

**Civil Servants' Welfare Scheme
Fund Management Committee (FMC)
Terms of Reference**

1. Introduction

The Royal Civil Service Commission has launched the Civil Service Welfare Scheme (CSWS) on 11th November 2015 coinciding with the 60th Birth Anniversary of the 4th Druk Gyalpo. It is an important component of Wellbeing. This Scheme is a self-help scheme 'of, for and by' the civil servants wherein the members remit a fixed monthly contribution as security coverage for his/her family members against death for a benefit, as defined in the Bye law.

Since the membership is compulsory for all fresh recruits, joined after the launch of CSWS, the fund is expected to grow every year. But it is evident from the experience of the last two years (2016 and 2017) of operation that the total payout attributed to 45% of the total collection which is significant. If such payout trend continues, it will become increasingly difficult to sustain the scheme. Further with the extension of coverage to the retired civil servant without monthly contribution, the fund is likely to shrink to dangerous level in the next 5 to 10 years if precautionary measures are not taken.

Therefore, the RCSC feels it is timely to establish the CSWS Fund Management Committee (CSWS-FMC) to ensure the fund is managed prudently, transparently and maintain progressive growth of the fund to meet the objective of the Welfare Scheme. The fund shall be operated as outlined in the CSWS Bye-Law (2015).

The FMC will ensure the fund safety, transparency, and growth.

2. CSWS Fund Management Committee composition

The Committee shall be called the CSWS Fund Management Committee and shall comprise of, but not limited to, the following members:

1. Commissioner, RCSC, ex officio Chairman
2. Director, RCSC, Member
3. Director, Department of Public Accounts, Member
4. One superannuated civil servant, Member
5. One female civil servant from PMC, Member
6. One female civil servant from SSC, Member
7. One civil servant with professional background in investments/ Actuary, Member
8. Head, WS as Member Secretary

3. Appointment of Committee Members

- a) The Wellbeing Committee, RCSC shall identify and submit the nomination to the Commission, RCSC
- b) The Commission, RCSC, will approve and endorse the nomination.

4. Code of conduct

A member shall:

- a. act in the best interest of the beneficiaries
- b. maintain highest degree of professionalism
- c. be collectively accountable for performance of the Scheme
- d. maintain confidentiality of information
- e. declare the conflict of interest before the meeting
- f. discharge responsibilities and duties as per the CSWS Bye law at all times

5. Powers of the CSWS Fund Management Committee:

The Committee is empowered to:

- a. Accept contribution and payment to the Scheme
- b. Decide investment options, whenever required
- c. Invest accumulated funds through an authorized Agency
- d. Deal with fund depletion/surplus, if any, as appropriate
- e. Provide advisories to Commission from time to time

6. Roles and responsibilities of the CSWS Fund Management Committee

The Committee shall be mandated to carry out the following tasks:

- a. To manage and review the fund status at regular intervals
- b. To review and recommend revision of contribution/payout from/to civil servants from time to time
- c. To continuously explore avenues for investment to multiply fund corpus and growth of the fund
- d. To explore efficient ways to continuously benefit the members through wellbeing intervention
- e. To carry out any other assignment within the scope of FMC as tasked by the commission.
- f. To conduct periodic audits of the fund and submit to the Commission.

7. Roles and responsibilities of FMC Member Secretary

The Member Secretary shall:

- a. Prepare Agenda;
- b. Coordinate meetings;
- c. Keep minutes and records of meetings;
- d. Coordinate, follow-up and report on all FMC decision; and
- e. Report on critical matters concerning Scheme to the Committee for eg. exposure to new risks, specific areas to improve the Scheme, etc.

8. Tenure of Committee member

- a. The Chair of the Committee, in his ex officio status, will serve until completion of his term of office.
- b. The Director, RCSC, will be the permanent member.
- c. The Director, Department of Public Accounts, MoF, will be the permanent member.
- d. The rest of the Committee members shall serve for three years, which can be extended, if so desired by Commission.

9. Meetings and procedures

- a. The CSWS Fund Management Committee shall meet at least bi-annually; however, if there arise any important issue, the Chairman shall convene additional meetings.
- b. Except when the Committee member is out of the station/country or due to exigent attention required elsewhere, every member of the Committee shall attend all of its meetings without fail.
- c. The member of the Committee shall not be permitted to depute a substitute to any meeting of the Committee.
- d. A two third quorum of the Committee is required to convene a meeting of the CSWS FMC.
- e. All decisions in the Committee shall be made by a two third majority of the members present and voting.

10. Report on the Scheme

The CSWS Fund Management Committee shall submit an annual report to the Commission (RCSC) stating activities undertaken by the Committee during the year, including progress made on the recommendations received for development of the Scheme within two months after the end of the calendar year.

11. Accountability

The FMC shall be accountable to the Royal Civil Service Commission.