

NATIONAL PAY POLICY ACT

CHAPTER ONE

PRELIMINARY

- Introduction and title** 1. (a) This is an Act to make provision for the determination, consolidation, revision and renewal of policies and principles in relation to salary and benefits of public servants given in accordance with Article 96 of the Constitution by incorporation in the national budget, and for the provision of principles in determination of benefits entailed in resignation from or termination of employment.
- (b) This Act may be cited as the “National Pay Policy Act”.

CHAPTER TWO

PRIORITY OF THE ACT

- Priority of the Act** 2. (a) Notwithstanding the provisions said otherwise in any other Act except to the constitution in relation to salary and benefit given to a public servant said in this Act, or to the discretion conferred to a specific person to determine the salary and benefit of a public servant, salary and benefit determined by the President, or approved, permitted or determined by the Minister of Finance and

Treasury, or by the Peoples' Majlis, or independent institutions, shall be determined in accordance with this Act upon its enactment.

- (b) Whereas any other Act provides otherwise in relation to the salary and benefit given to a public servant said in this Act or of an employee, or to the discretion conferred to determine salary and benefit, in order to maintain the principle outlined in subsection (a) of this provision, such a provision of a relevant Act shall be read together with subsection (a) of this provision and other provisions of this Act, and in a manner which gives precedence to the principle outlined in this Act.

Legal status

3. (a) This is an Act for the creation of a National Pay Commission and to make provision for principles based on which the Commission shall function, that shall determine a mandatory standard for the authorities which the Constitution has vested the powers of determining the salary and benefit of the public servants, and benefit given in resignation from or termination of employment or tenure of membership, and to determine the salary and benefit, and benefit given in resignation from or termination of

employment or tenure of membership of those determined by an Act of parliament

- (b) Where an Act of parliament delegates the power on different authorities to determine the salary and benefit, and benefit given in resignation from or termination of employment or tenure of membership, the National Pay Commission shall reserve such powers under this Act. Furthermore, this is an Act to provide for different authorities both collectively and separately, of principles based on which powers to determine salary and benefit provided by the Constitution, and benefit given in resignation from or termination of employment or tenure of membership, shall be determined.

CHAPTER THREE

PURPOSE

Purpose

- 4. The purpose of this Act is to achieve the following objectives.
 - (a) To make provision for a set of professional standards, which may be relied upon or referred (compared) by those with authority to determine the salary and benefit given to public servants.
 - (b) To make provision for ensuring that the salary and benefit given to public servants are aimed to increase productivity, decrease discrepancies amongst skills, classes and

- levels, and to provide for dignified living by way of real wage and benefit.
- (c) To support in protecting the employment rights of the public servants within the State's capability.
 - (d) To pave the way for establishing a sustainable solution to the issues of the rising national debt, the continuing difficulties in maintaining a sustainable spending system for public finances and to combat the necessity of having to dispense as wages and allowances, finances otherwise allocated for innovation and creativity which further leads to fiscal imbalances.
 - (e) To ensure salary and benefit given to public servants in a time of growing population and national debt are facilitative of monetary policies of the State, which focus on the repayment ability of the national debt, maintenance of healthy citizens in a growing population and achievement of the "Sustainable Development Goals" identified by the United Nations.
 - (f) To support in making provision for a centralized system through which salary and benefits are determined, increases and decreases of salary and benefits are determined, or they are harmonized based on economic realities and social justice.

CHAPTER FOUR

PAY COMMISSION

National Commission	5.		This provision of the Act shall create a commission by the name of “National Pay Commission”.
Members of the commission	6.	(a)	The commission comprise of total 5 (five) members.
		(b)	The commission comprise of the following members. <ol style="list-style-type: none"> 1. The Minister mandated with state finance. 2. Four other members appointed by the President.
		(c)	The members shall be appointed by the President.
		(d)	The president of the commission shall be the Minister mandated with state finance.
		(e)	The President shall appoint a vice president for the commission from the members appointed in accordance with subsection (b) (2) of this provisions.
		(f)	The 4 (four) members appointed in accordance with subsection (b) (2) of this provision shall be appointed to work on a part-time basis.
Tenure of commission members	7.	(a)	The tenure of a member appointed to the commission in accordance to the section 6 (b)

(2) shall be 5 (five) years from the date of appointment.

