

# **Central Provident Fund (Amendment) Bill**

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**Bill No. 17/2010.**

*Read the first time on 19th July 2010.*

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).

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 2010 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 “additional interest” in subsection (1), the following definition:

10 “ “approved corporation” means any company which —

(a) is incorporated in Singapore;

(b) is —

(i) wholly or partly owned by the Government;

15 (ii) a subsidiary of a company wholly or partly owned by the Government; or

(iii) a subsidiary of a statutory board; and

(c) is approved by the Minister;”;

(b) by inserting, immediately after the definition of “Fund” in subsection (1), the following definition:

20 “ “general moneys of the Fund” means the moneys of the Fund (whether or not standing to the credit of any member in the Fund) that are not accounted for in any subsidiary account maintained for a member in respect of the money standing to his credit in the Fund;”;

25 (c) by inserting, immediately after the definition of “retirement account” in subsection (1), the following definitions:

“ “securities account” means a securities account with the Central Depository (Pte) Limited;

30 “shares” includes warrants, transferable subscription rights, options to subscribe for shares, convertibles and other security interests arising from or accruing or attaching to the shares;”;

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

“(1B) For the purposes of this Act, a member’s accounts in the Fund shall be deemed to be dormant if, and with effect from the date on which, all of the following requirements are satisfied:

- (a) the member has attained, or is deemed to have attained, such age as may be prescribed in any regulations made under section 77(1) for the purposes of this subsection (referred to in this subsection as the relevant regulations);
- (b) there exist such circumstances as may be prescribed in the relevant regulations;
- (c) the Board has notified the member, in such manner as may be prescribed in the relevant regulations, that he is required to satisfy the Board that he is still alive; and
- (d) the member fails to do so in accordance with the relevant regulations.

(1C) When calculating the age of a member for the purposes of subsection (1B), the following provisions shall apply:

- (a) where the day of the month on which the member was born cannot be ascertained, he shall be deemed to be born on the first day of the month in which he was born;
- (b) where the month in which the member was born cannot be ascertained, he shall be deemed to be born in January; and
- (c) where the year in which the member was born cannot be ascertained, he shall be deemed to have attained the age of 20 years —
  - (i) on the date of his last known contribution to the Fund; or
  - (ii) if that date cannot be readily ascertained, on 1st January 1970.”;

- (e) by deleting the words “2008 (Act 22 of 2008)” in subsection (3) and substituting the words “(Cap. 177A)”;
- (f) by deleting “2008” in subsections (3)(a) and (b) and (4)(d)(i) and (ii); and
- 5 (g) by inserting, immediately after subsection (4), the following subsection:

“(5) For the purposes of this Act, a reference to the Board being satisfied that a person lacks capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A) shall be  
10 construed as including a reference to the Board being satisfied that the person’s lack of capacity is likely to be permanent.”.

### **Amendment of section 6**

#### **3. Section 6 of the principal Act is amended —**

- 15 (a) by deleting the word “The” in subsection (4) and substituting the words “Subject to subsections (4C) to (4I), the”; and
- (b) by inserting, immediately after subsection (4B), the following subsections:

“(4C) Where a member of the Fund died before 1st January 2004, the Board may cease to pay interest on any amount  
20 standing to the credit of the deceased member in the Fund —

- (a) in any case where that amount is transferred to the general moneys of the Fund on or before 31st December 2010, after 31st December 2010;
- 25 (b) in any case where that amount is transferred to the general moneys of the Fund after 31st December 2010, with effect from the date of the transfer; or
- (c) in any case where that amount has not been transferred to the general moneys of the Fund, after the later of the following dates:
  - 30 (i) 31st December 2010; or
  - (ii) the date on which the Board is notified, in such manner as may be prescribed in any regulations made under section 77(1), of the member’s death.

(4D) Where a member of the Fund dies on or after 1st January 2004, the Board may cease to pay interest on any amount standing to the credit of the deceased member in the Fund —

- 5           (a) in any case where that amount is transferred to the general moneys of the Fund on or before the 7th anniversary of the day of the member's death, after the 7th anniversary of the day of the member's death;
- 10          (b) in any case where that amount is transferred to the general moneys of the Fund after the 7th anniversary of the day of the member's death, with effect from the date of the transfer; or
- 15          (c) in any case where that amount has not been transferred to the general moneys of the Fund, after the later of the following dates:
  - (i) the 7th anniversary of the day of the member's death; or
  - (ii) the date on which the Board is notified, in such manner as may be prescribed in any regulations made under section 77(1), of the member's death.
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(4E) Subject to subsections (4C) and (4D), the Board may suspend the payment of interest on any amount standing to the credit of a member in the Fund after that amount is transferred to the general moneys of the Fund.

25          (4F) Where any shares belonging to a deceased member that are vested in the Board under section 26(1) or 26A(1) are sold by the Board, the Board shall not pay any interest on any proceeds of the sale of those shares that are paid into the general moneys of the Fund under section 26(4D) or 26A(9), as the case may be, notwithstanding that those proceeds constitute an amount standing to the credit of the deceased member in the Fund.

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35          (4G) Where any shares belonging to a member that are vested in the Board under section 26B(1) are sold by the Board, the Board shall suspend the payment of interest on any proceeds of the sale of those shares that are paid into the

general moneys of the Fund under section 26B(3)(b), notwithstanding that those proceeds constitute an amount standing to the credit of the member in the Fund.

5 (4H) Where any shares belonging to a member are vested in the Board under section 26B(1), the Board shall suspend the payment of interest on any dividends, returned paid-up share capital or other moneys in respect of those shares that are paid into the general moneys of the Fund under section 26B(5),  
10 notwithstanding that the dividends, capital or other moneys constitute amounts standing to the credit of the member in the Fund.

(4I) Where the Board has paid any dividends, returned paid-up share capital or other moneys in respect of any shares belonging to a deceased member into the general moneys of the Fund under section 26D(1), the Board shall not pay any  
15 interest on the dividends, capital or other moneys notwithstanding that the dividends, capital or other moneys constitute amounts standing to the credit of the deceased member in the Fund.”.

## 20 **Amendment of section 13**

### **4. Section 13 of the principal Act is amended —**

- (a) by deleting the words “subsection (5)” in subsection (1) and substituting the words “subsections (7A) to (7G)”; and
- (b) by inserting, immediately after subsection (7), the following  
25 subsections:

“(7A) The Board may transfer to a member’s ordinary account, in accordance with any regulations made under section 77(1), any amount standing to his credit in the Fund, if —

- 30 (a) the member’s accounts in the Fund are deemed to be dormant, and such period (as may be prescribed in those regulations) after the day the member’s accounts in the Fund are deemed to be dormant has passed; or

- (b) the member has died, and such period (as may be prescribed in those regulations) after the day of his death has passed.

5 (7B) The Board may transfer to the general moneys of the Fund, in accordance with any regulations made under section 77(1), any amount standing to a member's credit in the Fund, if —

- 10 (a) the member's accounts in the Fund are deemed to be dormant, and the 7th anniversary of the day the member's accounts in the Fund are deemed to be dormant has passed; or
- (b) the member has died, and the 7th anniversary of the day of his death has passed.

