

Central Provident Fund (Amendment) Bill

Bill No. 17/2011.

Read the first time on 17th October 2011.

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 2011 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 “minimum sum” in subsection (1), the following definition:

10 ““nominee account” means any nominee ordinary account, nominee medisave account, nominee special account or nominee retirement account maintained for a deceased member under section 20(1D);”;

15 (b) by deleting the word “Where” in subsection (3) and substituting the words “In this Act, unless the context otherwise requires, where”; and

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

20 “(6) In this Act, unless the context otherwise requires, a reference to the amount payable on a member’s death out of the Fund shall be construed as a reference to the balance standing to the credit of the member in the Fund after deducting the following amounts:

25 (a) any sum withdrawn, or to be withdrawn, under section 16A;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 (6) or 19A(2) or (6);

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

(d) any sum recovered, or to be recovered, by the Board under section 27N(4) or 57C(5) or (6).

(7) For the purposes of sections 6(4C) and (4D), 13(7A), (7B) and (7C), 26 and 26A, where a member has died, but the day on which, or the month or year in which, the member died cannot be ascertained, the following provisions shall apply:

(a) where the day of the month on which the member died cannot be ascertained, the member shall be deemed to have died —

(i) in any case where the Board has received satisfactory proof, or obtained reliable information, that the member died within a particular period, on the last day of that period; or

(ii) in any other case, on the first day of the month in which the member died or is deemed under paragraph (b) to have died;

(b) where the month in which the member died cannot be ascertained, the member shall be deemed to have died —

(i) in any case where the Board has received satisfactory proof, or obtained reliable information, that the member died within a particular period, in the last month of that period; or

(ii) in any other case, in January of the year in which the member died or is deemed under paragraph (c) to have died; and

(c) where the year in which the member died cannot be ascertained, and the Board has received satisfactory proof, or obtained reliable information, that the member died within a particular period, the member shall be deemed to have died in the last year of that period.”.

Amendment of section 6

3. Section 6 of the principal Act is amended —

- 5 (a) by inserting, immediately after the words “any amount standing to the credit of the deceased member in the Fund” in subsection (4D), the words “that is not in any nominee account maintained for the deceased member”;
- (b) by inserting, immediately after the words “returned paid-up share capital” in subsection (4I), the words “, proceeds of sale”; and
- 10 (c) by inserting, immediately after the words “dividends, capital” wherever they appear in subsection (4I), the word “, proceeds”.

Amendment of section 13

15 **4.** Section 13 of the principal Act is amended by deleting subsections (7A) and (7B) and substituting the following subsections:

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

- 20 (a) if 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 his accounts in the Fund are deemed to be dormant has passed, any amount standing to his credit in the Fund; or
- 25 (b) if the member has died, and such period (as may be prescribed in those regulations) after the day of his death has passed, any amount standing to his credit in the Fund that is not in any nominee account maintained for him.

30 (7B) The Board may transfer to the general moneys of the Fund, in accordance with any regulations made under section 77(1) —

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- (a) if a member's accounts in the Fund are deemed to be dormant, and the 7th anniversary of the day his accounts in the Fund are deemed to be dormant has passed, any amount standing to his credit in the Fund; or
 - (b) if a member has died, and the 7th anniversary of the day of his death has passed, any amount standing to his credit in the Fund that is not in any nominee account maintained for him.”

10 **Repeal and re-enactment of section 13B**

5. Section 13B of the principal Act is repealed and the following section substituted therefor:

“Voluntary contributions

15 **13B.**—(1) Notwithstanding anything in this Act but subject to any regulations made under section 77(1) —

- (a) any person may —
 - (i) if he is a citizen or permanent resident of Singapore in respect of whom no contribution is required to be paid under this Act, contribute voluntarily to the Fund in such manner and at such rate as the Minister may direct; or
 - (ii) on or after 1st January 2011, voluntarily pay to the Fund contributions for any other person (being a citizen or permanent resident of Singapore in respect of whom no contribution is required to be paid under this Act) in such manner and at such rate as the Minister may direct;
 - (b) the Board shall credit every contribution received under paragraph (a)(i) or (ii) into an ordinary account, a medisave account or a special account, for the purposes specified in section 13(1), in such manner as the Minister may direct; and
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(c) the Minister may give different directions in respect of different classes of members.

(2) Notwithstanding anything in this Act but subject to any regulations made under section 77(1) —

5 (a) any person may, on or after 1st January 2011, voluntarily pay to the Fund contributions for any other person (being a citizen or permanent resident of Singapore in respect of whom any contribution is required to be paid under this Act, but no contribution is required to be paid under this Act by the first-mentioned person) in such manner and at such rate as the Minister may direct;

10 (b) the Board shall credit every contribution received under paragraph (a) into an ordinary account, a medisave account or a special account, for the purposes specified in section 13(1), in such manner as the Minister may direct; and

15 (c) the Minister may give different directions in respect of different classes of members.

20 (3) The aggregate of the following amounts which may be contributed by or for a person shall not, in any year, exceed such sum as the Minister may prescribe by regulations made under section 77(1):

25 (a) the amount which that person may contribute voluntarily in that year under subsection (1)(a)(i);

(b) the amount which may be contributed for that person in that year under subsection (1)(a)(ii) or (2)(a); and

30 (c) such other amounts which may be contributed by or for that person in that year as the Minister may prescribe by regulations made under section 77(1).

(4) Every amount voluntarily paid to the Fund on or after 1st January 2011, but before the date of commencement of section 5 of the Central Provident Fund (Amendment) Act 2011, by a person as a contribution for any other person (being

5 a citizen or permanent resident of Singapore in respect of whom no contribution is required to be paid under this Act, or being a citizen or permanent resident of Singapore in respect of whom any contribution is required to be paid under this Act, but no contribution is required to be paid under this Act by the first-mentioned person) shall be deemed to be and always to have been validly paid, and no legal proceedings shall lie or be instituted or maintained in any court of law on account of or in respect of any such payment.”.