- (b) A member appointed to the commission in accordance with section 6 (b) (2) is eligible for appointment for another term unless the position has been vacated under section 10 of this Act.

Salary of commission members 8.

The salary and benefit given to members of the commission shall be determined by the President upon guidance of the Peoples' Majlis.

Requirements of commission members 9.

The members appointed under section 6 (b) (2) of this Act, shall meet the following characteristics and conditions.

- (a) be a Muslim;
- (b) be a citizen of the Maldives;
- (c) be of sound mind;
- (d) has attained the age of 25 (twenty five) years;
- (e) has not been convicted of an offence for which a *hadd* is prescribed in Islam;
- (f) has not been declared as a bankrupt;
- (g) has not been convicted of bribery;
- (h) A minimum of 7 (seven) years of experience in a related field or a minimum of 3 (three) years of experience in a related field after the completion of a bachelor's degree or an equally recognized level of education in the field of law, finance or management.

Ceasing to be a member 10.

In the event of one of the following situations, a member ceases to be a member of the commission.

- (a) Upon resignation by written submission to the President;
- (b) Death;
- (c) Upon cessation of a requirement in a member which is mandated by this Act;
- (d) Terminate based on incompetence as determined by the President.
- (e) Upon cessation of a member, for the remaining period of the term, president shall appoint a member to the vacant position within 30 (thirty) days.

Meetings of the commission and quorum of meetings 11.

- (a) The commission shall hold its meetings at least twice in every calendar month.
- (b) The commission meetings shall be held when more than half of the number of members are present at a meeting.

Chairing the meetings of the commission 12.

- (a) The meetings of the commission shall be chaired by the president of the commission.
- (b) Notwithstanding subsection (a) of this provision, where the president of the commission is unable to attend meetings of the commission, the meetings shall be chaired by the vice president of the commission.
- (c) In case where the president and vice president of the commission is unable to attend

meetings of the commission, the meetings shall be chaired by a member elected from the other members through a vote among them.

Secretariat of the commission 13. (a) A commission secretariat shall be established to assist in administrative, legal and technical matters of the commission.

(b) The secretariat of the commission shall be established under the Ministry of Finance and Treasury.

Employees of the secretariat 14. (a) The Ministry of Finance and Treasury shall appoint employees required to the secretariat of the commission upon guidance from the commission. Accordingly, the employees appointed to the secretariat of the commission shall be civil servants under Law No 5/2007 (Maldives Civil Service Act).

(b) Employees appointed under subsection (a) of this provision, shall include 8 (eight) technical staff appointed from the following 8 (eight) areas. These employees shall have minimum of 3 (three) years' experience in their field and attained a bachelor's degree or an equally recognized level of education.

1. Economics
2. Human resources management
3. Accounting and financial management
4. Statistics
5. Law
6. Health management

- 7. Educational management
- 8. Information communication technology management

Informing the scope of commission’s responsibilities

- 15. (a) The President shall inform in writing to the commission, the specific tasks of the commission and the tasks which need special attention of the commission.
- (b) The commission shall undertake the tasks informed by the President under subsection (a) of this provision, within the scope of principles and responsibilities outlined in this Act.
- (c) A direction given by the President under subsection (a) of this provision shall not limit any powers or responsibilities of the commission given under this Act.

General responsibilities of the commission

- 16. The following are the general responsibilities of the commission.
- (a) Determining the salary of public servants, increasing the salary of public servants, and determining the policies, standards and principles of giving benefits to public servants to increase their productivity, or giving benefits in dismissal or resignation except to those employees mentioned in subsection (h) and (i) of this provision.

