

Central Provident Fund (Amendment No. 2) Bill

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Bill No: 30/1986

Read the first time: 9th December 1986

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Expenditure of Public Money

Central Provident Fund (Amendment No. 2) Bill

Bill No. 30/1986

Read the first time on 9th December 1986.

An Act to amend the Central Provident Fund Act (Chapter 121 of the 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.—(1) This Act may be cited as the Central Provident Fund (Amendment No. 2) Act 1986 and shall, with the exception of section 5, come into operation on 1st January 1987.

(2) Section 5 shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2 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 “ “member of the Fund” or “member” ”, the following definition:

“ “minimum sum” means the sum referred to in section 12(6);”;
and

(b) by inserting, immediately after the definition of “ordinary account”, the following definition:

“ “retirement account” means the account referred to in section 12(6);”.

Amendment of section 11A

3. Section 11A of the principal Act is amended by inserting, immediately after the words “section 12(2) to (5)” in subsection (1)(a), the words “and section 12C”.

Amendment of section 12

4. Section 12 of the principal Act is amended —

(a) by deleting the words “A member” in the first line of subsection (2) and

substituting the words “Subject to this section, a member”;

- (b) by inserting, immediately after the word “employment” in subsection (2)(d), the words “at any time before he attains the age of 55 years”;
- (c) by inserting, immediately after the words “unsound mind” in subsection (2)(e), the words “at any time before he attains the age of 55 years”;
- (d) by deleting the words “A member” in the first line of subsection (3) and substituting the words “Subject to subsection (6), a member”;
- (e) by inserting, immediately after the words “subsection (3)” in the first line of subsection (4), the words “but subject to subsection (6)”;
- (f) by inserting, immediately after subsection (5), the following subsections:

“(6) Subject to subsection (8), a member of the Fund who is entitled to withdraw the sum standing to his credit in the Fund under subsection (2)(a) shall at the time of such withdrawal —

- (a) deposit a prescribed sum (referred to in this Act as the minimum sum) with an approved bank or in a retirement account with the Board; or
- (b) purchase an approved annuity from an insurer with such minimum sum.

(7) A member who attains the age of 60 years shall be entitled to withdraw from the minimum sum deposited with an approved bank or in a retirement account and any interest accruing thereon in accordance with regulations made under this Act.

(8) A member need not deposit the minimum sum with an approved bank or in a retirement account or use the minimum sum to purchase an approved annuity from an insurer if the Board is satisfied that —

- (a) the member is suffering from a terminal illness or disease;
- (b) the member on his retirement will receive a pension, annuity or other benefit as may be approved which will provide him with a monthly income of not less in value than the amount prescribed by the Minister; or
- (c) the member has attained the age of 55 years before 1st January 1987.

(9) Where a member or his spouse or both of them jointly own any immovable property of a value equal to or exceeding the minimum sum, the Board may permit the member to withdraw the minimum sum from his account with an approved bank or his retirement account or to surrender his approved annuity, if the member or his spouse or both of them, as the case may be, agree to the creation of a charge on the immovable property owned by him or his spouse or by them jointly, to secure the payment to the Board of the minimum sum for any of the purposes mentioned in subsection (6).

(10) Where a member or his spouse or both of them jointly own any immovable property sold by a Housing Authority or by a lessee of a Housing Authority, the Board may permit the member to withdraw the minimum sum or part thereof from his account with an approved bank or his retirement account or to surrender his approved annuity, if the member or his spouse or both of them, as the case may be, give an undertaking to refund to the Board an amount equal to the minimum sum or part thereof which he is required to set aside for the purposes of subsection (6) in the event the property is sold or otherwise disposed of.

(11) Where a member has withdrawn any money from the Fund for the purchase of an immovable property from a Housing Authority or from a lessee of a Housing Authority pursuant to regulations made under section 45 and the sum standing to the credit of the member in the Fund at the time he attains the age of 55 years is less than the minimum sum, the member shall, in the event the property is sold or otherwise disposed of, refund to the Board from the proceeds of sale or other disposition, an amount sufficient to cover the deficiency in the minimum sum.

(12) No moneys deposited in an account with an approved bank or in a retirement account under subsection (6) and no withdrawals made by a member from the said account with an approved bank or from a retirement account and no payments received by a member from an approved annuity purchased with the minimum sum shall be liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatsoever, and the same shall not pass to the Official Assignee on the bankruptcy of such member, and if the member is adjudicated a bankrupt or is declared insolvent by a court the same shall be deemed not to form part of his after-acquired