15 (7C) Where the Board has transferred any amount standing to a member's credit in the Fund to his ordinary account under subsection (7A)(a) or to the general moneys of the Fund under subsection (7B)(a) or any regulations made under section 77(1) —

- 20 (a) the Board shall restore the transferred amount (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the transfer had not been made) to the member's account in the Fund from which that amount had been transferred, if the Board is satisfied
- 25 that the member was still alive at the time of the transfer;
- (b) if the Board is served with an order of court referred to in section 27B awarding any amount to be paid out
- 30 from the money standing to the credit of the member in the Fund (including any money which is payable or repayable to the Fund to the credit of the member) —
  - (i) where the amount awarded under the order of
  - 35 court exceeds the amount standing to the member's credit in the Fund (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the transfer had not been made), the Board shall

restore the latter amount (including interest) to the member's account in the Fund from which that amount had been transferred; or

(ii) where the amount awarded under the order of court does not exceed the amount standing to the member's credit in the Fund (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the transfer had not been made), the Board shall restore the former amount to the member's account in the Fund from which that amount had been transferred; and

(c) the Board may restore the whole or any part of the transferred amount (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the transfer had not been made) to the member's account in the Fund from which that amount had been transferred in such other circumstances as may be prescribed in any regulations made under section 77(1).

(7D) Where the Board has transferred any amount standing to a member's credit in the Fund to his ordinary account under subsection (7A)(b) or to the general moneys of the Fund under subsection (7B)(b) or any regulations made under section 77(1), the Board may restore the whole or any part of that amount (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the transfer had not been made) to the member's account in the Fund from which that amount had been transferred in such circumstances as may be prescribed in any regulations made under section 77(1).

(7E) Where the Board is unable to ascertain a member's identity, the Board may transfer to the general moneys of the Fund, in accordance with any regulations made under section 77(1), any amount standing to his credit in the Fund.

(7F) Where, after the Board has transferred any amount standing to a member's credit in the Fund to the general moneys of the Fund under subsection (7E) or any regulations

made under section 77(1), the Board ascertains the identity of the member, the Board shall restore that amount (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the transfer had not been made) to the member's account in the Fund.

(7G) Subsections (7A) to (7F) do not preclude, and do not affect the validity of, any transfer to the general moneys of the Fund, whether before, on or after the date of commencement of section 4(b) of the Central Provident Fund (Amendment) Act 2010, under any regulations made under section 77(1), of any amount standing to a member's credit in the Fund.”.

### **Amendment of section 13A**

**5.** Section 13A of the principal Act is amended —

(a) by deleting the words “grant an application for, or to renew or reinstate,” in subsection (1) and substituting the words “grant, renew or reinstate”; and

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

“(1A) The Board may give, to any person entitled to exercise any power referred to in subsection (1), such information concerning any member of the Fund as may be necessary to facilitate the exercise of that power by that person in relation to that member.”.

### **Amendment of section 15**

**6.** Section 15 of the principal Act is amended —

(a) by deleting the words “subsection (1B)” in subsection (1A) and substituting the words “subsections (1B) and (1C)”;

(b) by deleting the words “the premium referred to in section 27L(1)” in subsections (1B), (6C)(a) and (15)(e)(iv) and substituting in each case the words “a premium referred to in section 27L(1) or (1A)”;

(c) by inserting, immediately after the words “subsection (6C)(a)” in subsection (1B), the words “or (b)(i)”;

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

“(1C) After the death of a member of the Fund, the authority under subsection (1) may be given for a withdrawal from the Fund under subsection (5) by a person nominated by that member in accordance with section 25(1), without any application being made by that person under subsection (1A).”;

- (e) by deleting paragraph (e) of subsection (2) and substituting the following paragraph:

“(e) lacks capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A);”;

- (f) by deleting subsection (5) and substituting the following subsection:

“(5) Subject to section 25(3), after the death of a member of the Fund, a person who is nominated by that member, by a memorandum executed in accordance with section 25(1), shall be entitled to withdraw, in the manner provided for in the memorandum, from the balance standing to the credit of that member in the Fund, such portion, as the person has been nominated to receive under the memorandum, of that balance after deducting the following amounts:

(a) any sum withdrawn, or to be withdrawn, under section 16A;

(b) any sum credited, or to be credited, to the account of another person under section 19(2) or 19A(2); and

(c) any sum transferred or paid, or to be transferred or paid, to another person under section 27B.”;

- (g) by deleting paragraph (a) of subsection (6B) and substituting the following paragraph:

“(a) shall not be revocable during the subsistence of the marriage, unless the Board is satisfied that —

(i) either member is, or both members are, physically or mentally incapacitated —

(A) from ever continuing in any employment;

or

(B) in such other manner as the Minister may approve;

(ii) either member lacks, or both members lack, capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A);

(iii) either member is, or both members are, suffering from a medical condition leading to a severely impaired life expectancy; or

(iv) either member is, or both members are, suffering from a terminal illness or disease; and”;

(h) by deleting the word “or” at the end of subsection (6C)(b)(i);

(i) by deleting the full-stop at the end of sub-paragraph (ii) of subsection (6C)(b) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph:

“(iii) used for the payment of a premium referred to in section 27L(1) or (1A).”;

(j) by deleting subsection (7A) and substituting the following subsection:

“(7A) A member who has attained the age of 55 years but has not attained the prescribed age shall be entitled to withdraw the amount referred to in subsection (6C)(b), or such part thereof as the Board may determine, from his account with an approved bank or his retirement account, or to surrender his approved annuity from an insurer, if the Board is satisfied that the member —

(a) is physically or mentally incapacitated —

(i) from ever continuing in any employment; or

(ii) in such other manner as the Minister may approve;

(b) lacks capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A);

(c) is suffering from a medical condition leading to a severely impaired life expectancy;

(d) is suffering from a terminal illness or disease; or

- (e) is receiving any pension, annuity or other benefit as may be approved which will provide him with a monthly income of an amount that is not less in value than the amount prescribed by the Minister.”;
- 5 (k) by deleting “(ba)” in subsection (7B) and substituting “(c)”;
- (l) by deleting paragraph (b) of subsection (8) and substituting the following paragraph:
  - “(b) lacks capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A);”; and
- 10 (m) by deleting the words “or is declared insolvent” in subsection (14).

### **Amendment of section 16A**

**7.** Section 16A of the principal Act is amended —

- 15 (a) by deleting the words “the payment of expenses for medical treatment received by him” in subsection (1) and substituting the words “such medical, psychiatric or other treatment or services received by him as may be prescribed by those regulations”; and
- (b) by deleting the words “payment of his medical expenses” in the section heading and substituting the words “medical treatment, etc., received by him”.
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### **Amendment of section 20**

**8.** Section 20 of the principal Act is amended —

- (a) by deleting subsection (1) and substituting the following subsections:
  - 25 “(1) Subject to subsection (1A) and section 25(3), upon an application for the withdrawal of a sum of money standing to the credit of a member of the Fund by a person entitled thereto under section 15 —
  - (a) where the applicant is the member, the Board may
  - 30 pay him such sum as he is entitled to withdraw from the Fund (including any interest calculated in accordance with section 6(4) and (4B) up to the date the Board authorised the payment); or

(b) where the member has died and the applicant is a person nominated by the member by a memorandum executed in accordance with section 25(1) —

5 (i) if the memorandum provides for payment in accordance with section 25(1)(a)(i) (whether or not the person is a citizen or permanent resident of Singapore), or if the memorandum provides for payment in accordance with section 10 25(1)(a)(ii) but the person is not a citizen or permanent resident of Singapore, the Board may pay the person such portion of the sum as he is nominated to receive; or

(ii) if the memorandum provides for payment in accordance with section 25(1)(a)(ii), and the 15 person is a citizen or permanent resident of Singapore, the Board may —

(A) subject to sub-paragraph (B), transfer to the person's accounts in the Fund, in such manner as the member has specified in the 20 memorandum, such portion of the sum as the person is nominated to receive; or

(B) if that portion exceeds such maximum amount as the Minister may determine for the purposes of section 25(1)(a)(ii)(B), 25 transfer that maximum amount to the person's accounts in the Fund in such manner as the member has specified in the memorandum, and pay the person the excess.

