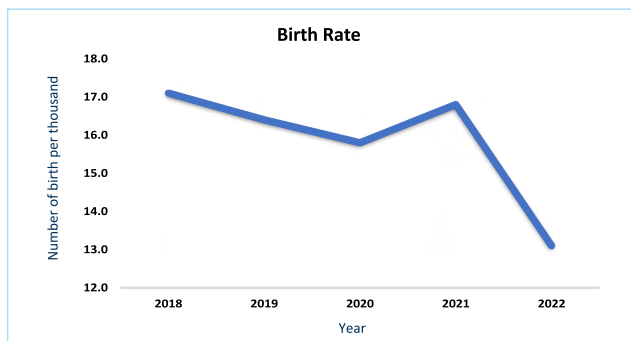
Death rate: **7.8** (9.3 in 2021)

Fertility rate: **2.25** (2.5 in 2021)



1.3 Birth Rate trend for the past 5 years

The total number of live births per 1,000 in a population in a year or period.



Source: NBS, Mid-2022 Estimated population- Special Edition

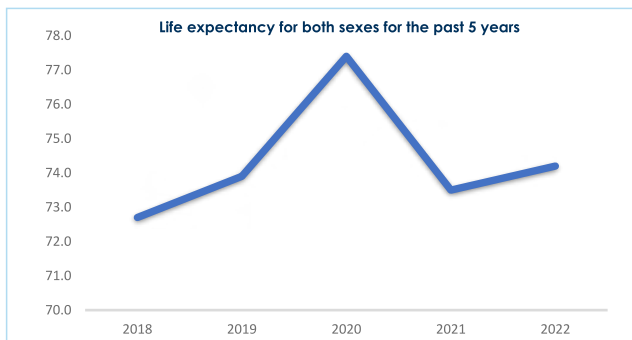
Birth rate: **13.1** (16.8 in 2021)

1.4 Life expectancy at birth

Life expectancy for both sexes: **74.2** (73.5-2021)

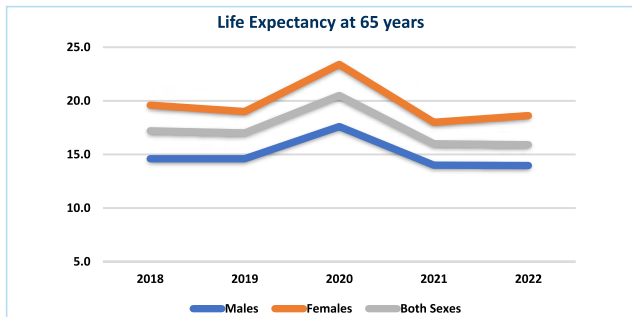
Male: 69.8 years Female: 77.8 years

(Male: 71.3 years Female: 75.6 years-2021)



Source: NBS, Mid-2022 Estimated population - Special Edition

1.5 Life expectancy at the age of 65 for the past 5 years



Life expectancy at 65 for 2022 was 15.9 years for both sexes

Source: NBS, Mid-2022 Estimated population - Special Edition

2. REPLACEMENT RATE

The replacement rate is defined as the individual pension entitlement divided by pre-retirement earning. It measures how effectively a pension system provides a retirement income to replace earnings, the main source of income before retirement. ILO recommends a replacement rate of at least 40%.

Average replacement rate for 2022: approx. 56% (approx. 50% in 2021)



3. DEPENDENCY RATIO

Age dependency ratio is the ratio of people in the “dependent” ages (those under the age of 15 and 65 and older) to those in the economically productive ages (15 to 64 years) in a population. The economically productive ages have increased by 5% in 2022 from 2021.

