

**REPUBLIC OF VANUATU**  
**BILL FOR THE**  
**VANUATU NATIONAL PROVIDENT FUND (AMENDMENT)**  
**ACT NO.    OF 2025**

**Explanatory Note**

The Vanuatu National Provident Fund (“the Fund”) was established in 1987 under the Vanuatu National Provident Fund Act [CAP 189] (“the Act”) with the critical goal of providing a structured and reliable retirement savings mechanism for its members. This initiative was aimed at securing financial stability for citizens as they transitioned into retirement, ensuring that they have the resources necessary to maintain a decent standard of living upon retirement.

Since its inception, the Act has undergone only a limited number of procedural amendments, which is insufficient given the significant changes in the financial landscape and the evolving needs of members. Over the years, the Fund has experienced substantial growth, expanding its investment activities, improving its operational processes, and enhancing its administrative capabilities. This growth highlights the necessity for legislative updates to fully align the Act with the current realities of the Fund.

These amendments will not only address existing gaps but also incorporate best practices that ensure long-term financial sustainability. Furthermore, these changes will enhance service delivery, providing its members, both within Vanuatu and abroad, with improved access to their benefits and a more robust pension scheme that meets their needs in an increasingly complex economic environment.

This Bill will provide mainly for the following:

**1. Membership of the Board:**

- To enhance governance and mitigate the risks of self-nomination, the amendment will replace the term “Chairperson” with “Board” for the various working sectors when selecting their nominees to represent them in the VNPF Board.
- Persons nominated must possess significant qualifications in key areas such as finance, law, management, or investment. Specifically, candidates should have a minimum of 5 years of relevant professional experience in their respective fields.

**2. Investment Provisions:**

- To enhance the clarity and effectiveness of the Act, the amendment removes the detailed investment sections and to be provided under the Fund’s Investment Guidelines. This restructuring aims to streamline the Act, making it less cumbersome and more accessible while ensuring that investment practices remain robust and well-regulated.

- By placing the investment specifics under the Investment Guidelines, there is more flexibility in the management of investments, allowing for timely updates and adjustments to the guidelines in response to evolving market conditions and best practices, which will promote better oversight and adaptability in our investment management strategies.

### **3. Contributions:**

- The amendment will provide for a substantial increase in the total contribution rate for VNPF contributions, raising it from the current 8% to 14%. This new rate will be equally divided between the employer and employee, with each contributing 7%. This adjustment aims to strengthen the financial health of the Fund and ensure more robust retirement outcomes for all members.
- The amendment will introduce a new clause for “Additional Voluntary Contributions.” This provision will enable formal sector employees to make extra contributions to their retirement accounts on a voluntary basis. This option empowers individuals who wish to enhance their retirement savings beyond the mandatory contributions, providing them with greater control over their financial futures.

### **4. Partial Withdrawal:**

- The procedure for partial withdrawal of credit at age 47 has undergone an update to better reflect the current operations and practices within the system. According to the revised policy, members are allowed to make a partial withdrawal of their accrued benefits only one time throughout the duration of their membership.
- This change aims to streamline the process and ensure that members clearly understand the limitations on withdrawals, thus promoting more informed financial planning for their future. It is important for members to consider their financial needs carefully before proceeding, as the opportunity for a partial withdrawal is limited to this single instance.

### **5. Compliance:**

- To provide for search warrants that will be facilitated by the police force. This will enable inspectors to enter premises and to obtain documents that employers may be withholding, particularly those who are evading their responsibilities related to the Voluntary National Pension Fund (VNPF). By ensuring that employers adhere to the law, we can protect the rights of employees and guarantee that they receive the benefits they are entitled to.

**Minister of Finance and Economic Management**



**REPUBLIC OF VANUATU**

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VANUATU NATIONAL PROVIDENT FUND  
(AMENDMENT)  
ACT NO. OF 2025**

**Arrangement of Sections**

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# REPUBLIC OF VANUATU

## **BILL FOR THE VANUATU NATIONAL PROVIDENT FUND (AMENDMENT) ACT NO. OF 2025**

An Act to amend the Vanuatu National Provident Fund Act [CAP 189].

Be it enacted by the President and Parliament as follows-

### **1 Amendment**

The Vanuatu National Provident Fund Act [CAP 189] is amended as set out in the Schedule.

### **2 Commencement**

This Act commences on the day on which it is published in the Gazette.

## SCHEDULE

### AMENDMENTS OF VANUATU NATIONAL PROVIDENT FUND ACT [CAP 189]

**1 Section 1 (Definition of “transfer date”)**

Repeal the definition.

**2 Section 1**

Insert in its correct alphabetical position:

““minor” means a person under the age of 18 years;”

**3 Subparagraphs 3(1)(a)(i) and (ii)**

Delete “Chairperson”, substitute “Board”

**4 After subsection 3(1A)**

Insert

“(1B) The persons nominated under paragraph (1)(a) and subparagraphs (1)(b)(i) and (ii) must:

- (a) have a tertiary qualification in Finance, Law, Management or Investment; and
- (b) have more than 5 years’ experience in Finance, Law, Management or Investment; and

(1C) The person nominated under subparagraph (1)(b)(iii) must have more than 5 years’ experience in Finance, Management or Investment.”

**5 Subsection 16(1)**

Delete “Subject to section 16B, the”. substitute “The”

**6 Sections 16A, 16AC, 16AB, 16B, 16C, 16D and 16E**

Repeal the sections.

**7 Subsection 25(1)**

Delete “8 percent”, substitute “14 percent”

**8 After subsection 25(1)**

Insert

“(1A) To avoid doubt, of the contribution of 14 percent to be paid under subsection (1), the employer is to pay 7 percent and the employee is to pay 7 percent.”

**9 After section 26**

Insert

**“26A Additional voluntary contributions**

An employer or employee may, in the prescribed form, voluntarily pay additional contributions.”

**10 Section 28**

Delete “14”, substitute “10”

**11 Section 39A**

Repeal the section, substitute

**“39A. Partial withdrawal of credit**

- (1) For the purpose of this section, “credit” means credit from a member’s investment account and medi-save account.
- (2) Despite section 38, a member may apply for the partial withdrawal of up to 50% of his or her credit from the Fund at the age of 47 years or more.
- (3) To avoid doubt, a member in making a partial withdrawal may only make a partial withdrawal once.”

**12 Subsection 56(2)**

Delete “the contribution became due”, substitute “and the Fund is made aware of the civil debt”

**13 After subsection 56(2)**

Insert

“(2A) If this section conflicts with a provision of any other Act, this section prevails.”

**14 After section 59**

Insert

**“59A Warrant**

- (1) A police officer may apply to the Court for a warrant to enter premises:
  - (a) to search the premises; or
  - (b) to seize anything connected with an offence against this Act.
- (2) The application must be sworn and must state the grounds on which the warrant is sought.
- (3) The Court may refuse to consider the application until the police officer gives the Court all the information the Court requires.
- (4) The Court may issue a warrant if it is satisfied on reasonable grounds that there is evidence at the premises connected with an offence against this Act.
- (5) If a warrant is issued under subsection (4), the warrant must state:
  - (a) the purpose of the entry; and
  - (b) that with the assistance of police officers enter the premises and exercise the powers under this Part; and
  - (c) the offence for which the warrant is sought; and
  - (d) the evidence that may be seized under the warrant; and
  - (e) that anything found and seized under the warrant may be used as evidence in Court; and
  - (f) the hours of when entry into the premises may occur; and
  - (g) the expiry of the warrant, which must be within the period stated in the warrant has been issued.”