10 **Amendment of section 15**

6. Section 15 of the principal Act is amended —

(a) by deleting subsection (2A) and substituting the following subsection:

15 “(2A) Where a member of the Fund is entitled under subsection (2)(d), (e) or (f) to withdraw the sum standing to his credit in the Fund, at the time of the withdrawal and in accordance with such directions as the Minister may give in any particular case —

20 (a) such amount as the Minister may specify shall be set aside or topped-up in the member’s retirement account —

(i) by the member; or

(ii) from the sum standing to the member’s credit in the Fund; and

25 (b) the prescribed amount referred to in section 16 shall be set aside or topped-up in the member’s medisave account —

(i) by the member; or

30 (ii) from the sum standing to the member’s credit in the Fund.”;

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

5 “(5) Subject to section 25(3), after the death of a member of the Fund, a person who is nominated by the deceased 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 the deceased member in the Fund, such portion of the amount payable on the deceased member’s death out of the Fund as the person has been nominated to receive under the memorandum.”;

10 (c) by deleting subsection (6) and substituting the following subsection:

15 “(6) Subject to subsections (6A), (8) and (8A), where a member of the Fund is entitled under subsection (2)(a), (3) or (4) to withdraw the sum standing to his credit in the Fund, at the time of the withdrawal and in accordance with any regulations made under this Act —

20 (a) a prescribed sum (referred to in this Act as the minimum sum) shall be set aside or topped-up —

(i) by the member; or

(ii) from the sum standing to the member’s credit in the Fund; and

25 (b) unless the Board otherwise allows, such amount as may be specified under subsection (6D) shall be set aside or topped-up in the member’s medisave account —

(i) by the member; or

30 (ii) from the sum standing to the member’s credit in the Fund after deducting any sum standing to the member’s credit in his retirement account.”;

(d) by deleting the words “set aside or topped-up by a member” in subsection (6C);

(e) by deleting subsection (6D) and substituting the following subsection:

“(6D) The Minister may, by order published in the *Gazette* —

- 5 (a) specify such amount as he thinks fit for the purposes of subsection (6)(b); and
- (b) specify different amounts in respect of different classes of members.”;

10 (f) by deleting subsection (7B) and substituting the following subsection:

 “(7B) Where a member of the Fund is entitled under subsection (7A)(a), (b) or (c) to withdraw the amount referred to in subsection (6C)(b) or any part thereof from his account with an approved bank or his retirement account or surrender his approved annuity from an insurer, at the time of the withdrawal or surrender, as the case may be, and in accordance with such directions as the Minister may give in any particular case —

- 20 (a) such amount as the Minister may specify shall be set aside or topped-up in the member’s retirement account —
- (i) by the member; or
- (ii) from the sum standing to the member’s credit in the Fund; and
- 25 (b) the prescribed amount referred to in section 16 shall be set aside or topped-up in the member’s medisave account —
- (i) by the member; or
- (ii) from the sum standing to the member’s credit in the Fund.”;
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(g) by deleting subsection (8A) and substituting the following subsection:

“(8A) Where a member of the Fund is entitled under subsection (2)(a), (3) or (4) to withdraw the sum standing to his credit in the Fund and, under subsection (8)(a), (b) or (c), need not comply with subsection (6)(a), at the time of the withdrawal and in accordance with such directions as the Minister may give in any particular case —

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(a) such amount as the Minister may specify shall be set aside or topped-up in the member’s retirement account —

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(i) by the member; or

(ii) from the sum standing to the member’s credit in the Fund; and

(b) the prescribed amount referred to in section 16 shall be set aside or topped-up in the member’s medisave account —

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(i) by the member; or

(ii) from the sum standing to the member’s credit in the Fund.”;

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(h) by deleting the words “minimum sum or part thereof which he is required to set aside for the purposes of subsection (6C)” in subsection (10) and substituting the words “member’s minimum sum or part thereof which is required to be set aside for any of the purposes mentioned in subsection (6C)”;

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(i) by deleting the words “minimum sum or part thereof which the member is required to set aside” in subsection (10A) and substituting the words “member’s minimum sum or part thereof which is required to be set aside”; and

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(j) by deleting the words “minimum sum set aside by the member under subsection (6)” in subsection (15)(e)(iv) and substituting the words “member’s minimum sum”.

Amendment of section 15B

7. Section 15B(1) of the principal Act is amended by deleting the words “that the member is required to set aside under section 15” and substituting the words “required to be set aside under section 15(6)(a)”.
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Amendment of section 16

8. Section 16(2) of the principal Act is amended —

- (a) by deleting the words “is required to top-up” in paragraph (a) and substituting the words “is a person in respect of whom there is a requirement to set aside or top-up”; and
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- (b) by deleting the words “is required to” in paragraphs (b) and (c) and substituting in each case the words “is a person in respect of whom there is a requirement to”.

Amendment of section 18B

9. Section 18B of the principal Act is amended by deleting subsections (1) and (2) and substituting the following subsection:
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“(1) The Board may, on the application of a member who has less than the prescribed amount standing to his credit in his special account and subject to such terms and conditions as the Board may impose, transfer to his special account a sum standing to his credit in his ordinary account, being a sum not exceeding the difference between —
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- (a) the prescribed amount; and
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- (b) the aggregate of —
- (i) the amount standing to his credit in his special account; and
- (ii) any amount withdrawn from his special account for the making of investments under any scheme in accordance with any regulations made under section 77(1)(n).”
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Amendment of section 18C

10. Section 18C of the principal Act is amended by deleting subsections (1) and (2) and substituting the following subsection:

5 “(1) The Board may, on the application of a member who has less than the requisite amount standing to his credit in his medisave account and subject to such terms and conditions as the Board may impose, transfer to his medisave account a sum standing to his credit in his ordinary account or special account, or in both accounts.”.

