



Tuvalu

**PROVIDENT FUND (AMENDMENT) ACT
2021**



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Arrangement of Sections

Section	Page
1 Short Title and Commencement	5
2 Amendments to Section 20	5
ENDNOTES.....	7



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PROVIDENT FUND (AMENDMENT) ACT 2021

Act No.3 of 2021

AN ACT TO AMEND THE PROVIDENT FUND ACT AND INTRODUCE A NEW RETIREMENT BENEFIT OPTION AND INCREASE THE MINIMUM AGE REQUIREMENT FOR RETIREMENT BENEFIT

Commencement [1st November, 2021]¹

1 Short Title and Commencement

This Act may be cited as the Provident Fund (Amendment) Act 2020.

2 Amendments to Section 20

Section 20 is hereby amended as follows:

(a) **Repeal and substitute subsection (1) with the following new paragraph:**

“(1) Subject to subsection (2) and (5) the benefits payable under this Act shall be of the following descriptions, namely –“

(b) **Repeal subsection (1) (a) and substituted with a new paragraph:**

“Retirement benefit, that is to say, a lump sum payment to a member who, being not less than the age of 55 years has retired from employment and has not elected to take a Term annuity benefit in lieu of all the retirement benefit.”

(c) **Repeal subsections (1) (b) and substitute with a new paragraph:**

“Term annuity benefit, that is to say, a monthly annuity payment is payable to a member for a term not less than 5 years who, being not less than the age of 55 years, has retired from employment and has elected to take a term annuity benefit in lieu of part or all of the retirement benefit.”

(d) **Repeal subsections (2) and substitute with a new paragraph:**

“Entitlements to benefits may cease on reaching the age of 65 years and any amount then standing to the credit of a member may be paid out as a retirement benefit as defined in subsection (1) (a) or as a term annuity as defined in subsection (1) (b).”

(e) Insertion of a new Subsection (5):

“(1) Notwithstanding the provisions of this Act, all benefits payable under subsections (1) (a) & (b) that were processed and paid out prior to the commencement of this amendment shall be deemed to have been made for the purposes of this Act and shall continue in force.

(2) The age requirement for the retirement benefit and the term annuity benefit, which is 55 years, shall be rolled out in a progressive manner, starting from 45 years, over an eight years period after the commencement date of this Bill. Within that eight years period, the age requirement as basis for a member’s entitlement to the retirement benefit and the term annuity benefit shall be:

- (a) not less than the age of 46 years after the commencement date;
- (b) not less than the age of 47 years after one year from the commencement date;
- (c) not less than the age of 48 years after two years from the commencement date;
- (d) not less than the age of 49 years after three years from the commencement date;
- (e) not less than the age of 50 years after four years from the commencement date;
- (f) not less than the age of 51 years after five years from the commencement date;
- (g) not less than the age of 52 years after six years from the commencement date;
- (h) not less than the age of 53 years after seven years from the commencement date;
- (i) not less than the age of 54 years after eight years from the commencement date.”

ENDNOTES

¹ GN 24/2021