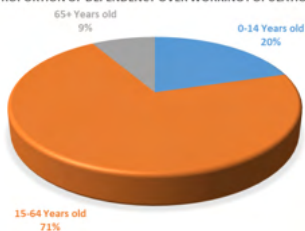
Dependency ratio for the last 17 years

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
463	463	441	439	421	434	433	429	424	427	428	423	440	464	484	504	406

Source: NBS, Mid-2022 Estimated population- Special Edition



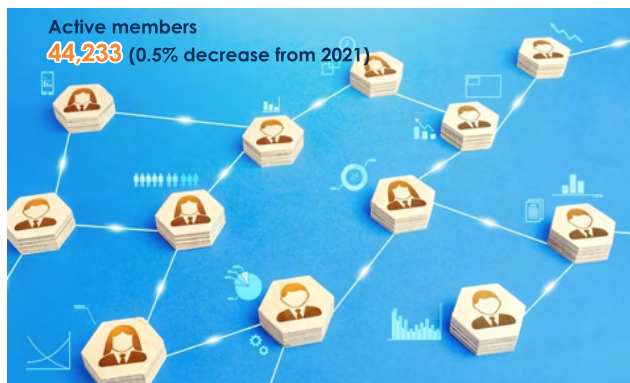
PROPORTION OF DEPENDENCY OVER WORKING POPULATION



Source: NBS, Mid-2022 Estimated population- Special Edition

4. MEMBERSHIP

4.1 SPF's Membership in 2022



4.2 Employers



Total Employers registered with SPF:

3,585 3.4% increase
(3,468 in 2021)

Total Self-Employed registered with SPF:

2,722 7% increase
(2,535 in 2021)

4.3 Member's Fund



4.4 Rate of growth in total membership and pensioners of SPF (2006-2022)

Members			Pensioners		
Year	Active Members	Rate of Growth	Year	Number of Pensioners	Rate of Growth
2006	33, 505	N/A	2006	362	N/A
2007	32, 104	-5.0%	2007	691	91%
2008	32, 174	0.0%	2008	1,041	51%
2009	30, 166	-6.0%	2009	1,429	37%
2010	33, 371	11.0%	2010	1,786	25%
2011	35, 252	6.0%	2011	2,166	21%
2012	39, 461	12.0%	2012	2,528	17%
2013	40, 279	2.0%	2013	2,910	15%
2014	38, 117	-5.0%	2014	3,274	13%
2015	41, 787	10.0%	2015	3,670	12%
2016	41,085	-2.0%	2016	4,287	17%
2017	42,720	4.0%	2017	4,929	15%
2018	43,561	1.5%	2018	5,501	12%
2019	43,715	0.4%	2019	5,918	8%
2020	42,901	-2.0%	2020	6,501	10%
2021	44,441	3.6%	2021	7,194	11%
2022	44,233	-0.5%	2022	8,135	13%

Source: SPF, number of beneficiaries' data base 2022



4.5 Details of active members for 2022

Age group	Female	Male	Total	Percentage coverage	
15-24	2,789	2,846	5,635	}	63%
25-29	3,165	2,681	5,846		
30-34	3,178	2,529	5,707		
35-39	3,124	2,391	5,515		
40-44	3,070	2,227	5,297		
45-49	2,930	2,088	5,018	}	33%
50-54	2,793	2,025	4,818		
55-59	2,670	1,809	4,479		
60-63	1,032	743	1,775	}	4%
over 63	69	74	143		
Total	24,820	19,413	44,233		

Source: SPF, active members' data base 2022

5. CONTRIBUTION RATES

5.1 Mandatory Contribution rate

Mandatory: **9%**

Employer: **5%**

Employee: **4%**

(effective April 2022)



Total Mandatory contributions received

SCR 611 million

(SCR428 million in 2021)

from 44,233 members

(44,441 in 2021)

0.5% decrease in contributors from 2021

5.2 Voluntary Contributions

SCR35 million

(SCR39 million in 2021)

From 9,247 members

(9,296 in 2021)

11% decrease in contribution
collected from 2021



5.3 Details of contributions collected

Years	2021		2022	
Details	Contributors	Amount SCR'M	Contributors	Amount SCR'M
Voluntary	9,296	39	9247	35
Mandatory	44,441	428	44,233	611
Total Contribution SCR'M	467		646	



6. PENSION AND BENEFITS

6.1 Formula for pension calculation

SPF operates a Defined Benefits Scheme, whereby the pension paid to a member is not determined by how much the member has contributed throughout his or her career but based on a pension formula which considers the years of contribution, salary and wage growth through the years.