30 (1A) Subject to section 25(3) and such conditions as the Minister may impose, where the Board has been notified, in such manner as may be prescribed in any regulations made under section 77(1), of the death of a member of the Fund who has executed a memorandum in accordance with section 25(1), 35 the Board may, without any application for the withdrawal of a sum of money standing to the credit of that member by a person nominated by that member by the memorandum —

- 5 (a) if the memorandum provides for payment in accordance with section 25(1)(a)(i), and the person is a citizen or permanent resident of Singapore, pay the person such portion of the sum as he is nominated to receive; or
- (b) if the memorandum provides for payment in accordance with section 25(1)(a)(ii), and the person is a citizen or permanent resident of Singapore —
- 10 (i) subject to sub-paragraph (ii), transfer to the person's accounts in the Fund, in such manner as the member has specified in the memorandum, such portion of the sum as the person is nominated to receive; or
- 15 (ii) if that portion exceeds such maximum amount as the Minister may determine for the purposes of section 25(1)(a)(ii)(B), transfer that maximum amount to the person's accounts in the Fund in such manner as the member has specified in the memorandum, and pay the person the excess.”;
- 20 (b) by deleting the words “paid to the applicant accordingly” in subsection (2) and substituting the words “dealt with in accordance with subsection (1) or (1A), as the case may be”; and
- (c) by inserting, immediately after the word “prescribed” in subsection (3), the words “by the Board”.

## 25 **Amendment of section 24**

**9.** Section 24 of the principal Act is amended —

- (a) by inserting, immediately after “16A,” in subsection (3A), “25(2A),”; and
- 30 (b) by deleting the words “or is declared insolvent by judgment of the court” in subsection (5) and substituting the words “by a court”.

## **Amendment of section 25**

**10.** Section 25 of the principal Act is amended —

- (a) by deleting subsection (1) and substituting the following subsections:

“ (1) Subject to such conditions as may be prescribed by the Board, any member of the Fund may, by a memorandum executed in such manner as may be prescribed by the Board, nominate any person to receive in his own right —

- (a) such portion of the amount payable on the member’s death out of the Fund under section 20(1)(b) or (1A) —

(i) by the payment of that portion to that person; or

(ii) if that person is a citizen or permanent resident of Singapore at the time the Board is satisfied that the memorandum is duly executed —

(A) subject to sub-paragraph (B), by the transfer of that portion to that person’s accounts in the Fund in such manner as the member may specify in the memorandum; or

(B) if that portion exceeds such maximum amount as the Minister may determine, by the transfer of that maximum amount to that person’s accounts in the Fund in such manner as the member may specify in the memorandum, and by the payment of the excess to that person; or

- (b) such portion of any shares designated under section 26(1) as the memorandum shall indicate.

(1A) For the avoidance of doubt, a member of the Fund may nominate one or more persons by a memorandum under subsection (1).

(1B) For the purposes of subsection (1)(a)(ii)(B), the Minister may determine different maximum amounts for different classes of persons nominated under subsection (1).”;

- (b) by deleting the word “Where” in subsection (2) and substituting the words “Subject to subsection (2A), where”;

- (c) by inserting, immediately after subsection (2), the following subsection:

“(2A) Notwithstanding subsection (2) and section 24(3A), where any person has incurred any reasonable funeral expenses in respect of a deceased member of the Fund, and that person has been determined by the Public Trustee in accordance with subsection (2) to be entitled to any moneys paid out of the Fund on the death of the member, the Public Trustee —

(a) may pay to that person, from the moneys paid to the Public Trustee under subsection (2), such amount as the Public Trustee determines to be reasonable to defray those expenses; and

(b) shall pay the remainder of the moneys paid to the Public Trustee under subsection (2) in accordance with —

(i) the Intestate Succession Act (Cap. 146), if the member is not a Muslim at the time of his death; or

(ii) section 112 of the Administration of Muslim Law Act (Cap. 3), if the member is a Muslim at the time of his death.”;

- (d) by deleting subsections (3) and (4) and substituting the following subsections:

“(3) Notwithstanding sections 15(5) and 20(1) and (1A), if any person nominated under subsection (1) (not being a widow of the deceased member) is below the age of 18 years at the time of payment of the amount payable out of the Fund, any portion of that amount which the nominated person would have received by payment to the nominated person shall similarly be paid to the Public Trustee for the benefit of the nominated person.

(4) The receipt of a person nominated under subsection (1) or of the Public Trustee shall be a discharge to the Board for the portion of the amount payable out of the Fund on the death of a member which is paid to the person or transferred to the

person's accounts in the Fund or which is paid to the Public Trustee under subsection (2) or (3), as the case may be.”;

- (e) by deleting the words “the nominated person’s portion of the amount payable” wherever they appear in subsection (4A) and substituting in each case the words “the portion of that amount which the nominated person would have received by payment to the nominated person”;
- (f) by inserting, immediately after the word “pay” in subsection (6), the words “or transfer”; and
- (g) by inserting, immediately after the word “payment” in subsection (6)(a) and (b), the words “or transfer”.

### **Amendment of section 26**

**11.** Section 26 of the principal Act is amended —

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

“(2A) Where any document or information is necessary for effecting the transfer of any shares vested in the Board under subsection (1) to the person nominated to receive those shares, the Board may, by notice to any person who possesses that document or information, require that person to furnish that document or information to the Board within such reasonable period as may be specified in the notice.