11. Amendment of section 20

11. Section 20 of the principal Act is amended —

- (a) by inserting, immediately after the words “provides for payment” wherever they appear in subsections (1)(b)(i) and (ii) and (1A)(a) and (b), the words “to the person”;
- 15 (b) by deleting the word “sum” in subsections (1)(b)(i) and (ii)(A) and (1A)(a) and (b)(i) and substituting in each case the words “amount payable on the member’s death out of the Fund”;
- (c) by deleting the word “or” at the end of subsections (1)(b)(i) and (1A)(a);
- 20 (d) by deleting the full-stop at the end of subsections (1)(b)(ii)(B) and (1A)(b)(ii) and substituting in each case the word “; or”;
- (e) by inserting, immediately after sub-paragraph (ii) of subsection (1)(b), the following sub-paragraph:
- 25 “(iii) if the memorandum provides for payment to the person in accordance with section 25(1)(a)(iii) (whether or not the member is a citizen or permanent resident of Singapore at the time of his death, whether or not the person is a citizen or permanent resident of Singapore, and whether or not the certification under
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section 25(1C) issued in respect of the person remains in force), the Board may —

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- (A) subject to sub-paragraph (C) and if the memorandum so provides, pay the person such portion of the amount payable on the member's death out of the Fund as the person is nominated to receive in periodic instalments in such manner as the Board may determine;
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- (B) subject to sub-paragraph (C) and if the memorandum so provides, transfer such part of that portion as the Board may determine to the person's medisave account in periodic instalments in such manner as the Board may determine, and pay the remainder of that portion to the person in periodic instalments in such manner as the Board may determine; or
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- (C) if any of the circumstances specified in subsection (1B) applies —
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- (CA) pay that portion to the person;
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- (CB) pay such part of that portion as the Board may determine in accordance with sub-paragraph (A) or (B), and pay the remainder of that portion to the person; or
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- (CC) transfer such part of that portion as the Board may determine to the person's
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medisave account in periodic instalments in such manner as the Board may determine (if the memorandum so provides), and pay the remainder of that portion to the person.”;

(f) by inserting, immediately after paragraph (b) of subsection (1A), the following paragraph:

“(c) if the memorandum provides for payment to the person in accordance with section 25(1)(a)(iii) (whether or not the member is a citizen or permanent resident of Singapore at the time of his death, and whether or not the certification under section 25(1C) issued in respect of the person remains in force), and the person is a citizen or permanent resident of Singapore —

(i) subject to sub-paragraph (iii) and if the memorandum so provides, pay the person such portion of the amount payable on the member’s death out of the Fund as the person is nominated to receive in periodic instalments in such manner as the Board may determine;

(ii) subject to sub-paragraph (iii) and if the memorandum so provides, transfer such part of that portion as the Board may determine to the person’s medisave account in periodic instalments in such manner as the Board may determine, and pay the remainder of that portion to the person in periodic instalments in such manner as the Board may determine; or

(iii) if any of the circumstances specified in subsection (1B) applies —

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- (A) pay that portion to the person;
 - (B) pay such part of that portion as the Board may determine in accordance with sub-paragraph (i) or (ii), and pay the remainder of that portion to the person; or
 - (C) transfer such part of that portion as the Board may determine to the person's medisave account in periodic instalments in such manner as the Board may determine (if the memorandum so provides), and pay the remainder of that portion to the person.”; and
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- 15 (g) by inserting, immediately after subsection (1A), the following subsections:
- “*(1B)* For the purposes of subsections *(1)(b)(iii)(C)* and *(1A)(c)(iii)*, the circumstances are as follows:
- 20 *(a)* such portion of the amount payable on the member's death out of the Fund as the person is nominated to receive does not exceed such amount as the Minister may determine under section 25(1)(a)(iii)(C);
 - 25 *(b)* the person has withdrawn, or the Board (on the person's application) has given its authority under section 15(1) for the withdrawal of, the sum standing to the credit of the person in the Fund under section 15(2)(b) or (c);
 - 30 *(c)* the person has applied to the Board to withdraw such portion of the amount payable on the member's death out of the Fund as the person is nominated to receive, and the Board is satisfied that the person —
 - 35 *(i)* not being a citizen of Singapore, has left or is about to leave Singapore and the States

of Malaya permanently with no intention to return thereto; or

(ii) being a citizen of Malaysia, has left or is about to leave Singapore permanently for the States of Malaya in such circumstances as the Minister may approve; or

(d) the person has applied to the Minister charged with the responsibility for social services to withdraw such portion of the amount payable on the member's death out of the Fund as the person is nominated to receive, and that Minister has granted the person's application.

(1C) The Minister charged with the responsibility for social services may in writing delegate to any person or group of persons appointed by that Minister all or any of his functions and powers under subsection (1B)(d).

(1D) Where a member of the Fund has executed a memorandum under section 25(1) nominating any person to receive the person's portion of the amount payable on the member's death out of the Fund in accordance with section 25(1)(a)(iii), and the Board has been notified, in such manner as may be prescribed in any regulations made under section 77(1), of the death of the member, the Board may, in accordance with any regulations made under section 77(1) —

(a) maintain for the member —

(i) a nominee ordinary account;

(ii) a nominee medisave account;

(iii) a nominee special account; and

(iv) a nominee retirement account, if the member had a retirement account at the time of his death;

(b) transfer the person's portion of the amount payable on the member's death out of the Fund

from the member's ordinary account, medisave account, special account and retirement account (if any) to the nominee accounts maintained for the member; and

- 5 (c) pay the person, or transfer to the person's medisave account, any periodic instalment or the person's portion of the amount payable on the member's death out of the Fund, in accordance with the applicable sub-paragraph of
10 subsection (1)(b)(iii) or (1A)(c), from the person's share of the amount standing to the credit of the member that is in the nominee accounts maintained for the member.”.

Amendment of section 25

15 **12.** Section 25 of the principal Act is amended —

(a) by deleting paragraph (a) of subsection (1) and substituting the following paragraph:

20 “(a) such portion of the amount payable on the member's death out of the Fund as the memorandum shall indicate —

- (i) by the payment of that portion to that person;
- (ii) if, at the time the Board is satisfied that the memorandum is duly executed, that person
25 is a citizen or permanent resident of Singapore —

(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

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(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

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(iii) if, at the time the Board is satisfied that the memorandum is duly executed, each of the member and that person is a citizen or permanent resident of Singapore, and a certification under subsection (1C) has been issued in respect of that person and remains in force —

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(A) subject to sub-paragraph (C), by the payment of that portion to that person in periodic instalments in such manner as the Board may determine;

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(B) subject to sub-paragraph (C), by the transfer of such part of that portion as the Board may determine to that person's medisave account in periodic instalments in such manner as the Board may determine, and by the payment of the remainder of that portion to that person in periodic instalments in such manner as the Board may determine; or

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(C) if that portion does not exceed such amount as the Minister may determine —

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(CA) by the payment of that portion to that person;

(CB) by the payment of such part of that portion as the Board

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may determine in accordance with subparagraph (A) or (B), and by the payment of the remainder of that portion to that person; or

(CC) by the transfer of such part of that portion as the Board may determine to that person's medisave account in periodic instalments in such manner as the Board may determine, and by the payment of the remainder of that portion to that person; or";

(b) by deleting subsection (1B) and substituting the following subsections:

“(1B) The Minister may, for different classes of persons nominated under subsection (1), determine —

(a) different maximum amounts for the purposes of subsection (1)(a)(ii)(B); and

(b) different amounts for the purposes of subsection (1)(a)(iii)(C).