The formula is as follows:

Average wage for the last
12 years in 2022

(increases a year every year)

X

Years worked (contributed)

X

Average wage growth

X

Accrual rate (1.33% in 2022)

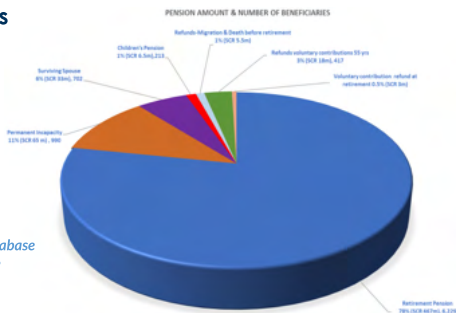
6.2 Total pensions

paid in 2022 –

SCR 599 million

(25% increase in
pension paid
from 2021)

Source: SPF, beneficiaries' database
and financial statement 2022



6.3 Youngest and oldest pensioners for 2022

Types of Benefits	Number of beneficiaries	Youngest Pensioners	Oldest Pensioners
		Age (yrs)	Age (yrs)
Normal Retirement	6229	60	83
Permanent Incapacity	990	36	77
Surviving Spouse pension	300	29	82
Post Surviving Spouse	402	32	89
Children Pension	152	1	24
Post Children Pension	61	3	22
Dependent with severe disability	1	33	33
Total	8135	N/A	N/A

Source: SPF, beneficiaries' data base 2022

6.4 Total Benefits paid over the past 5 years

Year	2018		2019		2020		2021		2022	
Details	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm
Retirement Pension	4,214	221	4,482	265	4,886	323	5,433	368	6,229	467
Permanent Incapacity	710	39	774	45	872	53	929	58	990	65
Surviving Spouse Pension	420	18	486	21	560	24	627	28	702	33
Children's Pension	157	5	176	5	182	5	204	6	213	7
Dependent with severe disability			—	—	1	0.010	1	0.025	1	0.03
Refunds		3		2		4		5		7
Total	5,501	286	5,918	338	6,501	405	7,194	460	8,135	572
Voluntary Contribution (refund at Retirement)		3		4		2		2		3
Voluntary Contribution (refund at 55 years)				9		9	332	14	332	18
Grand total	5,501	286	5,918	347	6,501	420	7,194	481	8,135	599

Source: SPF, beneficiaries' database and financial database 2022

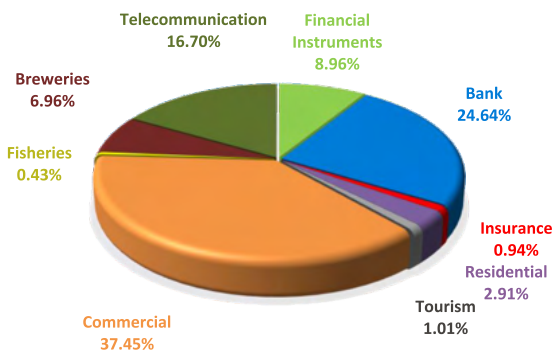
6.5 New Pensioners for the past 5 years

Year	2018	2019	2020	2021	2022
Retirement Pension	203	306	432	584	1042
60	76	123	137	169	212
61	23	74	113	111	293
62	8	23	49	71	164
63 and above	96	86	133	233	373
Permanent Incapacity	58	72	99	54	98
Children Pension	14	32	30	19	41
Surviving Spouse	10	50	72	72	81
Dependent adult with severe disability	—	0	1	0	0

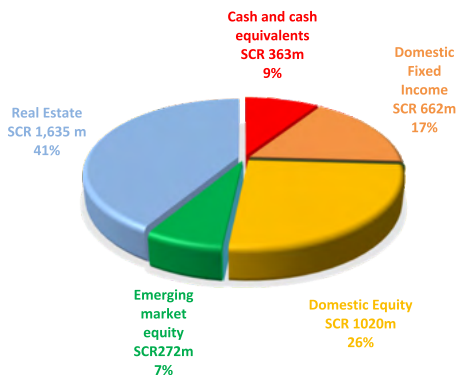
Source: SPF, beneficiaries' database and financial database 2022

