

Central Provident Fund (Amendment) Bill

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Bill No: 6/2006

Read the first time: 13th February 2006

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Expenditure of Public Money

Central Provident Fund (Amendment) Bill

Bill No. 6/2006

Read the first time on 13th February 2006.

An Act to amend the Central Provident Fund Act (Chapter 36 of the 2001 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Central Provident Fund (Amendment) Act 2006 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2(1) of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended by deleting the definition of “retirement account” and substituting the following definition:

“ “retirement account” means a retirement account maintained for the purposes of section 15(2A)(a), (6C), (7B)(a) and (8A)(a);”.

Amendment of section 4

3. Section 4 of the principal Act is amended —

- (a) by deleting “4” in subsection (4)(d) and substituting “7”; and
- (b) by inserting, immediately after subsection (4), the following subsection:

“(4A) The Minister, with the President’s concurrence under Article 22A(1)(b) of the Constitution, may appoint the chief executive officer to be a member of the Board.”.

Amendment of section 5

4. Section 5(1) of the principal Act is amended by deleting the words “, with the approval of the Minister,”.

Amendment of section 13

5. Section 13 of the principal Act is amended —

- (a) by deleting the words “section 15(2) to (5), 18, 18A, 18B, 22 or 45” in subsection (1)(a) and substituting the words “subsection (7) and sections 15(2), (3), (4) and (5), 18, 18A, 18B, 22 and 45”;
- (b) by deleting the words “sections 15(2) to (5) and 54” in subsection (1)(b) and substituting the words “subsection (6) and sections 15(2), (3), (4) and (5), 16A and 54”;
- (c) by deleting the words “section 15(2) to (5), section 17, section 45(2)” in subsection (1)(c) and substituting the words “subsection (7) or section 15(2), (3), (4) or (5), 17 or 45”;
- (d) by deleting the words “to a member’s ordinary account” in subsection (6) and substituting the words “to one or more designated accounts of a member, in accordance with any regulations made under section 77(1)(ka),”;
- (e) by deleting the words “the ordinary account” in subsection (7) and substituting the words “any designated account”; and
- (f) by inserting, immediately after subsection (7), the following subsection:

“(8) In this section, “designated account”, in relation to a member, means such ordinary account, special account or retirement account (if any) of the member as may be prescribed by any regulations made under section 77(1)(ka).”.

Amendment of section 15

6. Section 15 of the principal Act is amended —

- (a) by deleting paragraphs (d) and (e) of subsection (2) and substituting the following paragraphs:

- “(d) is physically or mentally incapacitated —
- (i) from ever continuing in any employment; or
 - (ii) in such other manner as the Minister may approve;
- (e) is of unsound mind;
- (f) is suffering from a medical condition leading to a severely impaired life expectancy; or
- (g) is suffering from a terminal illness or disease.”;

(b) by inserting, immediately after subsection (2), the following subsections:

“(2A) A member of the Fund who is entitled under subsection (2)(d), (e) or (f) to withdraw the sum standing to his credit in the Fund shall, at the time of the withdrawal and in accordance with such directions as the Minister may give in any particular case —

- (a) set aside or top-up in his retirement account such amount as the Minister may specify; and
- (b) set aside or top-up in his medisave account the prescribed amount referred to in section 16.

(2B) The amount referred to in subsection (2A)(a) may be withdrawn by the member in accordance with such terms and conditions as the Minister may from time to time impose.”;

- (c) by deleting the words “sum standing to the credit of that member in the Fund” in subsection (5) and substituting the words “balance standing to the credit of that member in the Fund, after deducting any sum withdrawn, or to be withdrawn, under section 16A.”;
- (d) by deleting the words “subsections (6A) and (8)” in subsection (6) and substituting the words “subsections (6A), (8) and (8A)”;
- (e) by deleting subsections (6A) and (6B) and substituting the following subsections:

“(6A) Where 2 members of the Fund are parties to a marriage, the Board may, on their joint application, permit them to set aside jointly an amount which is less than 2 times the minimum sum if each member has executed a memorandum under section 25(1) nominating the other member to receive, on his death, an amount

belonging to him which is not less than such amount as the Board may specify.

(6B) No memorandum executed under subsection (6A) shall be revocable during the subsistence of the marriage between the members unless the Board is satisfied that either or both of the members are —

(a) physically or mentally incapacitated —

(i) from ever continuing in any employment;
or

(ii) in such other manner as the Minister may approve;

(b) of unsound mind;

(c) suffering from a medical condition leading to a severely impaired life expectancy; or

(d) suffering from a terminal illness or disease.”;

(f) by deleting the words “with the Board” in subsection (6C);

(g) by deleting paragraphs (a) and (b) of subsection (7A) and substituting the following paragraphs:

“(a) physically or mentally incapacitated —

(i) from ever continuing in any employment;
or

(ii) in such other manner as the Minister may approve;

(b) of unsound mind;

(ba) suffering from a medical condition leading to a severely impaired life expectancy.”;

(h) by inserting, immediately after subsection (7A), the following subsections:

“(7B) A member of the Fund who is entitled under subsection (7A)(a), (b) or (ba) to withdraw the minimum sum or any part thereof from his account with an approved bank or his retirement account or surrender his approved annuity from an insurer shall, at the time of the withdrawal or surrender, as the case may be, and in accordance with such directions as the Minister may give in any particular case —