(1C) The Minister charged with the responsibility for social services may, on an application by a member who wishes to execute a memorandum under subsection (1) nominating a person to receive the person's portion of the amount payable on the member's death out of the Fund in accordance with subsection (1)(a)(iii), issue a certification in writing stating that the person is eligible to receive that portion in that manner, if —

(a) the person and the member are related —

(i) in such manner as may be prescribed by any regulations made under section 77(1); or

(ii) in such other manner as that Minister may determine; and

(b) the person satisfies such other requirements as that Minister may impose.

(1D) The Minister charged with the responsibility for social services may, in any particular case, waive any requirement imposed under subsection (1C)(b).

(1E) If the Minister charged with the responsibility for social services decides not to issue a certification under subsection (1C), any member or person referred to in that subsection who is aggrieved by that decision may, within such period as may be prescribed in any regulations made under section 77(1), apply to that Minister to reconsider the matter.

(1F) The Minister charged with the responsibility for social services may determine an application under subsection (1E) —

(a) by issuing a certification under subsection (1C); or

(b) by confirming the earlier decision not to issue that certification.

(1G) Any decision of the Minister charged with the responsibility for social services under subsection (1F) shall be final.

(1H) The Minister charged with the responsibility for social services may —

(a) in writing delegate to any person or group of persons appointed by that Minister all or any of his functions and powers under subsections (1C) to (1F); and

(b) under paragraph (a), delegate different functions and powers to different persons or groups of persons.”; and

(c) by deleting subsection (3) and substituting the following subsection:

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“(3) Notwithstanding sections 15(5) and 20(1) and (1A), any portion of the amount payable on a member’s death out of the Fund which a person nominated under subsection (1) would have received by payment to that person shall be paid to the Public Trustee for the benefit of that person —

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(a) in any case where that person is nominated to receive that portion in accordance with subsection (1)(a)(i) or (ii), if that person (not being a widow of the deceased member) is below the age of 18 years at the time of payment of that portion; or

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(b) in any case where that person is nominated to receive that portion in accordance with subsection (1)(a)(iii), if —

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(i) that person (not being a widow of the deceased member) is below the age of 18 years at the time of payment of that portion; and

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(ii) that portion does not exceed such amount as the Minister may determine under subsection (1)(a)(iii)(C).”.

Amendment of section 26

13. Section 26 of the principal Act is amended —

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(a) by inserting, immediately after “(4B)” in subsection (4)(b), “, (4BA)”;

(b) by deleting sub-paragraph (iii) of subsection (4A)(a) and substituting the following sub-paragraph:

“(iii) where the nominated person has died —

(A) to the personal representatives of the deceased nominated person; or

(B) if to the best of the Board’s knowledge the deceased nominated person 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) by deleting the word “or” at the end of subsection (4A)(b)(ii);

(d) by deleting sub-paragraph (iii) of subsection (4A)(b) and substituting the following sub-paragraphs:

“(iii) the receipt of the personal representatives of the deceased nominated person for the proceeds of the sale of the shares, if paragraph (a)(iii)(A) applies; or

(iv) the receipt of the proper claimant for the proceeds of the sale of the shares, if paragraph (a)(iii)(B) applies.”;

(e) by deleting sub-paragraph (C) of subsection (4B)(a)(ii) and substituting the following sub-paragraph:

“(C) where the nominated person has died —

(CA) to the personal representatives of the deceased nominated person; or

(CB) if to the best of the Board’s knowledge the deceased nominated person does not have any personal

representatives, and if the excess does not exceed such amount as the Minister may, by notification in the *Gazette*, specify, to a proper claimant; and”;

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(f) by deleting the word “or” at the end of subsection (4B)(b)(ii);

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(g) by deleting sub-paragraph (iii) of subsection (4B)(b) and substituting the following sub-paragraphs:

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“(iii) the payment of the amount referred to in paragraph (a)(ii) to the nominated person’s account and the receipt of the personal representatives of the deceased nominated person for the balance of the proceeds of the sale of the shares referred to in paragraph (a)(ii), if paragraph (a)(ii)(C)(CA) applies; or

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(iv) 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)(CB) applies.”;

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(h) by inserting, immediately after subsection (4B), the following subsection:

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“(4BA) Where the memorandum executed by the deceased member under section 25(1) provides for payment in accordance with section 25(1)(a)(iii) (whether or not the deceased member is a citizen or permanent resident of Singapore at the time of his death, whether or not the person nominated to receive the shares is a citizen or permanent resident of Singapore,

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and whether or not the certification under section 25(1C) issued in respect of the person remains in force) —

- 5 (a) the Board shall, as soon as practicable, pay to the member's nominee ordinary account the proceeds of the sale of the shares (after making any deduction under subsection (4)(a));
- (b) the Board shall pay the amount of those proceeds from the member's nominee ordinary account —
- 10 (i) subject to sub-paragraphs (ii) and (iii), to the nominated person in accordance with the sub-paragraph of section 20(1)(b)(iii) or (1A)(c) that applies to the nominated person;
- (ii) to the Public Trustee, if —
- 15 (A) the nominated person (not being a widow of the deceased member) is below the age of 18 years at the time of the payment; and
- (B) such portion of the amount payable on the member's death out of the Fund to the nominated person as the memorandum shall indicate does not exceed such amount as the Minister may determine under
- 20 section 25(1)(a)(iii)(C); or
- 25 (iii) where the nominated person has died —
- (A) to the personal representatives of the deceased nominated person; or
- 30 (B) if to the best of the Board's knowledge the deceased nominated person 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 (3):

- 5 (i) the receipt of the nominated person for the amount of those proceeds, if paragraph (b)(i) applies;
- (ii) the receipt of the Public Trustee for the amount of those proceeds, if
10 paragraph (b)(ii) applies;
- (iii) the receipt of the personal representatives of the deceased nominated person for the proceeds of the sale of the shares, if paragraph (b)(iii)(A) applies; or
- 15 (iv) the receipt of the proper claimant for the proceeds of the sale of the shares, if paragraph (b)(iii)(B) applies.”;
- (i) by deleting the words “and (4B)” in subsection (4C) and substituting the words “, (4B) and (4BA)”;
- 20 (j) by deleting the words “(4A)(a)(iii) and (4B)(a)(ii)(C)” in subsection (4C) and substituting the words “(4A)(a)(iii)(B), (4B)(a)(ii)(C)(CB) and (4BA)(b)(iii)(B)”.

