

Central Provident Fund (Amendment) Bill

Bill No. 11/2009.

Read the first time on 25th May 2009.

A BILL

i n t i t u l e d

An Act to amend the Central Provident Fund Act (Chapter 36 of the 2001 Revised Edition), to make consequential amendments to the Mental Health (Care and Treatment) Act 2008 (Act 21 of 2008) and to make related amendments to the Mental Capacity Act 2008 (Act 22 of 2008).

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 2009 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 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 “Fund” in subsection (1), the following definitions:

10 ““HDB flat” means any flat, house or other building sold under Part IV or IVB of the Housing and Development Act (Cap. 129) which has been acquired by the present owner thereof whether directly from the Housing and Development Board or otherwise;

15 “Housing and Development Board” means the Housing and Development Board constituted under the Housing and Development Act;”;

(b) by deleting the definition of ““member of the Fund” or “member”” in subsection (1) and substituting the following definition:

20

25 ““member of the Fund” or “member” means any person to whose credit any amount is standing in the Fund, or for whom any account in the Fund is maintained for any of the purposes of this Act, and includes a person who contributes to the Fund voluntarily in accordance with section 13B;”;

(c) by inserting, immediately after the words “and 18(1)(c)” in paragraph (a) of the definition of “retirement account” in subsection (1), the words “and Part IIIB”;

30 (d) by inserting, immediately after subsection (1), the following subsection:

35 “(1A) In this Act, unless the context otherwise requires, a person shall be deemed to attain, or to have attained, “N” years of age, or the age of “N” years, on the “Nth” anniversary of the day of his birth, where —

- (a) “N” is a specified positive integer; and
 - (b) “Nth” is the ordinal corresponding to that integer.”;
- and

(e) by inserting, immediately after subsection (2), the following subsections:

“*(3)* Where a person referred to in subsection *(4)(a)* lacks capacity within the meaning of section 4 of the Mental Capacity Act 2008 (Act 22 of 2008) —

(a) any thing which the person might have done, or which would have applied to him, under any provision referred to in subsection *(4)(b)*, if he had such capacity, and any thing which would have applied to him in any event under any provision referred to in subsection *(4)(b)*, may likewise be done by, or will likewise apply to, a deputy appointed or deemed to be appointed for the person by the High Court under the Mental Capacity Act 2008 with power in relation to the person for the purposes of this Act; and

(b) any thing which the person might have done, or which would have applied to him, under any provision referred to in subsection *(4)(c)*, if he had such capacity, and any thing which would have applied to him in any event under any provision referred to in subsection *(4)(c)*, may likewise be done by, or will likewise apply to, a donee under a lasting power of attorney registered under the Mental Capacity Act 2008 with power in relation to the person for the purposes of this Act.

(4) The Minister may, by regulations made under all or any of sections 23, 27Q, 39, 49A, 51, 56A, 57, 57F, 75(1) and 77(1), prescribe —

- (a)* the persons to whom subsection *(3)* applies;
- (b)* the provisions in this Act to which subsection *(3)(a)* applies;
- (c)* the provisions in this Act to which subsection *(3)(b)* applies; and

(d) how any provision referred to in paragraph (b) or (c) will be modified in its application to either or both of the following:

- 5 (i) a deputy appointed or deemed to be appointed for any person referred to in paragraph (a) by the High Court under the Mental Capacity Act 2008 with power in relation to that person for the purposes of this Act;
- 10 (ii) a donee under a lasting power of attorney registered under the Mental Capacity Act 2008 with power in relation to any person referred to in paragraph (a) for the purposes of this Act.”.

Amendment of section 6

15 **3.** Section 6(4B) of the principal Act is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) at such intervals, and on the whole or such part of the following amounts at such time, as the Board may determine:

- 20 (i) the amount standing to the credit of the member in the Fund; and
- (ii) the aggregate of —
- (A) the amount of any premium paid by the member under section 27L; and
- 25 (B) the interest that would have been payable thereon, if that amount had been standing to the credit of the member in his retirement account; and”.

Amendment of section 13A

30 **4.** Section 13A of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) Any power to register, license or maintain the particulars of any person, or to grant an application for, or to renew or reinstate, any registration, licence, certificate or permit, under any Act specified in the Third Schedule shall include a power to impose conditions

relating to the payment of contributions into the Fund, pursuant to any regulations made under section 77(1)(e), such contributions to be credited —

- 5 (a) to the medisave account of the person, applicant, registrant, licensee or holder of the certificate or permit, as the case may be; or
- (b) as otherwise provided under section 13(4).”.

Amendment of section 15

5. Section 15 of the principal Act is amended —

- 10 (a) by deleting subsection (1A) and substituting the following subsections:
- “(1A) Subject to subsection (1B), sections 14, 14A, 15A and 25(2) and (3) and any regulations and rules made under section 77, the authority under subsection (1) shall not be given except
- 15 on the application of a person entitled to withdraw the money from the Fund.
- (1B) The authority under subsection (1) may be given for a withdrawal from the Fund by a relevant member under subsection (7), or for the payment by a relevant member of the
- 20 premium referred to in section 27L(1) from any amount deposited in his retirement account under subsection (6C)(a), without any application being made by the relevant member under subsection (1A).”;
- (b) by deleting the words “, or a committee of his person or of his
- 25 estate appointed under the provisions of the Mental Disorders and Treatment Act (Cap. 178),” in subsection (2);
- (c) by deleting the word “After” in subsection (5) and substituting the words “Subject to section 25(3), after”;
- (d) by inserting, immediately after the word “marriage,” in
- 30 subsection (6A), the words “and neither member is a relevant member,”;
- (e) by deleting subsection (6C) and substituting the following subsection:

“(6C) The minimum sum set aside or topped-up by a member shall be utilised as follows:

5 (a) such amount (if any) as the Board may determine shall be deposited in the member’s retirement account for the payment of the premium referred to in section 27L(1); and

(b) any remaining amount may be —
 (i) deposited with an approved bank or in the member’s retirement account; or
 10 (ii) used to purchase an approved annuity from an insurer.”;

(f) by inserting, immediately after subsection (6C), the following subsection:

15 “(6CA) For the purposes of subsections (6)(a) and (6C), where a member becomes entitled under subsection (2)(a) to withdraw the sum standing to his credit in the Fund, the Board shall, if required by any regulations made under section 77(1), transfer from that sum to his retirement account, towards the maintenance of the minimum sum, such amount as may be
 20 prescribed in those regulations.”;

(g) by deleting subsection (7) and substituting the following subsection:

25 “(7) Where a member has deposited the amount referred to in subsection (6C)(b) with an approved bank or in his retirement account, the member shall, on attaining the prescribed age, be entitled to withdraw from that amount and any interest accruing thereon in accordance with any regulations made under section 77(1).”;

30 (h) by deleting the words “the minimum sum” in subsections (7A), (7B), (9)(a), (9A)(a), (10)(a) and (10A)(a) and substituting in each case the words “the amount referred to in subsection (6C)(b)”;

(i) by deleting the words “deposit the minimum sum with an approved bank or in his retirement account, or use the minimum
 35 sum to purchase an approved annuity from an insurer,” in

subsection (8) and substituting the words “comply with subsection (6)(a)”;

(j) by deleting the words “deposit the minimum sum with an approved bank or in his retirement account or use the minimum sum to purchase an approved annuity from an insurer” in subsection (8A) and substituting the words “comply with subsection (6)(a)”;

(k) by inserting, immediately after subsection (8B), the following subsection:

“(8C) Notwithstanding subsections (2A), (6), (7B) and (8A) and section 27, where any amount which a relevant member is entitled to withdraw from his retirement account under subsection (7), or which is due to a relevant member under section 27K(6), has been transferred or paid by the Board into his ordinary account, the Board may, on his application, permit him to withdraw that amount.”;

(l) by deleting the words “subsection (6)” in subsections (9), (9A), (10) and (10A) and substituting in each case the words “subsection (6C)”;

(m) by inserting, immediately after subsection (10B), the following subsection:

“(10C) The Board shall not enforce an undertaking given by a member under subsection (10), or by a member and one or more other persons under subsection (10) or (10A), if —

(a) the immovable property concerned is an HDB flat; and

(b) the disposal of the immovable property consists only of a reduction of the term of the lease in the HDB flat pursuant to an agreement entered into by the member, or by the member and the other person or persons, with the Housing and Development Board under the Lease Buyback Scheme.”;

(n) by inserting, immediately after the words “subsection (7)” in subsection (15)(e)(iv), the words “, the payment by him of the premium referred to in section 27L(1), or both”;

(o) by inserting, immediately after the definition of “Housing Authority” in subsection (16), the following definition:

5 ““Lease Buyback Scheme” means a scheme by that name administered by the Housing and Development Board, under which a lessee of an HDB flat who has been approved by the Housing and Development Board to take part in the scheme enters into an agreement with the Housing and Development Board to reduce the term of the lease, in consideration of a sum of money part of which is to be used for the payment of the premium for an annuity plan under the Lifelong Income Scheme established and maintained by the Board under section 27K;” and

15 (p) by deleting the full-stop at the end of the definition of “related person” in subsection (16) and substituting a semi-colon, and by inserting immediately thereafter the following definition:

““relevant member” has the same meaning as in section 27J.”.

Amendment of section 16

20 **6.** Section 16(1) of the principal Act is amended by deleting the words “, or a committee of his person or of his estate appointed under the Mental Disorders and Treatment Act (Cap. 178),”.

Amendment of section 18

25 **7.** Section 18 of the principal Act is amended by inserting, immediately before the words “spouse or sibling” wherever they appear in subsections (3)(a) and (4), the words “parent, grandparent,”.

Amendment of section 19A

8. Section 19A of the principal Act is amended —

30 (a) by inserting, immediately before the words “spouse’s or sibling’s” in subsection (1) and the section heading, the words “parent’s, grandparent’s,”; and

(b) by inserting, immediately before the words “spouse or sibling” in subsections (1)(a) and (b), (2)(a) and (b), (3) and (4), the words “parent, grandparent,”.

Amendment of section 20

9. Section 20(1) of the principal Act is amended by deleting the word “Upon” and substituting the words “Subject to section 25(3), upon”.

Amendment of section 24

5 **10.** Section 24 of the principal Act is amended —

(a) by inserting, immediately after “16A” in subsection (3A),
“, 27N”;

(b) by deleting the words “section 57F” in subsections (3A) and (4)
and substituting in each case the words “section 27Q or 57F”;
10 and

(c) by deleting the words “section 57C” in subsection (4) and
substituting the words “sections 27N and 57C”.