7. INVESTMENTS

7.1 Investment portfolio by asset class



7.2 Investment portfolio by sectors

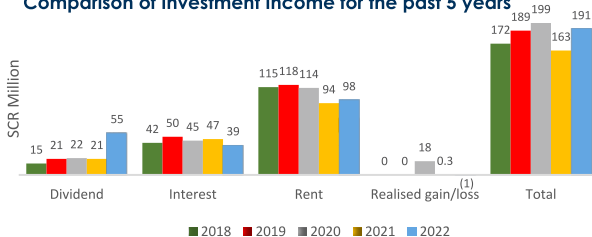


7.3 Investment Income

The Total investment income without fair value was **SCR 192 million** 18% increase from 2021.

SPF's total revenue is made up of 23% (**SCR 192m**) from investments and 77% (**SCR 646m**) from contributions.

Comparison of Investment Income for the past 5 years

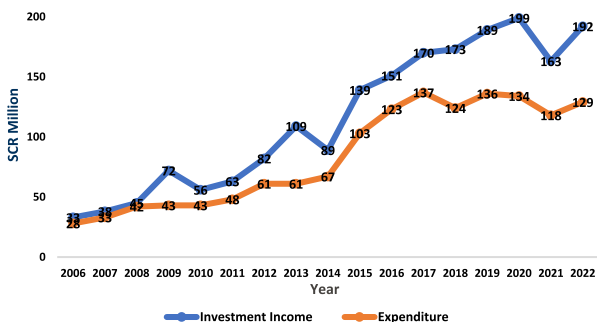


Source: SPF, Financial statements 2022

7.4 Expenditure

The expenditure for the year 2022 was **SCR 129 million**, which has increased by 9% from 2021. An overall excess of **SCR 63 million** from investments without fair value was recorded, a 40% increase from 2021.

7.5 investment income over expenditure from 2006 -2022 (without fair value)

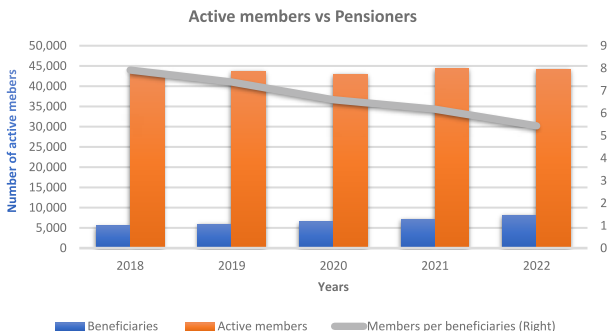


Source: SPF, Financial statement 2022



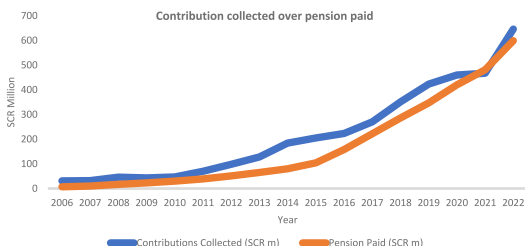
8. PERFORMANCE OVER THE YEARS

8.1 Comparison of pensioners with active contributors for the past 5 years



Source: SPF, Active member database and Beneficiaries database 2022

8.2 Excess contributions over pensions paid for the past 17 years



Source: SPF, Financial statement 2022

An excess of **SCR 47m** was recorded in 2022 as a result of the increase in contribution rate in April 2022 from 6% to 9%.

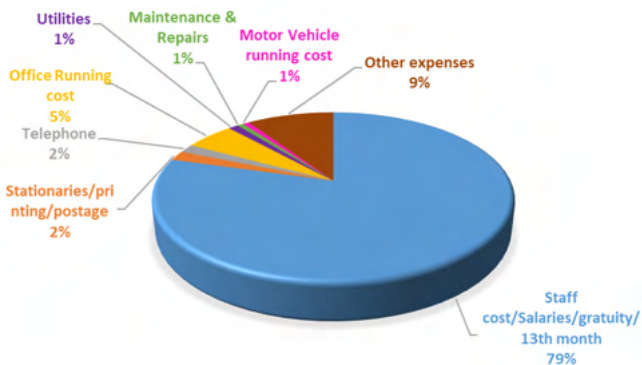
9. ADMINISTRATIVE COSTS

SCR 51 million in 2022
(16% increase from SCR 44
million in 2021)