Amendment of section 26C

14. Section 26C of the principal Act is amended —

- 25 (a) by inserting, immediately after the words “returned paid-up share capital” in subsections (1), (2) and (3), the words “, proceeds of sale”; and
- (b) by inserting, immediately after the words “dividends, capital” in subsection (1), the word “, proceeds”.

Amendment of section 26D

15. Section 26D of the principal Act is amended —

- (a) by inserting, immediately after the words “returned paid-up share capital” in subsections (1) to (4), the words “, proceeds of sale”;
- 5 (b) by inserting, immediately after the words “dividends, capital” wherever they appear in subsections (1) and (2), the word “, proceeds”; and
- (c) by inserting, immediately after the words “returned paid-up share capital” in paragraphs (a) and (b) of the definition of “proper claimant” in subsection (5), the words “, proceeds
10 of sale”.

Amendment of section 27B

16. Section 27B(3) of the principal Act is amended by deleting the words “which the member is required to set aside” in paragraph (c) and substituting the words “required to be set aside by the member,
15 or from the amount standing to the credit of the member in the Fund,”.

Amendment of section 27C

17. Section 27C of the principal Act is amended —
- 20 (a) by deleting the words “minimum sum which the member is required to set aside” in subsections (1)(b), (i), (ii) and (iv)(A) and (B) and (2)(b) and (i) and substituting in each case the words “member’s minimum sum”;
- 25 (b) by deleting the words “minimum sum which the spouse is required to set aside” in subsection (1)(iii)(B)(BB) and (v)(B) and substituting in each case the words “spouse’s minimum sum”; and
- (c) by deleting the words “the spouse has set aside the minimum sum which the spouse is required to set aside” in subsection (1)(v) and substituting the words “the spouse’s
30 minimum sum has been set aside”.

Amendment of section 27D

18. Section 27D of the principal Act is amended —

- 5 (a) by deleting the words “minimum sum or part thereof which the member is required to set aside” wherever they appear in subsections (1)(c) and (iv) and (2) and substituting in each case the words “member’s minimum sum or part thereof which is required to be set aside”;
- (b) by deleting the words “minimum sum which the member is required to set aside” in subsection (1)(i) and (ii) and substituting in each case the words “member’s minimum sum”;
- 10 (c) by deleting the words “minimum sum which the spouse is required to set aside” in subsection (1)(iii)(B)(BB) and (v)(B) and substituting in each case the words “spouse’s minimum sum”; and
- 15 (d) by deleting the words “minimum sum set aside by the spouse under section 15(6)” in subsection (1)(vi)(D) and substituting the words “spouse’s minimum sum”.

Amendment of section 27Q

19. Section 27Q(2) of the principal Act is amended by inserting, immediately after paragraph (e), the following paragraph:

- 20 “(ea) without prejudice to the generality of paragraph (e), provide for the Board to pay a relevant member’s monthly income under section 27K(6), or any amount to be refunded to a relevant member, into the relevant member’s account in the Fund, and for the
- 25 circumstances in which payment will be made to a relevant member in this manner;”.

Amendment of section 31

20. Section 31 of the principal Act is amended —

- 30 (a) by deleting the word “No” in subsection (1) and substituting the words “Subject to subsection (2), no”; and
- (b) by deleting subsections (2) and (3) and substituting the following subsections:

5 “(2) The Board may, on the application of a person who is not entitled to join the Scheme solely by reason that the Board is not satisfied that the person is in good health, and subject to such terms and conditions as the Board may impose either generally or in a particular case, permit the person to join the Scheme.

(3) A member of the Scheme or person who wishes to join the Scheme shall —

- 10 (a) if required by the Board, undergo such medical examination as the Board thinks fit; and
- (b) disclose to the Board such facts or information concerning his health as the Board may require.”.

Amendment of section 33

21. Section 33 of the principal Act is amended —

15 (a) by deleting the words “paid by it under the Scheme” in subsection (1) and substituting the words “paid by the Board under the Scheme (including any costs and expenses incurred by the Board in establishing and maintaining the Scheme)”; and

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

25 “(3) Every amount paid by the Board out of the Home Protection Fund before the date of commencement of section 21 of the Central Provident Fund (Amendment) Act 2011 to defray the costs and expenses incurred by the Board in establishing and maintaining the Scheme shall be deemed to be and always to have been validly paid, and no legal proceedings shall lie or be instituted or maintained in any court of law on account of or in

30 respect of any such payment.”.

Amendment of section 39

22. Section 39 of the principal Act is amended —

(a) by inserting, immediately after paragraph (c), the following paragraph:

5 “(ca) provide, in respect of each class of members of the Scheme, for the amount of money for which a member of the Scheme may be insured under the Scheme;”; and

(b) by inserting, immediately after the word “provide” in paragraphs (d) and (e), the words “, in respect of each class of members of the Scheme,”.

10 **Amendment of section 49B**

23. Section 49B of the principal Act is amended —

(a) by deleting paragraph (b) and substituting the following paragraph:

15 “(b) retain such part of the moneys of the dissolved Fund as it thinks necessary for meeting —

(i) any of its own liabilities under the Scheme that may have arisen prior to the transfer; and

20 (ii) any costs and expenses incurred by it in maintaining the Scheme.”;

(b) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

25 “(2) Every amount paid by the Board out of the dissolved Fund before the dissolution of that Fund, or out of the moneys of the dissolved Fund upon or after the dissolution of that Fund but before the date of commencement of section 23 of the Central Provident Fund (Amendment) Act 2011, to defray the costs and expenses incurred by the Board in establishing and maintaining the Scheme shall be deemed to be and always to have been validly paid, and no legal proceedings shall lie or be instituted or maintained in any

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court of law on account of or in respect of any such payment.”; and

- (c) by inserting, immediately after the word “Fund” in the section heading, the word “, etc.”.