Amendment of section 25

11. Section 25 of the principal Act is amended —

15 (a) by deleting the word “If” in subsection (3) and substituting the
words “Notwithstanding sections 15(5) and 20(1), if”;

(b) by inserting, immediately after subsection (4), the following
subsections:

20 “(4A) If a person nominated by a member in accordance with
subsection (1) has died at the time of payment of the amount
payable out of the Fund on the death of the member, and the
nominated person’s portion of the amount payable does not
exceed such amount as the Minister may, by notification in the
Gazette, specify —

25 (a) the Board may pay to a proper claimant the whole or
any part, as the Board may determine, of the
nominated person’s portion of the amount payable;
and

30 (b) the receipt of the proper claimant shall be a discharge
to the Board for the amount paid to the proper
claimant under paragraph (a).

(4B) Subsection (4A) shall not affect any recourse which any person may have against a proper claimant for an amount paid to the proper claimant under subsection (4A)(a).”; and

(c) by inserting, immediately after subsection (5), the following subsections:

“(6) Notwithstanding subsection (5), where a nomination made by a member under subsection (1) is revoked by his marriage, and the Board, in ignorance of the marriage, purports to pay any amount payable out of the Fund on the death of the member in accordance with the revoked nomination and this section —

(a) the Board shall nevertheless be discharged from all liability in respect of the payment; but

(b) this subsection shall not affect any recourse which any person may have against the recipient of the payment.

(7) In this section —

“child” means a legitimate child and includes any child adopted by virtue of an order of court under any written law for the time being in force in Singapore, Malaysia or Brunei Darussalam;

“parent” includes an adoptive parent;

“proper claimant” means a person who —

(a) claims to be entitled to a deceased nominated person’s portion of the amount payable out of the Fund on the death of a member as executor of the deceased nominated person; or

(b) claims to be entitled to a deceased nominated person’s portion of the amount payable out of the Fund on the death of a member (whether for his own benefit or not), and is the widower, widow, child, grandchild, parent, brother, sister, nephew, niece, grandparent, uncle or aunt of the deceased nominated person.”.

Amendment of section 27B

12. Section 27B of the principal Act is amended by inserting, immediately before “32,” in subsections (6)(b)(ii) and (7)(b)(ii), “27L.”

Amendment of section 27D

5 13. Section 27D of the principal Act is amended —

(a) by deleting the word “and” at the end of subsection (1)(v);

(b) by inserting, immediately after the words “section 15(7)” in subsection (1)(vi)(D), the words “, the payment by the spouse of the premium referred to in section 27L(1), or both”;

10 (c) by deleting the full-stop at the end of paragraph (vi) of subsection (1) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:

“(vii) the Board shall not enforce an undertaking given under paragraph (v), if —

15 (A) the immovable property concerned is an HDB flat; and

(B) the disposal of the immovable property consists only of a reduction of the term of the lease in the HDB flat pursuant to an agreement entered into by the spouse, or by the spouse and any other person or persons, with the Housing and Development Board under the Lease Buyback Scheme.”; and

20 (d) by inserting, immediately after subsection (2), the following subsection:

“(3) In this section, “Lease Buyback Scheme” has the same meaning as in section 15(16).”.

New Part IIIB

30 14. The principal Act is amended by inserting, immediately after section 27I, the following Part:

“PART IIIB

LIFELONG INCOME SCHEME

Interpretation of this Part

27J. In this Part —

5 “annuity plan” means an annuity plan under the Scheme, pursuant to which the Board will pay a relevant member his monthly income under section 27K(6);

“Lifelong Income Fund” means the Lifelong Income Fund established and maintained by the Board under section 27N;

10 “premium” means a premium under section 27L(1) for an annuity plan;

“relevant age” means the age at which a relevant member becomes entitled to receive a monthly income under section 27K(6);

15 “relevant member” means a member of the Fund to whom the Scheme applies;

“relevant regulations” means any regulations made under section 27Q;

20 “Scheme” means the Lifelong Income Scheme established and maintained by the Board under section 27K.

Establishment of Lifelong Income Scheme

25 **27K.**—(1) The Board is hereby authorised to establish and maintain a Lifelong Income Scheme for the purpose of providing, to every relevant member who has attained the relevant age applicable to him, a monthly income for the remainder of his life.

(2) Subject to subsections (3), (4) and (5) and the relevant regulations, the Scheme shall apply to every member who —

- (a) is a citizen or permanent resident of Singapore;
- (b) attains, on or after 1st January 2013, such age as may be prescribed in the relevant regulations;
- 30 (c) is required to comply with section 15(6)(a); and

(d) on attaining the age referred to in paragraph (b), has set aside or topped-up, for the purposes of the minimum sum, not less than such amount as may be prescribed in the relevant regulations.

5 (3) The Board may, on the application of a member who satisfies the requirement under subsection (2)(a) but does not satisfy one or more of the requirements under subsection (2)(b), (c) and (d), permit him to join the Scheme —

10 (a) on or after the date he attains the age referred to in subsection (2)(b); and

(b) subject to such terms and conditions as the Board may impose.

15 (4) The Scheme shall not apply to any member whom, or any class of members which, the Minister may prescribe under the relevant regulations.

(5) The Scheme shall not apply, or shall cease to apply, to a member if —

(a) the Board, on the application of the member, so approves; and

20 (b) the member complies with such terms and conditions for the Board's approval as the Board may impose.

25 (6) Subject to subsection (7), sections 27N and 27P and the relevant regulations, where a relevant member has paid a premium and an annuity plan has been issued to him, then for so long as he is alive, the Board shall pay to him, after he has attained the relevant age applicable to him, such monthly income as the Minister may determine.

30 (7) The Board shall not be required to pay a relevant member an amount due to him under subsection (6) if, at the time the amount is due, he fails to satisfy the Board, in accordance with the relevant regulations, that he is alive.

