

Central Provident Fund (New Minimum Sum Scheme) Regulations 2004

Table of Contents

Enacting Formula

Part I PRELIMINARY

1 Citation and commencement

2 Application

3 Definitions

Part II MAINTENANCE OF MINIMUM SUM

4 Minimum sum required of individual

5 Withdrawal at age of 55 years and maintenance of minimum sum by individual

6 Exemption from depositing of minimum sum

7 Maintenance of one and a half times the minimum sum by married couple

8 Topping-up of shortfall in minimum sum during subsequent withdrawals

9 Payment from minimum sum in retirement account or in approved bank at age of 60 or 62 years and thereafter

10 Payment from minimum sum where member has pension, annuity or other benefit or approved annuity

11 Computation of balance in minimum sum

Part III GENERAL PROVISIONS

12 Assessing value of immovable property

13 Restriction on mortgage of property

14 Approved bank or approved annuity

15 Use of minimum sum

16 Depositing minimum sum with approved bank

17 Purchase of approved annuity with minimum sum

18 Termination of account with approved bank or surrender of approved annuity

19 Death of member

20 Notional date of birth

21 Procedure for withdrawal of minimum sum

22 Breach of Regulations

FIRST SCHEDULE Minimum Sum Applicable

SECOND SCHEDULE

THIRD SCHEDULE

No. S 386

CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND (NEW MINIMUM SUM SCHEME) REGULATIONS 2004

In exercise of the powers conferred by section 77(1)(o) of the Central Provident Fund Act, Dr Ng Eng Hen, Minister of State, Ministry of Education, charged with the responsibility of the Minister for Manpower, after consulting with the Central Provident Fund Board, hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Central Provident Fund (New Minimum Sum Scheme) Regulations 2004 and shall come into operation on 1st July 2004.

Application

2. Unless otherwise provided, these Regulations shall apply to all members of the Fund who have attained or will attain the age of 55 years on or after 1st July 2004.

Definitions

3. In these Regulations, unless the context otherwise requires —

“applicable age”, in relation to a member, means —

(a) in the case of a member who is exempted under regulation 3(e), (o) to (s), (w), (x) or (z) of the Retirement Age (Exemption) Notification (Cap. 274A, N 1), the age of 60 years; or

(b) in any other case, the age of 62 years;

“approved annuity” means an annuity for life, purchased from an insurer, which is approved by the Board;

“approved bank” means any bank approved by the Board;

“bank” has the same meaning as in the Banking Act (Cap. 19);

“basic monthly income” means the monthly amount payable to a member under regulation 9(1), (2) or (3), as the case may be, from the amount he has set aside as minimum sum;

“insurer” means any person registered under the Insurance Act (Cap. 142) to carry

on insurance business in Singapore.

PART II

MAINTENANCE OF MINIMUM SUM

Minimum sum required of individual

4. The minimum sum applicable to a member —

- (a) shall be the appropriate amount set out in the second column of the First Schedule; and
- (b) shall comprise —
 - (i) an amount in cash; and
 - (ii) an amount covered by a charge on or a pledge of an immovable property made under section 15(9), (9A), (10) or (10A), 21, 21A or 21B of the Act, which shall not exceed 50% of the minimum sum applicable to the member.

Withdrawal at age of 55 years and maintenance of minimum sum by individual

5.—(1) A member shall, on attaining the age of 55 years, where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is more than 2 times the minimum sum applicable to him, transfer an amount that is equivalent to the minimum sum from the moneys standing to his credit in the Fund (excluding the amount in the medisave account) to his retirement account as maintenance of the minimum sum.

(2) Where the amount of moneys standing to the credit of a member in the Fund (excluding the amount to be retained in the medisave account) at that time is 2 times the minimum sum applicable to him or less, the member shall transfer any amount in excess of that which he may withdraw under paragraph (3) to his retirement account as maintenance of the minimum sum.

(3) The amount which a member, falling within paragraph (2), may withdraw from the moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) is —

- (a) where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is more than \$10,000 but less than or equal to 2 times the minimum sum applicable

to him, half the amount of moneys standing to his credit in the Fund;

- (b) where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is more than \$5,000 but less than or equal to \$10,000, an amount of \$5,000; or
- (c) where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is \$5,000 or less, the whole amount standing to his credit in the Fund.

(4) Notwithstanding this regulation, a member may transfer the whole or part of the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) to his retirement account to meet any shortfall in the minimum sum but such transfer shall be subject to the terms and conditions imposed by the Board.

Exemption from depositing of minimum sum

6.—(1) Where a member is at any period of time in receipt of any pension, annuity or other benefit which provides him with a monthly income for life —

- (a) if the monthly income from the pension, annuity or other benefit at that time is equal to or more than the amount set out in the second column of the Third Schedule, the member shall be exempted for that period of time from depositing a minimum sum under section 15(8) of the Act; and
- (b) if the monthly income from the pension, annuity or other benefit at that time is less than the amount set out in the second column of the Third Schedule, the member shall be required to retain an amount of moneys as the minimum sum that is not less than the required retention amount.

(2) The exemption given to such a member shall cease to apply if the member is no longer in receipt of the pension, annuity or other benefit.

Maintenance of one and a half times the minimum sum by married couple

7.—(1) Where —

- (a) the spouse (referred to in this regulation as the spouse) of a member (referred to in this regulation as the member) has already maintained an amount as the minimum sum and is not exempted from maintaining a minimum sum under section 15(8) of the Act;
- (b) both the member and the spouse desire to maintain jointly one and a half