5 **Amendment of section 56**

24. Section 56 of the principal Act is amended —

- (a) by deleting the words “paid by it under the Scheme” in subsection (1) and substituting the words “paid by the Board under the Scheme (including any costs and expenses incurred by the Board in establishing and maintaining the Scheme)”;

- (b) by inserting, immediately after subsection (3), the following subsection:

“(4) Every amount paid by the Board out of the MediShield Fund before the date of commencement of section 24 of the Central Provident Fund (Amendment) Act 2011 to defray the costs and expenses incurred by the Board in establishing and maintaining the Scheme shall be deemed to be and always to have been validly paid, and no legal proceedings shall lie or be instituted or maintained in any court of law on account of or in respect of any such payment.”.

Amendment of section 77

25. Section 77(1) of the principal Act is amended —

- (a) by inserting, immediately after paragraph (l), the following paragraph:

“(m) for the purposes of sections 20(1)(b)(iii), (1A)(c), (1B), (1C) and (1D) and 25(1)(a)(iii), (1B)(b) and (1C) to (1H) and, in particular, to provide for the determination of the amount of any periodic instalment referred to in section 20(1)(b)(iii) or (1A)(c) or 25(1)(a)(iii);”;

(b) by deleting paragraph (o) and substituting the following paragraph:

“(o) for the purposes of sections 15(6) and (7) and 18(1) and (1A) and, in particular, to —

- 5 (i) prescribe the minimum sum referred to in section 15(6)(a), including different minimum sums for different classes of members;
- 10 (ii) prescribe the method of computing the minimum sum;
- 15 (iii) prescribe the amount of the minimum sum which may be withdrawn, and provide for the manner in which the minimum sum may be withdrawn, after a member has attained the prescribed age; and
- 20 (iv) without prejudice to the generality of sub-paragraph (iii), provide for the Board to pay an amount of the minimum sum withdrawn by a member into the member’s account in the Fund, and for the circumstances in which payment will be made to a member in this manner;”.

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 of a scheme to be known as the Special Needs Savings Scheme, under which a member may, by a memorandum under section 25(1), nominate a related person with special needs to receive the person’s portion of the amount payable on the member’s death out of the Central Provident Fund (the Fund) either entirely in periodic instalments, or partially by transfers to the person’s medisave account in periodic instalments and partially in periodic instalments, so as to provide for the long term needs of the person;

- (b) to provide for how references in the Act to the amount payable on a member's death out of the Fund are to be construed;
- (c) to specify, for the purposes of sections 6(4C) and (4D), 13(7A), (7B) and (7C), 26 and 26A, how the date on which a member died is to be reckoned, when one or more of the day, month and year on or in which he died cannot be ascertained;
- (d) to clarify that the proceeds of sale of certain shares belonging to a member are to be treated, under sections 6(4I), 26C and 26D, in the same manner as any dividends, returned paid-up share capital or other moneys in respect of those shares;
- (e) to enable any person to voluntarily pay to the Fund, on or after 1st January 2011, contributions for any other person, the latter being a citizen or permanent resident of Singapore in respect of whom no contribution is required to be paid under the Act, or a citizen or permanent resident of Singapore in respect of whom any contribution is required to be paid under the Act, but no contribution is required to be paid under the Act by the former;
- (f) to clarify that the amounts to be set aside or topped-up under section 15(2A) or (6) may be set aside or topped-up by a member or from the sum standing to the member's credit in the Fund;
- (g) to remove the stipulations that make an application by a member under section 18B(1) or 18C(1) irrevocable;
- (h) to restate how the Board is to pay certain amounts belonging to a deceased nominated person under section 26(4A)(a)(iii) and (4B)(a)(ii)(C);
- (i) to expressly empower the Minister to make regulations for the Lifelong Income Scheme which provide for the Central Provident Fund Board (the Board) to pay a relevant member's monthly income under that Scheme, or any amount to be refunded to a relevant member, into the relevant member's account in the Fund;
- (j) to modify the Home Protection Insurance Scheme by enabling the Board to permit a person whom the Board is not satisfied is in good health to join that Scheme, subject to such terms and conditions as the Board may impose, and by empowering the Minister to make different provisions for different classes of members of that Scheme in the regulations to be made for that Scheme under section 39;
- (k) to enable the Board to meet any costs and expenses incurred by the Board in establishing and maintaining the Home Protection Insurance Scheme out of the Home Protection Fund, and to validate every past payment by the Board out of that Fund that was used to defray the

costs and expenses incurred by the Board in establishing and maintaining that Scheme;

- (l) to enable the Board to meet any costs and expenses incurred by the Board in maintaining the Dependants' Protection Insurance Scheme out of the moneys of the dissolved Dependants' Protection Insurance Fund that are retained by the Board, and to validate every past payment by the Board out of that Fund before the dissolution of that Fund, or out of the moneys of that Fund upon or after the dissolution of that Fund, that was used to defray the costs and expenses incurred by the Board in establishing and maintaining that Scheme; and
- (m) to enable the Board to meet any costs and expenses incurred by the Board in establishing and maintaining the MediShield Scheme out of the MediShield Fund, and to validate every past payment by the Board out of that Fund that was used to defray the costs and expenses incurred by the Board in establishing and maintaining that Scheme.

Clause 1 relates to the short title and commencement.

Clause 2(a) amends section 2(1) to insert a new definition for the term "nominee account", which will be used in section 6(4D) (as amended by clause 3(a)), section 13(7A) and (7B) (as replaced by clause 4) and the new section 20(1D) (to be inserted by clause 11(g)).

Clause 2(b) amends section 2(3) to clarify that section 2(3) applies to the Act unless the context otherwise requires.

Clause 2(c) amends section 2 by inserting new subsections (6) and (7). The new subsection (6) specifies what constitutes the amount payable on a member's death out of the Fund. The new subsection (7) specifies, for the purposes of sections 6(4C) and (4D), 13(7A), (7B) and (7C), 26 and 26A, how the date on which a member died is to be reckoned, when one or more of the day, month and year on or in which he died cannot be ascertained.

Clause 3(a) amends section 6(4D) to provide that the Board may cease to pay interest under section 6(4D) only in respect of any amount standing to the credit of a deceased member in the Fund that is not in any nominee account maintained for the deceased member.