(8) Subject to sections 27N and 27P, no monthly income paid to a relevant member under subsection (6) shall —

35 (a) be liable to be attached, sequestered or levied upon for or in respect of any debt or claim;

- (b) be subject to any set-off of any nature for any debt owing by the relevant member; or
- (c) pass to the Official Assignee on the bankruptcy of the relevant member.

5 **Premium**

27L.—(1) Every relevant member shall pay a premium of such amount as the Minister may determine, and the Minister may determine different premiums for different classes of relevant members.

10 (2) Notwithstanding anything in this Act, the Board shall be entitled to deduct the whole or any part of the premium payable by a relevant member from the amount standing to his credit in his retirement account.

15 (3) Where any deduction has been made by the Board under subsection (2), the Board shall as soon as practicable give to the relevant member a notice in writing to that effect.

(4) The Board may permit a relevant member to pay the whole or any part of the premium in such other manner and within such time as the Board may determine.

20 (5) Subject to subsection (7) and sections 27N and 27P, where the Board is liable to refund the whole or any part of the premium paid by a relevant member, the Board may pay the amount to be refunded —

- (a) into his account in the Fund; or
- 25 (b) in such other manner as the Board may determine.

(6) Subject to subsection (7) and sections 27N and 27P, no amount refunded under subsection (5)(a) shall —

- (a) be liable to be attached, sequestered or levied upon for or in respect of any debt or claim;
- 30 (b) be subject to any set-off of any nature for any debt owing by the relevant member; or
- (c) pass to the Official Assignee on the bankruptcy of the relevant member.

(7) The Board shall be entitled to recover on behalf of the Government any cash grant made by the Government to a relevant member for the payment of the premium, together with any interest which he is liable to pay the Government under the terms of the cash grant, from any amount which the Board is liable to refund under subsection (5).

(8) Where a relevant member who has paid in cash any sum towards the premium dies before an annuity plan has been issued to him, and the sum does not exceed such amount as the Minister may, by notification in the *Gazette*, specify —

(a) the Board may pay to a proper claimant the whole or any part, as the Board may determine, of the sum; and

(b) the receipt of the proper claimant shall be a discharge to the Board for the payment to the proper claimant under paragraph (a).

(9) Subsection (8) shall not affect any recourse which any person may have against a proper claimant for an amount paid to the proper claimant under subsection (8)(a).

(10) In this section —

“child” means a legitimate child and includes any child adopted by virtue of an order of court under any written law for the time being in force in Singapore, Malaysia or Brunei Darussalam;

“parent” includes an adoptive parent;

“proper claimant” means a person who —

(a) claims to be entitled to a sum referred to in subsection (8) on the death of a relevant member as executor of the deceased relevant member; or

(b) claims to be entitled to a sum referred to in subsection (8) on the death of a relevant member (whether for his own benefit or not), and is the widower, widow, child, grandchild, parent, brother, sister, nephew, niece, grandparent, uncle or aunt of the deceased relevant member.

Minister may delegate functions and powers under sections 27K(6) and 27L(1)

5 **27M.** The Minister may in writing delegate to the Board, or to any person or group of persons appointed by the Minister, all or any of his functions and powers under sections 27K(6) and 27L(1).

Establishment of Lifelong Income Fund

10 **27N.—**(1) The Board shall establish and maintain a fund to be known as the Lifelong Income Fund, into which shall be paid all premiums collected under section 27L, and out of which shall be met all payments to be made by the Board under this Part (including any costs and expenses incurred by the Board in establishing and maintaining the Scheme).

(2) The Lifelong Income Fund shall be controlled and administered by the Board.

15 (3) The moneys in the Lifelong Income Fund may be invested by the Board in accordance with the standard investment power of statutory bodies as defined in section 33A of the Interpretation Act (Cap. 1).

20 (4) Where a member is not entitled to any amount paid to him, or into his account in the Fund, under or purportedly under section 27K(6) or 27L(5), the Board may recover that amount —

(a) from any money standing to his credit in the Fund; or

(b) on his death, notwithstanding section 24(3A), from —

(i) his estate;

25 (ii) the moneys payable out of the Fund on his death; or

(iii) any person to whom any moneys referred to in subparagraph (ii) have been paid.

(5) Subsection (4) is without prejudice to any other right of action which the Board may have under any written law or rule of law.

30 (6) Any money recovered by the Board under subsection (4) shall be refunded to the Lifelong Income Fund.

(7) Notwithstanding anything in this Part or the relevant regulations, the Board shall not make any payment under this Part unless the Lifelong Income Fund is solvent.

Non-application of Insurance Act

27O. The Insurance Act (Cap. 142) shall not apply to the Scheme or to anything done by the Board under this Part.

Order of court for payment of moneys received by relevant member under Scheme

27P.—(1) Subject to section 27N and subsection (2), where, under an order of court, the spouse of a relevant member has been awarded any amount to be paid to the relevant member under section 27K(6) or 27L(5), the Board shall pay the amount to the spouse, such payment to take place —

- (a) after the relevant member has become entitled to the amount; and
- (b) upon an application by the spouse for the payment of the amount.

(2) Subject to section 27N, where the amount to be paid to the relevant member under section 27K(6) or 27L(5) is less than the amount awarded under the order of court, the Board shall pay the first-mentioned amount instead of the amount awarded under the order of court.