(2B) Where a person nominated to receive any shares is entitled to receive any amount payable on the member’s death out of the Fund, the Board may deduct from that amount a sum for the payment of the whole or any part of any fee or charge in connection with the transfer of those shares to the nominated person.”;

- (b) by deleting subsection (3) and substituting the following subsection:

“(3) Notwithstanding subsection (2), the Board may sell any shares vested in the Board under subsection (1), in such manner and at such time as may be prescribed by any regulations made under section 77(1), if —

- (a) the Board is for any reason unable to transfer those shares to the person nominated to receive those shares;
  - (b) the nominated person has instructed the Board to sell those shares;
  - (c) the nominated person is an undischarged bankrupt;
  - (d) the nominated person has died;
  - (e) the 7th anniversary of the day of the member's death has passed; or
  - (f) there exist such other circumstances as may be prescribed in those regulations.”;
- (c) by deleting subsection (4) and substituting the following subsections:
- “ (4) Where the Board has sold, under subsection (3), any shares which a person is nominated to receive —
- (a) the Board may deduct a sum for the payment of the whole or any part of any fee or charge in connection with the sale of those shares from the proceeds of the sale of the shares; and
  - (b) the Board shall deal with the proceeds of the sale of the shares (after making any deduction under paragraph (a)) in accordance with subsections (4A), (4B) and (4D).
- (4A) Where the memorandum executed by the deceased member under section 25(1) provides for payment in accordance with section 25(1)(a)(i) (whether or not the person nominated to receive the shares is a citizen or permanent resident of Singapore), or where the memorandum executed by the deceased member provides for payment in accordance with section 25(1)(a)(ii) but the person nominated to receive the shares is not a citizen or permanent resident of Singapore —
- (a) the Board shall, as soon as practicable and after such application as the Board may require has been made to the Board, pay the proceeds of the sale of the

shares (after making any deduction under subsection (4)(a)) —

- (i) subject to sub-paragraphs (ii) and (iii), to the nominated person;
- 5 (ii) if the nominated person (not being a widow of the deceased member) is below the age of 18 years at the time of the payment, to the Public Trustee; or
- 10 (iii) if the nominated person has died, and the proceeds of the sale of the shares do not exceed such amount as the Minister may, by notification in the *Gazette*, specify, to a proper claimant; and
- (b) the following shall be a discharge to the Board in respect of the shares sold under subsection (3):
  - 15 (i) the receipt of the nominated person for the proceeds of the sale of the shares, if paragraph (a)(i) applies;
  - (ii) the receipt of the Public Trustee for the proceeds of the sale of the shares, if paragraph (a)(ii) applies; or
  - 20 (iii) the receipt of the proper claimant for the proceeds of the sale of the shares, if paragraph (a)(iii) applies.

25 (4B) Where the memorandum executed by the deceased member under section 25(1) provides for payment in accordance with section 25(1)(a)(ii), and the person nominated to receive the shares is a citizen or permanent resident of Singapore —

- 30 (a) the Board shall, as soon as practicable and after such application as the Board may require has been made to the Board —
  - (i) subject to sub-paragraph (ii), pay to the nominated person's accounts in the Fund, in such manner as the member has specified in the memorandum, the proceeds of the sale of the
  - 35

shares (after making any deduction under subsection (4)(a)); or

(ii) if those proceeds exceed such maximum amount as the Minister may determine, pay that maximum amount to the nominated person's accounts in the Fund in such manner as the member has specified in the memorandum, and pay the excess —

(A) subject to sub-paragraphs (B) and (C), to the nominated person;

(B) if the nominated person (not being a widow of the deceased member) is below the age of 18 years at the time of the payment, to the Public Trustee; or

(C) if the nominated person has died, and the excess does not exceed such amount as the Minister may, by notification in the *Gazette*, specify, to a proper claimant; and

(b) the following shall be a discharge to the Board in respect of the shares sold under subsection (3):

(i) the receipt of the nominated person for the proceeds of the sale of the shares, if paragraph (a)(i) or (ii)(A) applies;

(ii) the payment of the amount referred to in paragraph (a)(ii) to the nominated person's account and the receipt of the Public Trustee for the balance of the proceeds of the sale of the shares referred to in paragraph (a)(ii), if paragraph (a)(ii)(B) applies; or

(iii) the payment of the amount referred to in paragraph (a)(ii) to the nominated person's account and the receipt of the proper claimant for the balance of the proceeds of the sale of the shares referred to in paragraph (a)(ii), if paragraph (a)(ii)(C) applies.

(4C) Subsections (4A) and (4B) shall not affect any recourse which any person may have against a proper claimant for any amount paid to the proper claimant under subsections (4A)(a)(iii) and (4B)(a)(ii)(C), respectively.

5 (4D) Where the Board is for any reason unable to deal with the proceeds of the sale of the shares (after making any deduction under subsection (4)(a)) in accordance with subsection (4A) or (4B), the Board shall pay those proceeds into the general moneys of the Fund.

10 (4E) For the avoidance of doubt, subsection (4D) does not preclude the Board from dealing with the proceeds of the sale of the shares (after making any deduction under subsection (4)(a)) in accordance with subsection (4A) or (4B) after those proceeds have been paid into the general moneys of the Fund.

15 (4F) For the purposes of subsection (4B)(a)(ii), the Minister may determine different maximum amounts for different classes of persons nominated to receive the shares.”;

(d) by deleting subsection (5) and substituting the following subsection:

20 “(5) 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;

25 “parent” includes an adoptive parent;

“proper claimant” means a person who —

30 (a) claims to be entitled to the proceeds of the sale of a deceased nominated person’s portion of the shares vested in the Board under subsection (1) or the balance thereof as executor of the deceased nominated person; or

35 (b) claims to be entitled to the proceeds of the sale of a deceased nominated person’s portion of the shares vested in the Board under subsection (1) or the balance thereof (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.”;  
and

(e) by deleting the section heading and substituting the following  
section heading:

**“Distribution and disposal of certain shares on death of  
member who dies on or after 1st January 1996 and has  
executed memorandum under section 25(1)”.**

**New sections 26A to 26D**

10     **12.** The principal Act is amended by inserting, immediately after  
section 26, the following sections:

**“Distribution and disposal of certain shares on death of member  
who died before 1st January 1996 or has not executed  
memorandum under section 25(1)**

15     **26A.**—(1) Upon the death of a member who died before 1st  
January 1996, or who has not executed any memorandum under  
section 25(1), such shares or class of shares in any approved  
corporation as the Minister may designate belonging to the member at  
the time of his death which were purchased from moneys withdrawn  
20     under this Act shall, notwithstanding any written or other law, vest in  
the Board and shall not form part of the estate of the deceased  
member.

(2) The Board shall, as soon as practicable and subject to such  
terms and conditions as the Board may impose, transfer the shares  
vested in the Board under subsection (1) to —

- 25     (a) the securities account, if any, belonging to and in the sole  
name of the deceased member; or
- (b) if the deceased member does not have any securities account  
in his sole name, the securities account opened and operated  
30     by the personal representatives of the deceased member on  
behalf and for the benefit of the estate of the deceased  
member.

(3) The following shall be a discharge to the Board in respect of the  
shares vested in the Board under subsection (1):

(a) the transfer of those shares in accordance with subsection (2)(a);

(b) the transfer of those shares in accordance with subsection (2)(b), and the receipt of the personal representatives of the deceased member in respect of those shares.

(4) Where any document or information is necessary for effecting the transfer, in accordance with subsection (2), of any shares vested in the Board under subsection (1), the Board may, by notice to any person who possesses that document or information, require that person to furnish that document or information to the Board within such reasonable period as may be specified in the notice.

(5) The Board may recover the whole or any part of any fee or charge in connection with the transfer, in accordance with subsection (2), of the shares vested in the Board under subsection (1) from the personal representatives of the deceased member.

(6) Notwithstanding subsection (2), the Board may sell any shares vested in the Board under subsection (1), in such manner and at such time as may be prescribed by any regulations made under section 77(1), if —

(a) the Board is for any reason unable to transfer those shares in accordance with subsection (2);

(b) the 7th anniversary of the day of the member's death has passed; or

(c) there exist such other circumstances as may be prescribed in those regulations.