Clause 3(b) and (c) amends section 6(4I) to clarify that the proceeds of sale of certain shares belonging to a deceased member are to be treated, under section 6(4I), in the same manner as any dividends, returned paid-up share capital or other moneys in respect of those shares.

Clause 4 deletes and substitutes section 13(7A) and (7B) to provide that the Board may, after the death of a member, transfer to the member's ordinary account or to the general moneys of the Fund, only an amount standing to the member's credit in the Fund that is not in any nominee account maintained for him.

Clause 5 repeals and re-enacts section 13B —

- (a) to enable any person who is a citizen or permanent resident of Singapore in respect of whom no contribution is required to be paid under the Act to contribute voluntarily to the Fund;
- (b) to enable any person to voluntarily pay to the Fund, on or after 1st January 2011, contributions for any other person, the latter being a citizen or permanent resident of Singapore in respect of whom no contribution is required to be paid under the Act, or a citizen or permanent resident of Singapore in respect of whom any contribution is required to be paid under the Act, but no contribution is required to be paid under the Act by the former; and
- (c) to empower the Minister to prescribe by regulations made under section 77(1) —
 - (i) the limit to which amounts, including the above-mentioned contributions, may be contributed by or for a person in a year; and
 - (ii) the amounts which, in addition to the above-mentioned contributions, may be contributed by or for a person in a year.

Clause 6(a) deletes and substitutes section 15(2A) to clarify that the amounts to be set aside or topped-up under section 15(2A) may be set aside or topped-up by a member or from the sum standing to the member's credit in the Fund.

Clause 6(b) deletes and substitutes section 15(5) to make technical changes that are consequential to the insertion of new section 2(6) (by clause 2(c)).

Clause 6(c) deletes and substitutes section 15(6) to remove the obsolete reference in section 15(6)(b) to a sum of up to \$2,500, to provide for the amount to be set aside or topped-up in a member's medisave account under section 15(6)(b) to be specified under section 15(6D) in every case, and to clarify that the amounts to be set aside or topped-up under section 15(6) may be set aside or topped-up —

- (a) by a member; or
- (b) from —
 - (i) in the case of minimum sum, the sum standing to the member's credit in the Fund; or
 - (ii) in the case of the amount to be set aside or topped-up in the member's medisave account under section 15(6)(b), from the sum standing to the member's credit in the Fund after deducting any sum standing to the member's credit in his retirement account.

Clause 6(d), (h), (i) and (j) makes amendments to section 15(6C), (10), (10A) and (15)(e)(iv), respectively, that are consequential to the deletion and substitution of section 15(6) (by clause 6(c)) to clarify that the minimum sum may be set aside or topped-up by a member or from the sum standing to the member's credit in the Fund.

Clause 6(e) deletes and substitutes section 15(6D) to make changes that are consequential to the deletion and substitution of section 15(6) (by clause 6(c)). Under the new section 15(6D), the Minister may, by order published in the *Gazette*, specify such amount as he thinks fit for the purposes of section 15(6)(b) and specify different amounts in respect of different classes of members.

Clause 6(f) and (g) deletes and substitutes section 15(7B) and (8A), respectively, to make changes that are consequential to the deletion and substitution of section 15(2A) (by clause 6(a)).

Clause 7 makes an amendment to section 15B(1) that is consequential to the deletion and substitution of section 15(6) (by clause 6(c)) to clarify that the minimum sum may be set aside or topped-up by a member or from the sum standing to the member's credit in the Fund.

Clause 8(a) makes an amendment to section 16(2)(a) that is consequential to the deletion and substitution of section 15(6) (by clause 6(c)) to clarify that the minimum sum may be set aside or topped-up by a member or from the sum standing to the member's credit in the Fund.

Clause 8(b) makes amendments to section 16(2)(b) and (c) that are consequential to the deletion and substitution of section 15(2A), (7B) and (8A) (by clause 6(a), (f) and (g), respectively).

Clause 9 deletes and substitutes section 18B(1) and deletes section 18B(2) —

- (a) to remove the stipulation in section 18B(2) that an application by a member under section 18B(1) (to transfer a sum standing to his credit in his ordinary account to his special account) is irrevocable; and
- (b) to consolidate within the new section 18B(1) all other matters currently referred to in the existing section 18B(1) and (2).

Clause 10 deletes and substitutes section 18C(1) and deletes section 18C(2) —

- (a) to remove the stipulation in section 18C(2) that an application by a member under section 18C(1) (to transfer a sum standing to his credit in his ordinary account or special account, or in both accounts, to his medisave account) is irrevocable; and
- (b) to consolidate within the new section 18C(1) all other matters currently referred to in the existing section 18C(1) and (2).

Clause 11(a) makes technical changes to section 20(1)(b)(i) and (ii) and (1A)(a) and (b) —

- (a) to recognise the fact that a memorandum under section 25(1) may provide for different modes of payment for different persons nominated under the memorandum; and
- (b) to clarify that in relation to a particular person who has been nominated under such a memorandum, the mode by which payment will be made to that particular person under section 20(1)(b)(i) and (ii) and (1A)(a) and (b) is the mode specified in the memorandum for payment to that particular person.

Clause 11(b) makes technical changes to section 20(1)(b)(i) and (ii)(A) and (1A)(a) and (b)(i) to clarify that each reference to “portion of the sum” in those provisions is a reference to a portion of the amount payable on the member’s death out of the Fund, as construed in accordance with the new section 2(6) (to be inserted by clause 2(c)).

Clause 11(c) and (d) makes technical changes to section 20(1)(b) and (1A) that are consequential to the insertion of the new section 20(1)(b)(iii) and (1A)(c) (by clause 11(e) and (f), respectively).

Clause 11(e) inserts a new section 20(1)(b)(iii) to provide for the mode in which payment will be made to a person nominated under the new section 25(1)(a)(iii) (SNSS nominee) of the nominee’s portion of the amount payable on a member’s death out of the Fund, in a case where the nominee makes an application under section 20(1) for the withdrawal of the nominee’s portion of that amount.

Clause 11(f) inserts a new section 20(1A)(c) to provide for the mode in which payment will be made to an SNSS nominee of the nominee’s portion of the amount payable on a member’s death out of the Fund, in a case where the nominee is a citizen or permanent resident of Singapore, and the Board makes such payment without any application by the nominee for the withdrawal of the nominee’s portion of that amount.

