

Central Provident Fund (Amendment No. 2) Bill

Table of Contents

Bill No: 20/1987

Read the first time: 9th November 1987

Long Title

Enacting Formula

1 Short title and commencement

2 Amendment of section 24

3 Repeal and re-enactment of section 25

4 New sections 25A and 25B

5 Repeal and re-enactment of sections 27, 28 and 29

6 Amendment of section 30

7 Repeal of section 31

8 Amendment of section 33

Explanatory Statement

Expenditure of Public Money

Central Provident Fund (Amendment No. 2) Bill

Bill No. 20/1987

Read the first time on 9th November 1987.

An Act to amend the Central Provident Fund Act (Chapter 36 of the 1985 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 No. 2) Act 1987 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 24

2. Section 24 of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended —

(a) by inserting, immediately after the definition of “incapacitated”, the following definition:

“ “member of the Scheme” means a person who is insured under the Scheme;”; and

(b) by deleting the words “to whom the Scheme applies” in the definition of “premium” and substituting the words “of the Scheme”.

Repeal and re-enactment of section 25

3. Section 25 of the principal Act is repealed and the following section substituted therefor:

“Establishment of Home Protection Insurance Scheme

25.—(1) The Board is hereby authorised to establish and maintain a Home Protection Insurance Scheme for the purpose of providing that on the death or incapacity of a member of the Scheme at any time during the period in which the member is insured under the Scheme, his liability to repay his housing loan to a Housing Authority or an approved mortgagee secured by a mortgage of the immovable property to that Authority or approved mortgagee, as the case may be, shall be discharged by the Board in accordance with the Scheme.

(2) Subject to section 25A, the Scheme shall apply to every member who has withdrawn moneys standing to his credit in the Fund to repay any instalments of

housing loan taken by the member from a Housing Authority or approved mortgagee for the purchase of any immovable property from a Housing Authority.

(3) The Board may permit any person who has purchased from a Housing Authority an immovable property jointly with a member of the Fund to join the Scheme subject to such terms, conditions and restrictions as the Board may impose.

(4) The Board may, on application being made to it by a member, exempt him from the Scheme if the Board is satisfied that —

- (a) there is in force an appropriate policy of insurance and the amount payable under the policy is sufficient to discharge the outstanding loan owing to the Housing Authority or approved mortgagee in the event of the death or incapacity of that member; or
- (b) the amount of the loan owing to the Housing Authority or the approved mortgagee does not exceed \$3,000 or such other amount as may be fixed from time to time by the Minister and the loan will be repaid in two years or such other period as may be fixed by the Minister.

(5) The Scheme shall not apply to —

- (a) any member if he is 55 years of age or above at the time he is required to join the Scheme; and
- (b) any member or class of members whom the Minister may, by notification in the *Gazette*, specify.

(6) Any person who became a member of the Scheme prior to the commencement of the Central Provident Fund (Amendment No. 2) Act 1987 shall continue to be a member of the Scheme subject to the same terms, conditions and restrictions which were in force before that Act was enacted.”.

New sections 25A and 25B

4. The principal Act is amended by inserting, immediately after section 25, the following sections:

“Medical condition of member of Scheme

25A.—(1) No person shall be entitled to join the Scheme unless the Board is satisfied that he is in good health at the time he joins the Scheme.

(2) For the purposes of determining whether a person is fit to join the Scheme,

the Board may require that person to undergo such medical examination as the Board thinks fit.

(3) Any person who joins the Scheme shall disclose to the Board such facts or information concerning his health as the Board may require.

Premium

25B.—(1) Every member of the Scheme shall pay a premium of an amount prescribed by regulations made under this Part.

(2) Notwithstanding anything contained in this Act, the Board shall be entitled to deduct the amount of the premium payable by a member of the Scheme from the contributions standing to the credit of that member in the Fund and where any such deduction has been made by the Board, the Board shall as soon as practicable give to the member concerned notice in writing to that effect.

(3) Where the amount of the premium which a member is liable to pay under the Scheme exceeds the amount standing to his credit in the Fund, the deficiency may be paid in cash, or be recovered from the future contributions paid into the Fund for that member, and the deficiency shall be paid within such time as may be specified by the Board.

(4) Where the joint-owner of an immovable property is insured under the Scheme, the Board may permit the spouse of that joint-owner to use his contributions in the Fund to pay for the whole or part of the premium which the joint-owner is liable to pay under the Scheme.”.

Repeal and re-enactment of sections 27, 28 and 29

5. Sections 27, 28 and 29 of the principal Act are repealed and the following sections substituted therefor:

“Premium when due

27.—(1) Any premium required to be paid by a member of the Scheme shall become payable —

- (a) in any case where the loan document or the instrument of mortgage of the immovable property purchased by the member of the Scheme has been executed before the appointed day, two months after that day;
- (b) in any case where the loan document or the instrument of the mortgage of the immovable property purchased by the member of the Scheme has been executed on or after the appointed day, on the date