(7) Where the Board has sold, under subsection (6), any shares vested in the Board under subsection (1) —

(a) the Board may deduct a sum for the payment of the whole or any part of any fee or charge in connection with the sale of those shares from the proceeds of the sale of the shares;

(b) the Board shall, as soon as practicable and after such application as the Board may require has been made to the Board, pay the proceeds of the sale of the shares (after making any deduction under paragraph (a)) —

- (i) to the personal representatives of the deceased member;  
or
    - (ii) if to the best of the Board's knowledge the deceased member does not have any personal representatives, and if the proceeds of the sale of the shares do not exceed such amount as the Minister may, by notification in the *Gazette*, specify, to a proper claimant; and
  - (c) the following shall be a discharge to the Board in respect of the shares sold under subsection (6):
    - (i) the receipt of the personal representatives of the deceased member for the proceeds of the sale of the shares, if paragraph (b)(i) applies; or
    - (ii) the receipt of the proper claimant for the proceeds of the sale of the shares, if paragraph (b)(ii) applies.
- (8) Subsection (7) shall not affect any recourse which any person may have against a proper claimant for any amount paid to the proper claimant under subsection (7)(b)(ii).
- (9) Where the Board is for any reason unable to pay the proceeds of the sale of the shares (after making any deduction under subsection (7)(a)) in accordance with subsection (7)(b), the Board shall pay those proceeds into the general moneys of the Fund.
- (10) For the avoidance of doubt, subsection (9) does not preclude the Board from paying the proceeds of the sale of the shares (after making any deduction under subsection (7)(a)) in accordance with subsection (7)(b) after those proceeds have been paid into the general moneys of the Fund.
- (11) 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 the proceeds of the sale of the shares vested in the Board under subsection (1) as executor of the deceased member; or

5 (b) claims to be entitled to the proceeds of the sale of the shares vested in the Board under subsection (1) (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 member.

10 **Disposal of certain shares and dividends, etc., when member’s accounts in Fund deemed to be dormant**

26B.—(1) When a member’s accounts in the Fund are deemed to be dormant, such shares or class of shares in any approved corporation as the Minister may designate belonging to the member at  
15 the time those accounts are deemed to be dormant which were purchased from moneys withdrawn under this Act shall, notwithstanding any written or other law, vest in the Board.

(2) The Board may sell any shares vested in the Board under subsection (1), in such manner and at such time as may be prescribed  
20 by any regulations made under section 77(1), if the 7th anniversary of the day the member’s accounts in the Fund are deemed to be dormant has passed.

(3) Where the Board has sold, under subsection (2), any shares vested in the Board under subsection (1) —

25 (a) the Board may deduct a sum for the payment of the whole or any part of any fee or charge in connection with the sale of those shares from the proceeds of the sale of the shares; and

(b) the Board shall pay the proceeds of the sale of the shares (after making any deduction under paragraph (a)) into the  
30 general moneys of the Fund.

(4) Where the Board has paid the proceeds of the sale of the shares into the general moneys of the Fund under subsection (3)(b), if the Board is satisfied that the member was still alive at the time the shares were sold under subsection (2), the Board shall, as soon as  
35 practicable and after such application as the Board may require has been made to the Board, transfer from the general moneys of the

Fund to the member's ordinary account those proceeds (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if those proceeds had been paid into the member's ordinary account instead of the general moneys of the Fund).

(5) Where the Board has received any dividends, returned paid-up share capital or other moneys in respect of any shares vested in the Board under subsection (1), the Board shall pay the dividends, capital or other moneys into the general moneys of the Fund.

(6) Where the Board has paid into the general moneys of the Fund any dividends, returned paid-up share capital or other moneys under subsection (5), if the Board is satisfied that the member was still alive at the time of the payment, the Board shall, as soon as practicable and after such application as the Board may require has been made to the Board, transfer from the general moneys of the Fund to the member's ordinary account the dividends, capital or other moneys (including the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the dividends, capital or other moneys had been paid into the member's ordinary account instead of the general moneys of the Fund).

(7) The transfer of the proceeds of the sale of the shares in accordance with subsection (4), and the transfer of the dividends, returned paid-up share capital or other moneys in accordance with subsection (6), shall be a discharge to the Board in respect of the shares vested in the Board under subsection (1).

#### **Payment of dividends, etc., in respect of certain shares before Board is notified of death of member**

**26C.**—(1) Where the Board has received, after the death of a member any dividends, returned paid-up share capital or other moneys in respect of any shares belonging to the member (being such shares or class of shares in any approved corporation as the Minister may designate), the Board shall, notwithstanding any written or other law, be entitled to pay the dividends, capital or other moneys into the ordinary account of the member until such time as the Board is notified, in such manner as may be prescribed by any regulations made under section 77(1), of the death of the member.

(2) Any such dividends, returned paid-up share capital or other moneys paid into the ordinary account of the member under subsection (1) shall be dealt with in accordance with sections 20(1)(b) and (1A) and 25.

5 (3) This section shall apply to all such dividends, returned paid-up share capital or other moneys whenever paid by the Board into the ordinary account of the member after his death.

**Payment of dividends, etc., in respect of certain shares after Board is notified of death of member**

10 **26D.**—(1) Where the Board has received any dividends, returned paid-up share capital or other moneys in respect of any shares belonging to a deceased member (being such shares or class of shares in any approved corporation as the Minister may designate) after the Board has been notified, in such manner as may be prescribed by any  
15 regulations made under section 77(1) for the purposes of section 26C(1), of the death of the member, the Board shall, notwithstanding any written or other law, be entitled to pay the dividends, capital or other moneys into the general moneys of the Fund.

(2) Where any such dividends, returned paid-up share capital or  
20 other moneys have been paid into the general moneys of the Fund under subsection (1), the Board shall, as soon as practicable and after such application as the Board may require has been made to the Board, pay out the dividends, capital or other moneys from the general moneys of the Fund —

25 (a) in any case where the member has executed a memorandum under section 25(1) and dies on or after 1st January 1996, in accordance with sections 20(1)(b) and (1A) and 25; or

(b) in any other case —

(i) to the personal representatives of the deceased member;  
30 or

(ii) if to the best of the Board's knowledge the deceased member does not have any personal representatives, and if the dividends, capital or other moneys do not exceed such amount as the Minister may, by  
35 notification in the *Gazette*, specify, to a proper claimant.

(3) The receipt of the personal representatives of the deceased member shall be a discharge to the Board for the dividends, returned paid-up share capital or other moneys that are paid to the personal representatives under subsection (2)(b)(i).

5 (4) The receipt of the proper claimant shall be a discharge to the Board for the dividends, returned paid-up share capital or other moneys that are paid to the proper claimant under subsection (2)(b)(ii).

(5) In this section —

10 “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;

15 “proper claimant” means a person who —

(a) claims to be entitled to the dividends, returned paid-up share capital or other moneys paid into the general moneys of the Fund under subsection (1) as executor of the deceased member; or

20 (b) claims to be entitled to the dividends, returned paid-up share capital or other moneys paid into the general moneys of the Fund under subsection (1) (whether for his own benefit or not), and is the widower, widow, child, grandchild, parent, brother, sister, nephew, niece,  
25 grandparent, uncle or aunt of the deceased member.”.

### **Amendment of section 27D**

13. Section 27D(1) of the principal Act is amended by deleting the words “the premium referred to in section 27L(1)” in paragraph (vi)(D) and substituting the words “a premium referred to in section 27L(1)  
30 or (1A)”.