(3) A payment of money by the Board under subsection (1) or (2) —

- (a) shall be a good and valid discharge of the Board's obligations under the order of court; but
- (b) shall not affect any recourse which the spouse may have against the relevant member for the balance of the amount awarded under the order of court.

(4) Where an order of court requires the Board to do anything —

- (a) the Board shall not be liable to give effect to that requirement unless the order of court has been served on the Board in such manner as may be prescribed by the relevant regulations; and
- (b) the Board shall not be liable for any act or omission of the Board contrary to that requirement which was committed on or before the date of such service.

(5) Where an order of court requires the Board to do anything in contravention of this Act, the Board shall not be liable to give effect to that requirement.

(6) In this section, “order of court” and “spouse” have the same meanings as in section 27A.

Regulations for purposes of this Part

27Q.—(1) The Minister may make such regulations as are necessary or expedient for the purpose of carrying out the provisions of this Part.

(2) Without prejudice to the generality of subsection (1), such regulations may —

- (a) provide for different classes of relevant members;
- (b) provide for the manner of, and time for, payment of the premium by each class of relevant members;
- (c) provide for the manner by which a relevant member may designate his relevant age;
- (d) provide for the different types of annuity plans which a relevant member may apply for under the Scheme;
- (e) provide for the manner by which the Board will pay a relevant member his monthly income under section 27K(6) or any amount to be refunded to him;
- (f) provide for the manner by which a relevant member is to satisfy the Board that he is alive;
- (g) provide for the withdrawal of any amount paid into a relevant member’s account in the Fund under section 27L(5)(a);
- (h) without prejudice to section 27L(8), provide for the refund of the whole or any part of the premium on the death of a relevant member, and for the circumstances in which no such refund will be made;
- (i) empower the Board to impose terms and conditions for the purposes of the Scheme;

- (j) prescribe the evidence to be produced, and the person, officer or authority to whom that evidence is to be produced, for the purposes of this Part;
- 5 (k) provide for the information, evidence and documents that the Board may require a relevant member to furnish for the purposes of this Part;
- (l) provide for the manner in which, and the processes (apart from those referred to in section 27N) by which, any amount received by a member (being an amount to which he is not entitled), or any part thereof, is to be recovered, including recovery from —
- 10 (i) any money standing to his credit in the Fund; or
(ii) any monthly income under section 27K(6) which he may be entitled to receive subsequently;
- 15 (m) provide for the purposes of section 27P and, in particular, prescribe the procedure and requirements for and manner of effecting, and any other matter relating to, the payment of money under that section; and
- (n) prescribe anything which under this Part may be prescribed by the Minister.”.
- 20

Amendment of section 76

15. Section 76 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

25 “(1) The Board may, if the Minister is satisfied that it is in the public interest for the Board to do so, engage in either or both of the following:

- (a) activities that are not related to, or that are not directly related to, the Fund or the administration of the Fund;
- 30 (b) the compilation of information of a statistical nature or otherwise relating to members, employers and employees.”.

Amendment of section 77

16. Section 77(2) of the principal Act is amended by inserting, immediately after paragraph (e), the following paragraph:

“(ea) to provide for the exercise of the court’s powers under section 20 of the Mental Capacity Act 2008 (Act 22 of 2008) in relation to —

- 5 (i) the executing under section 15(6A) or 25(1), on a member’s behalf, of any memorandum under section 25(1); and
- 10 (ii) where any such memorandum has been executed, or any nomination has been made under section 25(1), by a member or by the court on behalf of a member, the revoking, on the member’s behalf, of that memorandum or nomination, as the case may be;”.

Miscellaneous amendments

17. The principal Act is amended —

- 15 (a) by deleting sub-paragraph (i) of section 21(1)(ca) and substituting the following sub-paragraph:
 - “(i) to the Housing and Development Board in respect of upgrading works carried out under Part IVA of the Housing and Development Act (Cap. 129); or”;
- (b) by deleting subsection (14) of section 21B;
- 20 (c) by deleting subsection (7) of section 24;
- (d) by deleting the definition of “HDB flat” in section 27A;
- (e) by deleting the words “constituted under section 3 of the Housing and Development Act (Cap. 129)” in paragraph (a) of the definition of “Housing Authority” in section 28(1); and
- 25 (f) by deleting sub-paragraph (i) of section 77(1)(r) and substituting the following sub-paragraph:
 - 30 “(i) improvement contributions due to the Housing and Development Board in respect of upgrading works carried out under Part IVA of the Housing and Development Act (Cap. 129); or”.

Consequential amendments to Mental Health (Care and Treatment) Act 2008

18. The Second Schedule to the Mental Health (Care and Treatment) Act 2008 (Act 21 of 2008) is amended —

- 5 (a) by deleting paragraph (i) of item 1(8)(a); and
 (b) by deleting item 1(8)(b).