- (b) Establishing the principles and standards for determining the salary and benefits of all professions.
- (c) Making provision for principles whereby differences in benefits given to public servants can be created in proportion to the living cost in different locations of the Maldives.
- (d) Making provision for principles and standards whereby differences in salary may be made based on work-related risk in a manner proportionate to the demand, profession, skill and type of work.
- (e) Making provision for reviewing salary and benefits of public servants and for revising the salary and benefits that require revision.
- (f) To determine the policies related to salary and benefits, and benefit given in resignation from or termination of employment in a sustainable manner within the limits of government revenue.
- (g) To make provision for principles which will be indicative of the employment opportunities in the Maldives, living cost, labour costs, costs of investment on employees, return on investment on employees and productivity of employees, and ways to increase labour and sustainably manage the salary and other benefits given to public servants.
- (h) To conduct research regarding the salary and benefits determined by the president in

accordance to the constitution and related laws and recommend if any revisions are required.

- (i) To conduct research regarding the salary and benefits determined by the Peoples' Majlis in accordance to the constitution and related laws and recommend if any revisions are required.
- (j) To conduct research regarding the salary and benefits determined by the Judiciary in accordance to the constitution and related laws and recommend if any revisions are required.
- (k) To conduct research and make provision for revisions within the legal capacity of the commission to the salary and benefits of all other public servants except employees stated in subsection (h) and (i) of this provision.
- (l) Undertaking all technical, administrative and legal responsibilities related to the powers and responsibilities of the commission.
- (m) Acquiring information, conducting surveys and undertaking research related to the responsibilities and purposes of the commission.
- (n) Collect and publish information related to the responsibilities of the commission.
- (o) Disseminate information through forums to the government, Peoples' Majlis, judiciary, independent institutions, workers and employers.

- (p) Taking all relevant measures necessary to exercise the powers and responsibilities vested in the commission.
- (q) Submitting a report to the President and the Peoples' Majlis every year, and publishing it to make it available to the public, which contains the details of work undertaken in that year, results achieved, and findings, recommendations and conclusions on the salary and benefits to public servants for the next year.
- (r) Submitting a report to the President and the Peoples' Majlis every 5 (five) years, and publishing it to make it available to the public, which contains the details of work undertaken in five years, results achieved, and findings, recommendations and conclusions on the salary and benefits to public servants for the next five years.

CHAPTER FIVE

WAGE POLICY

Determining the wage policy 17.

The commission shall take into account the following factors when determining the policies, standards and principles related to salary and benefits of public servants.

- (a) In determining salary of a specific profession, to make provision in a manner to foster a

dynamic profession and to increase the number of skilled professionals of that respective profession in the Maldives.

- (b) In determining salary and benefits of a specific profession, to make provision for appropriate classifications and levels within that respective profession.
- (c) To make provision for differences in benefits on the basis of living costs in different regions of the Maldives, demand, skill and competency required and risk amenable to the employee at the workplace.
- (d) To make provision for salary and benefits to foster self-sufficient livelihoods and enable to secure healthy living and the well-being of the employees, and promote way for dignified living.
- (e) To make provision for salary and benefits that ensure achievement of the national development goals and visions.
- (f) Regardless of the profession, provision made for a minimum level of wage and benefits entitled for each profession.
- (g) To make provision for similar salary and benefits for employees working in similar conditions under similar terms of reference.

Factors to consider in determining the wage policy

- 18. (a) The commission shall conduct public forums and open interview sessions with stakeholders to gather information used in reviewing the salary and benefits. Such forums and sessions

shall include employers and employees from diverse fields along with other interested parties. The commission shall, to the greatest extent, provide provisions for stakeholders to submit their opinions in those forums and sessions.

- (b) In determining the pay policy of public servants, the commission shall consider each of the following factors separately.
- (1) To provide for a living wage;
 - (2) To make the salary contingent on “Consumer Price Index”;
 - (3) To index the salary to inflation;
 - (4) To make the benefits given to employees whose workplace is not the same as the geographical location of their establishment, as one which incentivize them;
 - (5) To make the benefits given to employees who choose to work in different regions of the Maldives, especially in less populated regions, as one which incentivize them;
 - (6) To make the salary as one which maintains and raises the standard of living;
 - (7) To make the salary as one which enable to secure a healthy living;
 - (8) To make the salary as one which is within the financial capability of the employer;
 - (9) To make the salary as one which ensures the greatest distribution of wealth based on a socio-economic justice standard and the nation’s gross domestic product.

