

Central Provident Fund (Amendment) Bill

Table of Contents

Bill No: 14/2005

Read the first time: 16th May 2005

Long Title

Enacting Formula

1 Short title and commencement

2 Amendment of section 13

3 Amendment of section 40

4 Amendment of section 41

5 Amendment of section 42

6 Amendment of section 43

7 Amendment of section 44

8 Amendment of section 45

9 Repeal of section 46

10 Repeal and re-enactment of section 47 and new sections 48 and 48A

11 Repeal and re-enactment of section 49 and new sections 49A, 49B and 49C

12 Repeal and re-enactment of section 50

13 Amendment of section 51

14 Amendment of section 52

15 New sections 56A and 56B

16 Amendment of section 59

17 Amendment of section 66

Explanatory Statement

Expenditure of Public Money

Central Provident Fund (Amendment) Bill

Bill No. 14/2005

Read the first time on 16th May 2005.

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 2005 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 13

2. Section 13(1) of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended by deleting the words “but subject to section 16” in paragraph (b).

Amendment of section 40

3. Section 40 of the principal Act is amended by deleting the definition of “Dependants’ Protection Insurance Fund” and substituting the following definition:

“ “appointed insurer” means any person who is registered under the Insurance Act (Cap. 142) to carry on insurance business in Singapore and who is appointed by the Board to take over the whole or any part of the Board’s liabilities under the Scheme or to provide insurance cover to any person under the Scheme;”.

Amendment of section 41

4. Section 41 of the principal Act is amended by deleting the words “the Board will pay the insured sum in accordance with the Scheme” and substituting the words “the insured sum shall be paid in respect of that insured person in accordance with the provisions of this Part”.

Amendment of section 42

5. Section 42 of the principal Act is amended —

- (a) by deleting the words “with the Board” in subsection (2)(c) and substituting the words “under subsection (3)”;
- (b) by deleting the words “with the Board a written notice in such form as the Board may require” in subsection (3) and substituting the words “a written notice in the prescribed manner”;
- (c) by deleting the words “to the Board” in subsection (4) and substituting the words “in the prescribed manner”; and
- (d) by deleting subsection (5) and substituting the following subsection:

“(5) The Board or an appointed insurer, as the case may be, may approve any application under subsection (4) in the prescribed manner.”.

Amendment of section 43

6. Section 43 of the principal Act is amended by inserting, immediately after subsection (3), the following subsection:

“(4) This section shall apply only in relation to an insured person for whose insurance cover under the Scheme the Board remains liable to pay the insured sum by virtue of section 49A(2)(a).”.

Amendment of section 44

7. Section 44 of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) This section shall apply only in relation to an insured person for whose insurance cover under the Scheme the Board remains liable to pay the insured sum by virtue of section 49A(2)(a).”.

Amendment of section 45

8. Section 45 of the principal Act is amended —

- (a) by deleting the words “the Fund” in subsections (2) and (4) and substituting in each case the words “his ordinary and special accounts”; and
- (b) by deleting subsection (3) and substituting the following subsection:

“(3) Where, by virtue of section 49A, the insurance cover of an insured person under the Scheme is being provided by an appointed insurer, the Board shall pay the amount of the premium deducted under subsection (2) to that appointed insurer.”.

Repeal of section 46

9. Section 46 of the principal Act is repealed and the Dependents’ Protection Insurance Fund established under the section is dissolved.

Repeal and re-enactment of section 47 and new sections 48 and 48A

10. Section 47 of the principal Act is repealed and the following sections substituted therefor:

“Period of cover

47.—(1) Where the prescribed premium payable under the Scheme has been paid or deducted from an insured person’s contributions under section 45, that person shall be covered under the Scheme by an appointed insurer assigned by the Board from the date of such payment or deduction for a period of 12 months after the date of commencement of his insurance cover.

(2) Subject to the provisions of this Part, the insurance cover under the Scheme shall be renewed annually in accordance with the prescribed requirements.

Rights and benefits under Scheme not assignable or transferable

48. The rights and benefits of an insured person arising from his insurance cover under the Scheme shall not be assignable or transferable.

Insurance policy under Scheme not to create trust

48A.—(1) A policy of insurance issued under the Scheme shall not be deemed to create any legal or equitable trust.

(2) Section 73 of the Conveyancing and Law of Property Act (Cap. 61) shall not apply to any policy of insurance issued under the Scheme.”.

Repeal and re-enactment of section 49 and new sections 49A, 49B and 49C

11. Section 49 of the principal Act is repealed and the following sections substituted therefor:

“Amount payable on death or incapacity of insured person

49.—(1) Where an insured person dies at any time during the period he is insured under the Scheme, the insured sum shall, upon proof of death, be paid by the Board or an appointed insurer, as the case may be, in accordance with the prescribed requirements.

(2) Where there is a claim made under the Scheme by an insured person on the ground of incapacity at any time during the period he is insured under the Scheme, the insured sum shall, upon proof of incapacity, be paid to him by the Board or an appointed insurer, as the case may be, in accordance with the prescribed requirements.

Transfer of Board’s liabilities under Scheme

49A.—(1) The Minister may make regulations to transfer the whole or any part of the Board’s liabilities under the Scheme (including the insurance covers issued under the Scheme that give rise to such liabilities) to one or more appointed insurers.

(2) Without prejudice to the generality of subsection (1), regulations made under that subsection may —

- (a) prescribe the cases in which or the circumstances under which the Board shall continue to be liable to pay the insured sum in respect of insured persons whose insurance covers under the Scheme have been transferred to an appointed insurer;
- (b) provide for such consequential, saving and transitional provisions as are necessary to facilitate the transfer of the Board’s liabilities under