



# NATIONAL PENSION COMMISSION

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## CIRCULAR

**REF: PENCOM/INSP/CIR/SURV/18/1361**  
**DATE: 10 September, 2018**  
**TO: All Licensed Pension Fund Administrators**  
**SUBJECT: ADDENDUM TO THE CIRCULAR ON WITHDRAWALS FROM VOLUNTARY CONTRIBUTIONS**

- 1.0 Following the implementation of the Circular ref. PENCOM/INSP/CIR/SURV/17/22 of 16 November, 2017 on Withdrawal of Voluntary Contributions, pursuant to Sub-Sections (3) and (7) of Section 4 of the Pension Reform Act 2014, it has become necessary to issue the following clarifications as an addendum to the Circular, pending the issuance of substantive Guidelines on the subject.
- 2.0 Licensed Pension Fund Operators are hereby notified that the Circular relates to cases of Voluntary Contributions made pursuant to Section 4 (7) of the Pension Reform Act (PRA 2014) and does not cover cases of Additional Voluntary Contributions made pursuant to Section 4 (3) of the PRA 2014 by persons who are in active/ mandatory service.
- 3.0 Retirees under Contributory Pension Scheme, shall be eligible to withdraw all the Voluntary Contributions in the RSA at the expiration of the contract employment or may choose to consolidate part or all to augment his/her monthly pension in line with Section 7 of the PRA 2014.
- 4.0 Retirees under the Defunct Defined Benefit Scheme and exempted employees shall be eligible to withdraw all the Voluntary Contributions in the RSA at the expiration of the contract employment.
- 5.0 Foreign Contributors, shall be eligible to withdraw all the Voluntary Contributions in the RSA at the expiration of the contract employment or relocation to his/her country.

- 6.0 The tax treatment for the above mentioned categories shall be based on both income and principal amount when withdrawal is less than five years from the date the voluntary contributions was made.
- 7.0 This clarification is made without prejudice to the provisions of Paragraphs 5.0 (c), (e) and 6.0 relating to Mandatory/Active contributors' reporting requirements under the Money Laundering Act and the tax treatment of contributions under the PRA 2014 and the relevant tax laws.

This addendum takes immediate effect. All enquiries regarding this circular should be directed to the under signed.

Thank you.



**M. Y Datti**  
**Head, Surveillance Department**