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CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND (MINIMUM SUM SCHEME) (AMENDMENT) REGULATIONS 2015

In exercise of the powers conferred by section 77(1) of the Central Provident Fund Act, the Minister for Manpower, after consulting with the Central Provident Fund Board, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Central Provident Fund (Minimum Sum Scheme) (Amendment) Regulations 2015 and shall come into operation on 31 January 2015.

Amendment of regulation 6

2. Regulation 6 of the Central Provident Fund (Minimum Sum Scheme) Regulations (Rg 16) is amended by deleting paragraph (3) and substituting the following paragraphs:

“(3) For the purposes of paragraph (2), the required retention amount shall be calculated in accordance with the following formula:

$$\frac{M(I - P)}{I} + T + B,$$

where I is the amount specified in regulation 14(1);
M is the minimum sum applicable to the member;
P is the monthly income that the pension, annuity or other benefit provides or will provide to the member;

T is an amount equivalent to the amount transferred to or paid into the member's retirement account under section 18(1) or 18A(1) of the Act or the member's special account under section 18(3) of the Act, less any amount that the member had transferred to or paid into the member's retirement account under the Voluntary Contributions to Retirement Account Scheme; and

B is the sum of —

- (a) the interest, on T, which has accrued (whether paid or not) from the date of the transfer or payment referred to in T to 31 December of the year before the year in which the computation of interest is made (both dates inclusive);
- (b) the interest on the amount calculated according to the formula $\frac{M(I-P)}{I}$, which would have accrued from the member's 55th birthday to 31 December of the year before the year in which the computation of interest is made (both dates inclusive), as if such amount was set aside on the member's 55th birthday; and
- (c) the interest on the amount standing to the member's credit in the member's retirement account which has accrued (whether paid or not) during the year, but before the month, in which the computation of interest is made.

(3A) In paragraph (3), “Voluntary Contributions to Retirement Account Scheme” means a scheme administered by the Board that —