Related amendments to Mental Capacity Act 2008

19. The Mental Capacity Act 2008 (Act 22 of 2008) is amended —

- 10 (a) by inserting, immediately after subsection (9) of section 13, the following subsection:

 “(9A) Notwithstanding anything in the lasting power of attorney, a donee authorised to make decisions about P’s property and affairs may not —

- 15 (a) execute under section 15(6A) or 25(1) of the Central Provident Fund Act (Cap. 36), on P’s behalf, any memorandum under section 25(1) of that Act; or
 (b) where any such memorandum has been executed, or any nomination has been made under section 25(1) of that Act, by P or by the court on P’s behalf, revoke, on P’s behalf, that memorandum or nomination, as the case may be.”;
- 20

- (b) by inserting, immediately after paragraph (i) of section 23(1), the following paragraphs:

- 25 “(ia) the executing under section 15(6A) or 25(1) of the Central Provident Fund Act (Cap. 36), on P’s behalf, of any memorandum under section 25(1) of that Act;
 (ib) where any such memorandum has been executed, or any nomination has been made under section 25(1) of that Act, by P or by the court on P’s behalf, the revoking, on P’s behalf, of that memorandum or nomination, as the case may be.”;
- 30

- (c) by deleting the word “or” at the end of section 25(3)(b);
 (d) by inserting, immediately after paragraph (b) of section 25(3), the following paragraphs:

“(ba) executing under section 15(6A) or 25(1) of the Central Provident Fund Act (Cap. 36), on P’s behalf, of any memorandum under section 25(1) of that Act;

5 (bb) where any such memorandum has been executed, or any nomination has been made under section 25(1) of that Act, by P or by the court on P’s behalf, revoking, on P’s behalf, of that memorandum or nomination, as the case may be; or”; and

(e) by deleting paragraph (l) of section 26.

EXPLANATORY STATEMENT

This Bill seeks to amend the Central Provident Fund Act (Cap. 36) for the following main purposes:

- (a) to provide for the establishment by the Central Provident Fund Board (the Board) of the Lifelong Income Scheme and for matters connected therewith;
- (b) to make changes related to the introduction of the Lease Buyback Scheme administered by the Housing and Development Board;
- (c) to enable a member whose parent or grandparent has not attained the age of 55 years to transfer moneys standing to the member’s credit in the Fund to the special account of the parent or grandparent;
- (d) to make changes consequential to the repeal of the Mental Disorders and Treatment Act (Cap. 178) by the Mental Health (Care and Treatment) Act 2008 (Act 21 of 2008);
- (e) to make changes related to the enactment of the Mental Capacity Act 2008 (Act 22 of 2008); and
- (f) to provide for certain matters relating to moneys payable out of the Fund on the death of a member.

The Bill also makes consequential amendments to the Mental Health (Care and Treatment) Act 2008 and related amendments to the Mental Capacity Act 2008.

Clause 1 relates to the short title and commencement.

Clause 2(a) amends section 2(1) to insert new definitions for “HDB flat” and “Housing and Development Board”, as these terms are now used in a number of different provisions in the Act, including the new sections 15(10C) and 27D(1)(vii) (to be inserted by clauses 5(m) and 13(c), respectively) and the new definition for “Lease Buyback Scheme” in section 15(16) (to be inserted by clause 5(o)).

Clause 2(b) amends section 2(1) to extend the definition of “member of the Fund” and “member” to include a person for whom any account in the Central Provident Fund (the Fund) is maintained for any of the purposes of the Act.

Clause 2(c) amends the definition of “retirement account” in section 2(1) to enable a retirement account to be maintained for the purposes of the new Part IIIB (to be inserted by clause 14).

Clause 2(d) amends section 2 by inserting a new subsection (1A) to restate, for the purposes of the Act, when a person is deemed to attain, or to have attained, “N” years of age, or the age of “N” years, where “N” is a specified positive integer.

Clause 2(e) amends section 2 by inserting new subsections (3) and (4) —

- (a) to provide for the matters in the Central Provident Fund Act which may be done by, or which will apply to, either or both of the following:
 - (i) a deputy appointed or deemed to be appointed for a person (being a person who lacks capacity within the meaning of section 4 of the Mental Capacity Act 2008 (Act 22 of 2008)) by the High Court under the Mental Capacity Act 2008 with power in relation to the person for the purposes of the Central Provident Fund Act;
 - (ii) a donee under a lasting power of attorney registered under the Mental Capacity Act with power in relation to a person (being a person who lacks capacity within the meaning of section 4 of the Mental Capacity Act 2008) for the purposes of the Central Provident Fund Act; and
- (b) to empower the Minister to make regulations for such matters under all or any of sections 23, 39, 49A, 51, 56A, 57, 57F, 75(1) and 77(1) and the new section 27Q (to be inserted by clause 14) of the Central Provident Fund Act.

Clause 3 amends section 6(4B) to empower the Board to pay to a member of the Fund, in addition to interest on the amount standing to the credit of the member in the Fund, interest on the aggregate of —

- (a) the amount of any premium paid by the member under section 27L; and
- (b) the interest that would have been payable thereon, if that amount had been standing to the credit of the member in his retirement account.

Clause 4 deletes and substitutes section 13A(1) to extend a power under any Act specified in the Third Schedule —

- (a) to register, license or maintain the particulars of any person; or
- (b) to grant an application for, or to renew or reinstate, any registration, licence, certificate or permit,

to include a power to impose conditions relating to the payment of contributions into the Fund.

Clause 5(a) amends section 15 by deleting and substituting subsection (1A) and inserting a new subsection (1B) —

- (a) to clarify that generally, the Board will not authorise a withdrawal from the Fund except on the application of a person entitled to make the withdrawal from the Fund; and
- (b) to empower the Board to authorise a withdrawal from the Fund by a relevant member (i.e. a member of the Fund to whom the Lifelong Income Scheme applies) under section 15(7), or the payment by a relevant member of the premium referred to in the new section 27L(1) (to be inserted by clause 14) from any amount deposited in his retirement account under the new section 15(6C)(a) (to be inserted by clause 5(e)), without any such application being made by the relevant member.

Clause 5(b) makes an amendment to section 15(2) that is consequential to the repeal of the Mental Disorders and Treatment Act (Cap. 178) by the Mental Health (Care and Treatment) Act 2008 (Act 21 of 2008).