### **Amendment of section 27J**

14. Section 27J of the principal Act is amended by inserting, immediately after the words “section 27L(1)” in the definition of “premium”, the words “or (1A)”.

### **Amendment of section 27K**

**15.** Section 27K of the principal Act is amended —

(a) by deleting paragraph (d) of subsection (2) and substituting the following paragraph:

5 “(d) satisfies either of the following requirements:

(i) on attaining the age referred to in paragraph (b), the amount set aside or topped-up for the purposes of his minimum sum is not less than such amount as may be prescribed in the relevant regulations for the purposes of this sub-paragraph; or

10

(ii) at such time as may be prescribed in the relevant regulations, the amount standing to his credit in his retirement account is not less than such amount as may be prescribed in the relevant regulations for the purposes of this sub-paragraph.”; and

15

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

20 “(2A) For the purposes of subsection (2)(d)(ii), different times and amounts may be prescribed for different classes of members.”.

### **Amendment of section 27L**

**16.** Section 27L of the principal Act is amended —

25 (a) by inserting, immediately after subsection (1), the following subsection:

“(1A) Where a relevant member has been issued an annuity plan before the relevant month applicable to him, he shall, unless the Board determines otherwise, pay an additional premium, within that month or such period after that month as the Board may determine, of such amount as the Minister may determine, and the Minister may determine different additional premiums for different classes of relevant members.”; and

30

- (b) by deleting the full-stop at the end of the definition of “proper claimant” in subsection (10) and substituting a semi-colon, and by inserting immediately thereafter the following definition:

5                   “ “relevant month”, in relation to a relevant member, means  
the month which is 2 months before the month in which  
the relevant member attains the prescribed age referred  
to in section 15(7).”.

### **Amendment of section 27M**

10       **17.** Section 27M of the principal Act is amended by inserting, immediately after “27L(1)” wherever it appears (including the section heading), the words “and (1A)”.

### **Amendment of section 57C**

15       **18.** Section 57C of the principal Act is amended by inserting, immediately after the words “have been paid” in subsections (5)(b) and (6)(b), the words “or transferred”.

### **Amendment of section 59**

**19.** Section 59 of the principal Act is amended —

- (a) by inserting, immediately after subsection (8), the following subsection:

20                   “(9) Notwithstanding any provision of the National  
Registration Act (Cap. 201) or the Registration of Births and  
Deaths Act (Cap. 267), where a member has died in Singapore,  
and the Board has received information on the member’s death  
from any officer appointed to perform duties under either or  
25                   both of those Acts, the Board may, in the course of authorising  
the payment of any amount under section 20(1)(b) or (1A) to a  
person nominated by the member in accordance with section  
25(1), performing its functions under section 25 in relation to  
any amount payable on the death of the member, or performing  
30                   its functions under section 26 or 26A in relation to any shares  
belonging to the member or any proceeds of the sale of those  
shares, disclose to any person —

- (a) the name and identity card number of the member;  
(b) the date of the member’s death; and

- (c) the source of the Board's information on the member's death."; and
- (b) by inserting, immediately after the word "person" in the section heading, the word ", etc.".

5   **Amendment of section 77**

**20.** Section 77 of the principal Act is amended —

- (a) by inserting, immediately after paragraph (b) of subsection (1), the following paragraph:
  - 10                   “(ba) without prejudice to the generality of paragraph (b),  
for the transfer of any amount standing to the credit of  
a member to the general moneys of the Fund, and the  
restoration of that amount to the member's accounts  
in the Fund, and for the purposes of sections 2(1B),  
6(4C) to (4I) and 13(7A) to (7G);”;
- 15   (b) by deleting the word “medical” in subsection (1)(j) and substituting the words “such medical, psychiatric or other”;
- (c) by inserting, immediately after paragraph (n) of subsection (1), the following paragraph:
  - 20                   “(na) without prejudice to the generality of paragraph (n),  
for the purposes of sections 26 to 26D;”;
- (d) by deleting the words “(ba) or (c)” in subsection (2)(c) and substituting the words “(c) or (d)”; and
- (e) by deleting the words “2008 (Act 22 of 2008)” in subsection (2)(ea) and substituting the words “(Cap. 177A)”.

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## EXPLANATORY STATEMENT

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

- (a) to enable the Central Provident Fund Board (the Board) to transfer certain amounts standing to the credit of members in the Central Provident Fund (the Fund) to the general moneys of the Fund, and to cease or suspend paying interest on those amounts, in certain circumstances;

- (b) to enable conditions to be imposed under section 13A(1) upon the grant, renewal or reinstatement of any registration, licence, certificate or permit referred to therein, without any application being made for that registration, licence, certificate or permit, and for matters related thereto;
- (c) to adopt, as the standard of mental disability required for the purposes of section 15(2)(e), (6B)(a)(ii), (7A)(b) and (8)(b), a lack of capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A);
- (d) to expressly provide in the Act for withdrawal from a deceased member's medisave account for the purposes of paying for such medical, psychiatric or other treatment or services received by him (before his death) as may be prescribed in regulations made under section 77(1);
- (e) to enable the transfer of the amount standing to the credit of a deceased member in the Fund to the accounts in the Fund of his nominee or nominees, in certain circumstances;
- (f) to provide for the distribution and disposal of certain shares belonging to a deceased member, and for the disposal of the dividends, returned paid-up share capital and other moneys paid in respect of those shares, in certain circumstances;
- (g) to provide for the disposal of certain shares belonging to a member whose accounts in the Fund are deemed to be dormant, and of the dividends, returned paid-up share capital and other moneys paid in respect of those shares, in certain circumstances; and
- (h) to modify the Lifelong Income Scheme.

Clause 1 relates to the short title and commencement.

Clause 2(a) and (c) amends section 2(1) to insert new definitions for the terms "approved corporation", "securities account" and "shares", which will be used in section 26 (as amended by clause 11) and the new sections 26A to 26D (to be inserted by clause 12).

Clause 2(b) amends section 2(1) to insert a new definition for "general moneys of the Fund", which will be used in the new sections 6(4D) to (4I), 13(7B) to (7G), 26(4D) and (4E), 26A(9) and (10), 26B(3) to (6), 26D(1), (2) and (5) and 77(1)(ba) (to be inserted by clauses 3, 4, 11, 12 and 20).

Clause 2(d) amends section 2 by inserting new subsections (1B) and (1C). The new subsection (1B) specifies when a member's accounts in the Fund will be deemed to be dormant. The new subsection (1C) specifies how a member's age is to be calculated, for the purposes of the new subsection (1B), when one or more of the day, month and year in which he was born cannot be ascertained.

Clause 2(e) and (f) makes technical amendments to section 2(3) and (4), so that the references to the Mental Capacity Act (Cap. 177A) in section 2(3) and (4) will be consistent with the reference to that Act in the new section 2(5) (to be inserted by clause 2(g)).

Clause 2(g) amends section 2 by inserting a new subsection (5) to clarify that where a reference is made to the Board being satisfied that a person lacks capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A), the Board must be satisfied that the person's lack of capacity is likely to be permanent.

Clause 3(a) and (b) amends section 6(4), and inserts new section 6(4C) to (4I), to provide for the circumstances where the Board may cease, or suspend, the payment of interest on any amount standing to the credit of a member in the Fund.