Administrative costs
represented 40% of
total SPF expenditure
(SCR 129 m)
and 1.28% of total SPF
assets
(SCR 4.0b)



9.1 Details of administrative costs



9.2 Administrative cost as a percentage of Investment income, Net assets and total income

Year	2016	2017	2018	2019	2020	2021	2022
1. Cost per active member (SCR)	942	959	1,010	1,098	1,142	990	1,156
2. Cost as a % of investment income	26%	24%	25%	25%	25%	27%	27%
3. Cost as a % of total net assets	1.44%	1.40%	1.44%	1.45%	1.44%	1.26%	1.27%
4. Cost as a % of total income	10.0%	9.0%	8.0%	8.0%	7.0%	7.0%	6.0%
Administrative costs (SCR' m)	39	41	44	48	49	44	51
% Increase in administrative cost	26%	5%	7%	9%	2%	-10%	14%

Source: SPF, Financial statement 2022

9.3 Comparison of Administrative Costs over 5 years



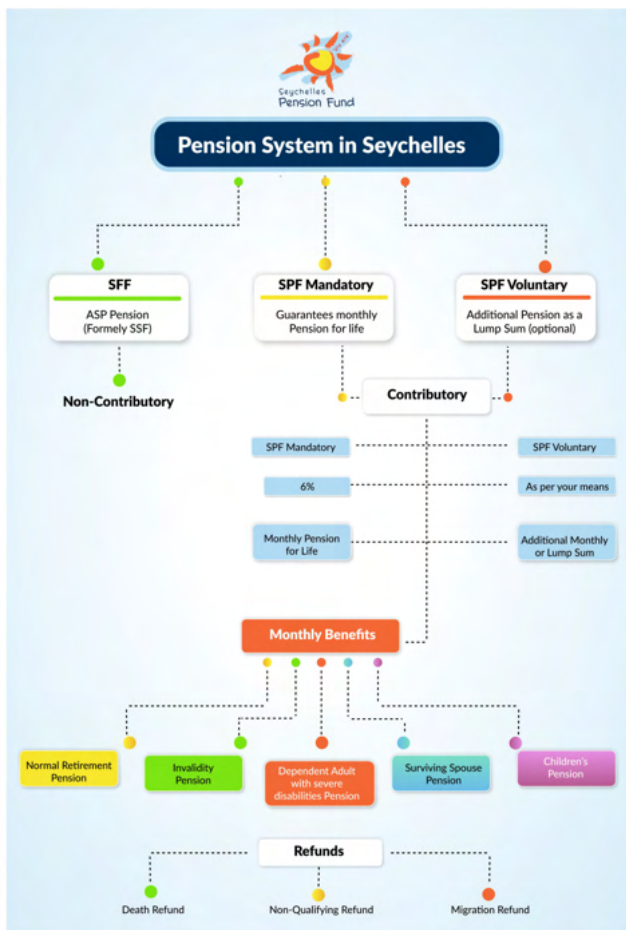
Source: SPF, Active member database and Financial statement 2022

10. ACTUARIAL VALUATION

The last full triennial actuarial valuation of the Seychelles Pension Fund started in 2022 for the year ending 31st December 2021 in accordance with the SPF Act by SPF Actuary, BBL World Actuaries Canada.

The Actuarial valuation for the year ending 31st December 2021 is ongoing.



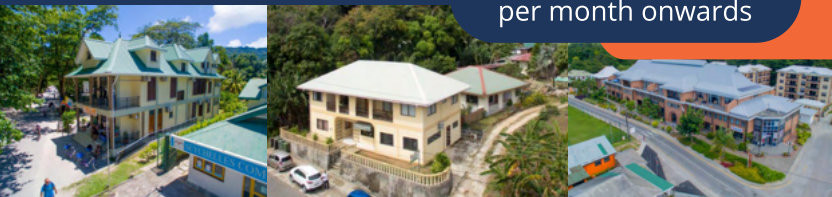


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