Clause 5(c) amends section 15(5) to clarify that it is to be read subject to section 25(3).

Clause 5(d) amends section 15(6A) so that it ceases to apply to any 2 members of the Fund who are parties to a marriage when either member becomes a relevant member.

Clause 5(e) deletes and substitutes section 15(6C) to restate how the minimum sum set aside or topped-up by a member is to be utilised, following the establishment of the Lifelong Income Scheme.

Clause 5(f) amends section 15 by inserting a new subsection (6CA) to provide for the Board, if required by any regulations made under section 77(1), to transfer from the sum standing to the credit of a member in the Fund to his retirement account, towards maintenance of the minimum sum, such amount as may be prescribed in those regulations, where the member becomes entitled under section 15(2)(a) to withdraw that sum.

Clause 5(g), (h), (i), (j) and (l) makes changes to section 15(7), (7A), (7B), (8), (8A), (9), (9A), (10) and (10A) that are consequential to the deletion and substitution of section 15(6C) (by clause 5(e)).

Clause 5(k) amends section 15 by inserting a new subsection (8C) to provide that where an amount which a relevant member is entitled to withdraw from his retirement account under section 15(7), or which is due to a relevant member under the new section 27K(6) (to be inserted by clause 14), has been transferred or paid by the Board into his ordinary account, the Board may, on his application, permit him to withdraw that amount notwithstanding any restriction on withdrawal under sections 15(2A), (6), (7B) and (8A) and 27.

Clause 5(m) amends section 15 by inserting a new subsection (10C) to provide that the Board will not enforce an undertaking given in relation to an HDB flat by a member under section 15(10), or by a member and one or more other persons under section 15(10) or (10A), by reason only of the member, or the member and the other person or persons, as the case may be, entering into an agreement with the Housing and Development Board under the Lease Buyback Scheme.

Clause 5(*n*) amends section 15(15)(*e*)(iv) to provide for the cancellation of a charge created under section 15(9) or (9A) to secure the payment of the minimum sum by a member, if the Board is satisfied that the minimum sum set aside by the member has been exhausted on account of withdrawals made by him under section 15(7), the payment by him of the premium referred to in the new section 27L(1) (to be inserted by clause 14), or both.

Clause 5(*o*) and (*p*) amends section 15(16) to insert new definitions for “Lease Buyback Scheme” and “relevant member”, respectively. The term “Lease Buyback Scheme” will be used in the new section 15(10C) (to be inserted by clause 5(*m*)), while the term “relevant member” will be used in the new section 15(1B) and (8C) (to be inserted by clause 5(*a*) and (*k*), respectively) and in section 15(6A) as amended by clause 5(*d*).

Clause 6 makes an amendment to section 16(1) that is consequential to the repeal of the Mental Disorders and Treatment Act by the Mental Health (Care and Treatment) Act 2008 (Act 21 of 2008).

Clause 7 amends section 18(3)(*a*) and (4) —

- (*a*) to enable a member whose parent or grandparent has not attained the age of 55 years to transfer moneys standing to the member’s credit in the Fund to the special account of the parent or grandparent; and
- (*b*) to provide for the moneys so transferred, and any interest that would have accrued thereto, to be transferred to the parent’s or grandparent’s retirement account when the parent or grandparent attains the age of 55 years.

Clause 8 makes amendments to section 19A that are consequential to the amendments made to section 18(3)(*a*) by clause 7.

Clause 9 amends section 20(1) to clarify that it is to be read subject to section 25(3).

Clause 10 amends section 24(3A) and (4) to facilitate the recovery, under the new section 27N (to be inserted by clause 14) and any regulations made under the new section 27Q (to be inserted by clause 14), of any amount received by a member (being an amount to which he is not entitled) from any amount standing to his credit in the Fund.

Clause 11(*a*) amends section 25(3) to clarify that sections 15(5) and 20(1) are to be read subject to it.

Clause 11(*b*) and (*c*) amends section 25 to provide that —

- (*a*) if a person nominated by a member in accordance with section 25(1) has died at the time of payment of the amount payable out of the Fund on the death of the member, and the nominated person’s portion of the amount payable does not exceed such amount as the Minister may specify, the Board may pay to a proper claimant the whole or any part, as the Board may determine, of the nominated person’s portion of the amount payable; and
- (*b*) where a nomination made by a member under section 25(1) is revoked by his marriage, and the Board, in ignorance of the marriage, purports to pay any

amount payable out of the Fund on the death of the member in accordance with the revoked nomination and section 25, the Board will nevertheless be discharged from all liability in respect of the payment.

Clause 12 amends section 27B(6)(b)(ii) and (7)(b)(ii) to provide for the Board to make a transfer or payment of money standing to the credit of a member of the Fund under section 27B(1)(a)(i) or (ii) or (b), (2) or (3) in priority to any deduction which the Board is entitled to make under the new section 27L (to be inserted by clause 14).

Clause 13(a), (c) and (d) amends section 27D(1) and inserts a new section 27D(3) to provide that the Board will not enforce an undertaking given in relation to an HDB flat by the spouse (or former spouse) of a member under section 27D(1)(v) by reason only of the spouse (or former spouse), or the spouse (or former spouse) and any other person or persons, entering into an agreement with the Housing and Development Board under the Lease Buyback Scheme.