Clause 4(a) and (b) amends section 13(1), and inserts new section 13(7A) to (7G), to provide for the circumstances where —

- (a) the Board may transfer any amount standing to a member's credit in the Fund to his ordinary account, or to the general moneys of the Fund; and
- (b) the Board may restore any amount so transferred to the member's account in the Fund from which it had been transferred.

Clause 4(a) also makes a technical amendment to section 13(1).

Clause 5(a) amends section 13A(1) to enable a person entitled to exercise any power to grant, renew or reinstate any registration, licence, certificate or permit under any Act specified in the Third Schedule to impose conditions relating to the payment of contributions to the Fund upon the grant, renewal or reinstatement of that registration, licence, certificate or permit, without any application being made for that registration, licence, certificate or permit.

Clause 5(b) amends section 13A by inserting a new subsection (1A) to empower the Board to give, to a person entitled to exercise any power referred to in section 13A(1), such information concerning a member of the Fund as may be necessary to facilitate the exercise of that power by that person in relation to that member.

Clause 6(a) makes an amendment to section 15(1A) that is consequential to the insertion of the new section 15(1C) (by clause 6(d)).

Clause 6(b) makes amendments to section 15(1B), (6C)(a) and (15)(e)(iv) that are consequential to the insertion of the new section 27L(1A) (by clause 16(a)).

Clause 6(c) amends section 15(1B) to enable the Board to authorise a withdrawal from the Fund by a relevant member for the payment of a premium for an annuity plan under the Lifelong Income Scheme from any amount deposited in his retirement account under section 15(6C)(b)(i), without any application being made by the relevant member under section 15(1A).

Clause 6(d) amends section 15 by inserting a new subsection (1C) to enable the Board to authorise, after the death of a member, a withdrawal from the Fund under section 15(5) by a person nominated by that member, by a memorandum executed in accordance with section 25(1), without any application being made by that person under section 15(1A).

Clause 6(e) deletes and substitutes section 15(2)(e) to adopt, as the standard of mental disability required for a withdrawal by a member under that provision, a lack of capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A).

Clause 6(f) deletes and substitutes section 15(5) —

- (a) to provide (as a consequence of the deletion and substitution of section 25(1) by clause 10(a)) that where a person nominated by a member, by a memorandum executed in accordance with section 25(1), is entitled, after the death of that member, to withdraw from the balance standing to the credit of that member in the Fund, the withdrawal must be in the manner provided for in the memorandum; and
- (b) to make technical changes.

Clause 6(g) deletes and substitutes section 15(6B)(a) to adopt, as the standard of mental disability required under 15(6B)(a)(ii) (for the revocation of a memorandum executed under section 15(6A)), a lack of capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A).

Clause 6(h) and (i) amends section 15(6C)(b) to enable the amount of the minimum sum referred to in that provision to be used for the payment of a premium for an annuity plan under the Lifelong Income Scheme.

Clause 6(j) deletes and substitutes section 15(7A) to adopt, as the standard of mental disability required for withdrawal by a member under section 15(7A)(b), a lack of capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A). As a consequence of the deletion and substitution of section 15(7A), paragraphs (ba), (c) and (d) thereof are renumbered as paragraphs (c), (d) and (e), respectively.

Clause 6(k) makes an amendment to section 15(7B) that is consequential to the renumbering of the paragraphs in section 15(7A) as a result of the deletion and substitution of that provision (by clause 6(j)).

Clause 6(l) deletes and substitutes section 15(8)(b) to adopt, as the standard of mental disability required for excusing the setting aside or topping-up of the minimum sum under that provision, a lack of capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A).

Clause 6(m) makes a technical amendment to section 15(14), so that the Act consistently uses the expression “is adjudicated a bankrupt by a court” to describe how a person is made a bankrupt.

Clause 7 amends section 16A(1), and the section heading of section 16A, to expressly provide for withdrawal from a deceased member’s medisave account for the purposes of paying for such medical, psychiatric or other treatment or services received by him (before his death) as may be prescribed in regulations made under section 77(1).

Clause 8(a) deletes and substitutes section 20(1) to make certain consequential amendments arising from the insertion of new section 20(1A) and the deletion and substitution of section 25(1) (by clauses 8(a) and 10(a), respectively), to make certain technical amendments, and, in addition, to enable the Board, where a member has executed a memorandum under section 25(1) which provides for payment in accordance with the new section 25(1)(a)(ii) (to be inserted by clause 10(a)), to transfer, after the death of the member, an amount standing to the member’s credit in the Fund to the accounts in the Fund of the person nominated by the member to receive

that amount or, if that amount exceeds such maximum amount as the Minister may determine, to transfer that maximum amount to that person's accounts in the Fund and to pay that person the excess.

Clause 8(a) also inserts a new section 20(1A) to enable the Board, where a member who has executed a memorandum under section 25(1) has died, to pay a person nominated by the member, or to transfer to that person's accounts in the Fund, an amount standing to the credit of the member without any application for the withdrawal of that amount, if that person is a citizen or permanent resident of Singapore.

Clause 8(b) makes an amendment to section 20(2) that is consequential to the insertion of the new section 20(1A) (by clause 8(a)).

Clause 8(c) amends section 20(3) to clarify that the type of evidence that is to be prescribed under section 20(3) is to be prescribed by the Board.

Clause 9(a) makes an amendment to section 24(3A) that is consequential to the insertion of the new section 25(2A) (by clause 10(c)).

Clause 9(b) makes a technical amendment to section 24(5), so that the Act consistently uses the expression "is adjudicated a bankrupt by a court" to describe how a person is made a bankrupt.

Clause 10(a) deletes and substitutes section 25(1) and inserts a new section 25(1A) to enable a member to nominate, by executing a memorandum, one or more persons to receive the amount payable on the member's death out of the Fund under the new section 20(1)(b) or (1A) (inserted by clause 8(a)). The member may, in the memorandum, specify whether a nominated person is to receive his portion of the amount payable on the member's death out of the Fund —

- (a) by the payment of that portion to that person; or
- (b) if that person is a citizen or permanent resident of Singapore at the time the Board is satisfied that the memorandum is duly executed —
  - (i) by the transfer of that portion to that person's accounts in the Fund in such manner as the member may specify in the memorandum; or
  - (ii) if that portion exceeds such maximum amount as the Minister may determine, by the transfer of that maximum amount to that person's accounts in the Fund in such manner as the member may specify in the memorandum, and by the payment of the excess to that person.

Clause 10(a) also inserts a new section 25(1B) to enable the Minister to determine different maximum amounts for different classes of nominated persons.

Clause 10(b) makes an amendment to section 25(2) that is consequential to the insertion of the new section 25(2A) (by clause 10(c)).

Clause 10(c) inserts a new section 25(2A) to enable the Public Trustee to pay, to any person determined by the Public Trustee in accordance with section 25(2) to be entitled to any moneys paid out of the Fund on the death of a member, such amount as the Public Trustee determines to be reasonable to defray any reasonable funeral expenses incurred by that person in respect of the deceased member, before paying the remainder

of the moneys paid to the Public Trustee under section 25(2) in accordance with the Intestate Succession Act (Cap. 146) (if the deceased member is not a Muslim at the time of his death) or section 112 of the Administration of Muslim Law Act (Cap. 3) (if the deceased member is a Muslim at the time of his death).