(10) To make the salary for specific positions as one which is determined upon finding the average of salaries attached to specific positions.

Provision for differentiation in salary	19.	(a)	Differentiation in salary and benefits based on the types of work and professions, geographical regions, economic conditions and the living cost of the island community is permitted under this Act.
		(b)	The differentiations permitted under subsection (a) of this provision for employees working under similar terms of references, shall not be read as contravening Article 17 of the Constitution or Section 4 of Law No 2/2008 (Employment Act). And any differentiation permitted in salary or benefits under subsection (a) of this provision shall be regarded as to not to treat employees in different situations in a similar manner and employees in similar situations in a different manner.

CHAPTER SIX

GENERAL PROVISIONS

Commission’s budget and its administration	20.	(a)	The budget for the enforcement of activities provided under this Act shall be sought by the Ministry of Finance and Treasury upon its inclusion in the budget of the ministry.
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- (b) All accounts and financial reports of the expenses of the activities of the commission shall be maintained by the Ministry of Finance and Treasury.
- Duration for composition of the commission** 21. Members for the National Pay Commission provided in this Act shall be appointed within 10 (ten) days of enactment of this Act.
- Regulation and administration** 22. (a) The Ministry of Finance and Treasury shall make such regulations necessary to administer this Act.
- (b) The regulations necessary under this Act shall be formulated and published within 3 (three) months of composition of the commission.
- Transfer of powers to determine salary and benefit under other Acts to the National Pay Commission** 23. Notwithstanding the provisions provided otherwise by other legislation, upon enactment of this Act, unless in situations provided by the Constitution, the powers vested by an Act of the Peoples' Majlis on different institutions to determine salary and benefit of public servants, and benefit given in resignation or termination of employment or tenure of membership is transferred to the National Pay Commission created by this Act in accordance with the manner provided in this Act.

- Effect of law** 24. This Act shall become law on the day after (6) six months from its publication on the gazette of the government of Maldives.
- Definitions** 25. Unless a word or a phrase used in this Act provides a different meaning in the context, the following words and phrases shall bear the following meanings.
- (a) “Consumer Price Index” means a measure for prices of goods and services representative of consumption expenditure and includes the price changes of such goods and services.
 - (b) “Commission” means the National Pay Commission created under section 5 of this Act.
 - (c) “Inflation” means the annual increases in prices of goods and services in the Maldivian economy.
 - (d) “Indexing” means making the changes in prices of goods and services contingent on salary.
 - (e) “Benefit” means direct and indirect pecuniary benefits given in addition to the salary connected with the employment, or to benefits given upon termination of the employment or benefits given in kind.
 - (f) “Independent commissions” mean the office of Auditor General, Prosecutor General, Human Rights Commission, Civil Service Commission, Judicial Service Commission, Elections Commission and Anti-Corruption

Commission, and any other independent institution created under an Act of the Peoples' Majlis.

- (g) “Salary” means excluding benefit, a pre-determined remuneration given to an employee on a determined basis.
- (h) “Public servants” mean persons, notwithstanding those in an elected or an appointed position, or in a permanent or temporary position, or one defined by a tenure or a contract, responsible for undertaking a public duty, who receive salary and benefit from the state as employees. Within this meaning include the President, Vice President, ministers of the cabinet, persons appointed by the President under Article 115 (f) of the Constitution, Chief Justice, judges, employees working in judiciary, President of the Peoples' Majlis, Vice President of the Majlis, members of the parliament, employees working in the parliament, army personnel working in the Maldives National Defence Force, police personnel working in the Maldives Police Service, all employees of the civil service of the Maldives, all employees working in institutions created by the Constitution or Acts of parliament, persons holding a public office.
- (i) “Secretariat” means the office of the National Pay Commission created by this Act.