Clause 13(b) amends section 27D(1)(vi)(D) to provide that the Board will not enforce an undertaking given by the spouse (or former spouse) of a member under section 27D(1)(v) if the Board is satisfied that the minimum sum set aside by the spouse (or former spouse) under section 15(6) has been exhausted on account of withdrawals made by the spouse (or former spouse) under section 15(7), the payment by the spouse (or former spouse) of the premium referred to in the new section 27L(1) (to be inserted by clause 14), or both.

Clause 14 inserts a new Part IIIB (comprising new sections 27J to 27Q) to provide for the establishment by the Board of the Lifelong Income Scheme for the purpose of providing, to every relevant member who has attained the relevant age applicable to him, a monthly income for the remainder of his life.

The new section 27J defines certain terms used in the new Part IIIB.

The new section 27K provides for the establishment of the Lifelong Income Scheme, the members to whom the Scheme will or will not apply, and the criteria for the payment of a monthly income under the Scheme.

The new section 27L provides for the payment of the premium for an annuity plan under the Scheme, and for the refund of the premium paid in certain circumstances.

The new section 27M empowers the Minister to delegate to the Board, or to any person or group of persons appointed by the Minister, all or any of his functions and powers under the new sections 27K(6) and 27L(1).

The new section 27N provides for the establishment by the Board of the Lifelong Income Fund, into which will be paid all premiums collected under the new section 27L, and out of which will be met all payments to be made by the Board under the new Part IIIB. The new section 27N also provides for the Board to recover from a member any amount paid to him, or to his account in the Fund, under or purportedly under the new section 27K(6) or 27L(5) (being an amount to which he is not entitled).

The new section 27O provides that the Insurance Act (Cap. 142) will not apply to the Lifelong Income Scheme or to anything done by the Board under the new Part IIIB.

The new section 27P provides for the Board to pay to the spouse (or former spouse) of a relevant member, pursuant to an order of court, an amount to be paid to the relevant member under the new section 27K(6) or 27L(5), after the relevant member has become entitled to the amount.

The new section 27Q provides for the making of regulations for the purposes of the new Part IIIB.

Clause 15 deletes and substitutes section 76(1) to allow the Board, if the Minister is satisfied that it is in the public interest for the Board to do so, to engage in —

- (a) activities that are not related to the Fund or the administration of the Fund; and
- (b) the compilation of information of a statistical nature or otherwise relating to members, employers and employees for purposes that are not related to the Fund or the administration of the Fund.

Clause 16 amends section 77(2) by inserting a new paragraph (*ea*) to empower the Board to make rules to provide for the exercise of the court's powers under section 20 of the Mental Capacity Act 2008 (Act 22 of 2008) in relation to —

- (a) the executing under section 15(6A) or 25(1), on a member's behalf, of any memorandum under section 25(1); and
- (b) where any such memorandum has been executed, or any nomination has been made under section 25(1), by a member or by the court on behalf of a member, the revoking, on the member's behalf, of that memorandum or nomination, as the case may be.

Clause 17 makes miscellaneous amendments to sections 21(1)(*ca*), 21B, 24, 27A, 28(1) and 77(1)(*r*) that are consequential to the insertion of new definitions for "HDB flat" and "Housing and Development Board" in section 2(1) by clause 2(*a*).

Clause 18 makes amendments to the Mental Health (Care and Treatment) Act 2008 (Act 21 of 2008) that are consequential to clauses 2(*e*), 5(*b*) and 6.

Clause 19 amends section 23(1) of the Mental Capacity Act 2008 (Act 22 of 2008) to expressly include, as matters within the powers under section 20 of that Act, the following matters concerning the property and affairs of a person ("P") who lacks capacity in relation to those matters:

- (a) the executing under section 15(6A) or 25(1) of the Central Provident Fund Act (Cap. 36), on P's behalf, of any memorandum under section 25(1) of the Central Provident Fund Act; and
- (b) where any such memorandum has been executed, or any nomination has been made under section 25(1) of the Central Provident Fund Act, by P or by the court on P's behalf, the revoking, on P's behalf, of that memorandum or nomination, as the case may be.

The clause also makes the following related amendments to the Mental Capacity Act 2008 (Act 22 of 2008):

- (a) section 13 of the Mental Capacity Act 2008 is amended by inserting a new subsection (9A) to provide that notwithstanding anything in a lasting power of attorney made by P, the donee of the lasting power of attorney may not —
 - (i) execute under section 15(6A) or 25(1) of the Central Provident Fund Act (Cap. 36), on P's behalf, any memorandum under section 25(1) of the Central Provident Fund Act; or
 - (ii) where any such memorandum has been executed, or any nomination has been made under section 25(1) of the Central Provident Fund Act, by P or by the court on P's behalf, revoke, on P's behalf, that memorandum or nomination, as the case may be;
- (b) section 25(3) of the Mental Capacity Act 2008 is amended, so as to provide that a deputy appointed by the court under section 20(2)(b) of that Act may not be given powers with respect to —
 - (i) the executing under section 15(6A) or 25(1) of the Central Provident Fund Act, on P's behalf, of any memorandum under section 25(1) of the Central Provident Fund Act; or
 - (ii) where any such memorandum has been executed, or any nomination has been made under section 25(1) of the Central Provident Fund Act, by P or by the court on P's behalf, the revoking, on P's behalf, of that memorandum or nomination, as the case may be; and
- (c) paragraph (l) of section 26 of the Mental Capacity Act 2008 (which would have made the making or revoking of a nomination under section 25 of the Central Provident Fund Act a decision that can never be made under the Mental Capacity Act 2008 on behalf of a person who lacks capacity) is deleted.

EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.