Clause 10(d) deletes and substitutes section 25(3) and (4) to make amendments that are consequential to the deletion and substitution of sections 20(1) and 25(1) and the insertion of new section 20(1A) (by clauses 8(a) and 10(a)).

Clause 10(e), (f) and (g) makes amendments to section 25(4A) and (6) that are consequential to the deletion and substitution of section 25(1) (by clause 10(a)).

Clause 11 amends section 26 to restate how certain shares belonging to a member, and vested in the Board under section 26(1) upon the death of the member, will be dealt with, if the member dies on or after 1st January 1996 and has executed a memorandum under section 25(1). The amendments —

- (a) empower the Board to require any person who possesses any document or information necessary for effecting the transfer of those shares to furnish that document or information to the Board;
- (b) enable the Board to deduct, from an amount payable out of the Fund to a member's nominee on the member's death, the whole or any part of any fee or charge in connection with the transfer of those shares to the nominee;
- (c) provide the Board with the option to sell those shares in certain circumstances;
- (d) enable the Board to deduct, from the proceeds of the sale of those shares, the whole or any part of any fee or charge in connection with the sale of those shares; and
- (e) provide for how the proceeds of the sale of those shares are to be dealt with.

Clause 12 inserts the new sections 26A, 26B, 26C and 26D.

The new section 26A provides for the distribution and disposal of certain shares belonging to a member, if the member died before 1st January 1996 or has not executed a memorandum under section 25(1). In particular, the new section 26A will —

- (a) provide for those shares to be vested in the Board upon the death of the member;
- (b) provide for the Board to transfer those shares to the securities account (if any) belonging to and in the sole name of the deceased member, or the securities account opened and operated by the personal representatives of the member on behalf and for the benefit of the estate of the member;
- (c) empower the Board to require any person who possesses any document or information necessary for effecting the transfer of those shares to furnish that document or information to the Board;

- (d) enable the Board to recover, from the personal representatives of the deceased member, the whole or any part of any fee or charge in connection with the transfer of those shares;
- (e) provide the Board with the option to sell those shares in certain circumstances;
- (f) enable the Board to deduct, from the proceeds of the sale of those shares, the whole or any part of any fee or charge in connection with the sale of those shares; and
- (g) provide for how the proceeds of the sale of those shares are to be dealt with.

The new section 26B provides for the disposal of certain shares belonging to a member, and any dividends, returned paid-up share capital or other moneys in respect of those shares, if the member's accounts in the Fund are deemed to be dormant. In particular, the new section 26B will —

- (a) provide for those shares to be vested in the Board;
- (b) provide the Board with the option to sell those shares in certain circumstances;
- (c) enable the Board to deduct, from the proceeds of the sale of those shares, the whole or any part of any fee or charge in connection with the sale of those shares;
- (d) provide for how the proceeds of the sale of those shares are to be dealt with; and
- (e) where the Board has received any dividends, returned paid-up share capital or other moneys in respect of those shares after those shares are vested in the Board, provide for how the dividends, capital or other moneys are to be dealt with.

The new section 26C entitles the Board to pay into the ordinary account of a member any dividends, returned paid-up share capital or other moneys, in respect of certain shares belonging to the member, that are received by the Board after the death of the member, notwithstanding any written or other law, until the Board is notified of the death of the member in the prescribed manner. Such dividends, capital or other moneys will thereafter be dealt with in accordance with the new section 20(1)(b) and (1A) and section 25.

The new section 26D provides for the disposal of any dividends, returned paid-up share capital or other moneys, in respect of certain shares belonging to a member, that are received by the Board after the Board has been notified of the death of the member in the prescribed manner.

Clauses 13 and 14 make amendments to section 27D(1)(vi)(D) and the definition of “premium” in section 27J, respectively, that are consequential to the insertion of the new section 27L(1A) (by clause 16(a)).

Clause 15(a) deletes and substitutes section 27K(2)(d) to extend the application of the Lifelong Income Scheme to every member who satisfies the requirements under

section 27K(2)(a), (b) and (c) and who also has, at such time as may be prescribed, an amount standing to his credit in his retirement account that is not less than such amount as may be prescribed. The Scheme will also continue to apply to every member who satisfies the requirements under section 27K(2)(a), (b) and (c) and who, on attaining the age referred to in section 27K(2)(b), has an amount of not less than such amount as may be prescribed set aside or topped-up for the purposes of his minimum sum.

Clause 15(b) inserts a new section 27K(2A) to enable different times and amounts to be prescribed for different classes of members, for the purposes of the new section 27K(2)(d)(ii) (to be inserted by clause 15(a)).

Clause 16(a) inserts a new section 27L(1A) —

- (a) to require a relevant member, who has been issued an annuity plan before the relevant month applicable to him, to pay an additional premium, within that month or such period after that month as the Board may determine, of such amount as the Minister may determine, unless the Board determines otherwise; and
- (b) to empower the Minister to determine different additional premiums for different classes of relevant members.

Clause 16(b) amends section 27L(10) to insert a new definition for “relevant month” for the purposes of the new section 27L(1A) (to be inserted by clause 16(a)).

Clause 17 makes amendments to section 27M that are consequential to the insertion of the new section 27L(1A) (by clause 16(a)).

Clause 18 makes amendments to section 57C(5)(b) and (6)(b) that are consequential to the deletion and substitution of sections 20(1) and 25(1) and the insertion of new section 20(1A) (by clauses 8(a) and 10(a)).

Clause 19 amends section 59 —

- (a) by inserting a new subsection (9) to empower the Board, in the course of performing its functions in relation to any amount payable on the death of a member, any shares belonging to the member which are vested in the Board on the death of the member, or any proceeds of the sale of those shares, to disclose to any person information received by the Board on —
  - (i) the name and identity card number of the member;
  - (ii) the date of the member’s death; and
  - (iii) the source of the Board’s information on the member’s death; and
- (b) by making a consequential amendment to the section heading.

Clause 20(a) inserts a new section 77(1)(ba) to empower the Minister to make regulations for the transfer of any amount standing to the credit of a member to the general moneys of the Fund, and the restoration of that amount to the member’s accounts in the Fund, and for the purposes of the new sections 2(1B), 6(4C) to (4I) and 13(7A) to (7G) (to be inserted by clauses 2(d), 3(b) and 4(b), respectively).

Clause 20(*b*) makes an amendment to section 77(1)(*j*) that is consequential to the amendment of section 16A(1) (by clause 7(*a*)).

Clause 20(*c*) inserts a new section 77(1)(*na*) to empower the Minister to make regulations for the purposes of the amended section 26 (by clause 11) and the new sections 26A to 26D (to be inserted by clause 12).

Clause 20(*d*) makes an amendment to section 77(2)(*c*) that is consequential to the renumbering of the paragraphs in section 15(7A) as a result of the deletion and substitution of that provision (by clause 6(*j*)).

Clause 20(*e*) makes a technical amendment to section 77(2)(*ea*), so that the reference to the Mental Capacity Act (Cap. 177A) in that provision will be consistent with the references to that Act in the new section 2(5) (to be inserted by clause 2(*g*)).

## EXPENDITURE OF PUBLIC MONEY

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

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