Under the new section 20(1)(b)(iii) and (1A)(c) (to be inserted by clause 11(e) and (f), respectively), the Board may —

- (a) subject to sub-paragraph (c), pay the SNSS nominee his portion of the amount payable on the member’s death out of the Fund in periodic instalments;
- (b) subject to sub-paragraph (c) and if the deceased member’s memorandum under section 25(1) so provides, transfer such part of that portion as the Board may determine to the SNSS nominee’s medisave account in periodic instalments, and pay the remainder of that portion to the SNSS nominee in periodic instalments; or

- (c) if any of the circumstances specified in the new section 20(1B) (to be inserted by clause 11(g)) applies —
- (i) pay that portion to the SNSS nominee;
 - (ii) pay such part of that portion as the Board may determine in accordance with sub-paragraph (a) or (b), and pay the remainder of that portion to the SNSS nominee; or
 - (iii) transfer such part of that portion as the Board may determine to the SNSS nominee's medisave account in periodic instalments (if the deceased member's memorandum under section 25(1) so provides), and pay the remainder of that portion to the SNSS nominee.

Clause 11(g) inserts new section 20(1B), (1C) and (1D).

The new section 20(1B) sets out the circumstances where the whole or a part of the SNSS nominee's portion of the amount payable on a member's death out of the Fund will not be paid in periodic instalments. These circumstances include the circumstances referred to in the new section 20(1B)(d), where the Minister charged with the responsibility for social services has granted the SNSS nominee's application to withdraw that portion.

The new section 20(1C) empowers the Minister charged with the responsibility for social services to delegate in writing all or any of his functions and powers under the new section 20(1B)(d) to any person or group of persons appointed by him.

The new section 20(1D) provides that where a member has executed a memorandum under section 25(1) nominating any SNSS nominee, and the Board has been notified in the prescribed manner of the member's death, the Board may, in accordance with regulations made under section 77(1) —

- (a) maintain for the member —
 - (i) a nominee ordinary account;
 - (ii) a nominee medisave account;
 - (iii) a nominee special account; and
 - (iv) a nominee retirement account, if the member had a retirement account at the time of his death;
- (b) transfer the SNSS nominee's portion of the amount payable on the member's death out of the Fund from the member's ordinary account, medisave account, special account and retirement account (if any) to the nominee accounts maintained for the member; and
- (c) pay the SNSS nominee, or transfer to the SNSS nominee's medisave account, any periodic instalment or the SNSS nominee's portion of the

amount payable on the member's death out of the Fund, in accordance with the applicable sub-paragraph of section 20(1)(b)(iii) or (1A)(c), from the SNSS nominee's share of the amount standing to the credit of the member in the nominee accounts maintained for the member.

Clause 12(a) deletes and substitutes section 25(1)(a) to enable a member to make an SNSS nomination by executing a memorandum under section 25(1) nominating an SNSS nominee to receive such portion of the amount payable on the member's death out of the Fund as the memorandum shall specify, and to make certain technical changes to section 25(1)(a).

Under the new section 25(1)(a)(iii), in order for an SNSS nomination to be valid, both of the following requirements must be satisfied at the time the Board is satisfied that the memorandum under section 25(1) is duly executed:

- (a) each of the member and the SNSS nominee is a citizen or permanent resident of Singapore;
- (b) a certification under the new section 25(1C) (to be inserted by clause 12(b)) has been issued in respect of the SNSS nominee and remains in force.

Under an SNSS nomination, an SNSS nominee may be nominated to receive his portion of the amount payable on the member's death out of the Fund —

- (a) subject to sub-paragraph (c), by the payment of that portion in periodic instalments;
- (b) subject to sub-paragraph (c), by the transfer of such part of that portion as the Board may determine to the SNSS nominee's medisave account in periodic instalments, and by the payment of the remainder of that portion to the SNSS nominee in periodic instalments; or
- (c) if that portion does not exceed such amount as the Minister may determine —
 - (i) by the payment of that portion to the SNSS nominee;
 - (ii) by the payment of such part of that portion as the Board may determine in accordance with sub-paragraph (a) or (b), and by the payment of the remainder of that portion to the SNSS nominee; or
 - (iii) by the transfer of such part of that portion as the Board may determine to the SNSS nominee's medisave account in periodic instalments, and by the payment of the remainder of that portion to the SNSS nominee.

Clause 12(b) deletes and substitutes section 25(1B) and inserts new section 25(1C) to (1H).

The new section 25(1B) empowers the Minister to determine, for different classes of persons nominated under section 25(1), different amounts for the purposes of the new section 25(1)(a)(iii)(C) (to be inserted by clause 12(a)), in addition to determining different maximum amounts for the purposes of section 25(1)(a)(iii)(B) (as provided under the present law).

The new section 25(1C) empowers the Minister charged with the responsibility for social services to issue, on the application of a member who wishes to make an SNSS nomination, a certification in writing stating that the person whom the member wishes to nominate is eligible to receive his portion of the amount payable on the member's death out of the Fund in accordance with the new section 25(1)(a)(iii) (to be inserted by clause 12(a)), if certain requirements are satisfied.

The new section 25(1D) empowers the Minister charged with the responsibility for social services to waive, in any particular case, any requirement imposed by him under the new section 25(1C)(b).

The new section 25(1E) allows any member, or any person whom a member wishes to nominate under an SNSS nomination, who is aggrieved by a decision of the Minister charged with the responsibility for social services not to issue a certification under the new section 25(1C) to apply, within the prescribed period, to that Minister to reconsider the matter.

The new section 25(1F) provides for the types of decisions which the Minister charged with the responsibility for social services may make when determining an application under the new section 25(1E).

The new section 25(1G) provides for a decision of the Minister charged with the responsibility for social services under the new section 25(1F) to be final.

The new section 25(1H) empowers the Minister charged with the responsibility for social services to delegate in writing all or any of his functions and powers under the new section 25(1C) to (1F) to any person or group of persons appointed by him, and to delegate different functions and powers to different persons or groups of persons.

Clause 12(c) deletes and substitutes section 25(3) to make changes that are consequential to the insertion of the new section 25(1)(a)(iii) (by clause 12(a)). Under the new section 25(3), any portion of the amount payable on a member's death out of the Fund which a nominee would have received by payment to the nominee will instead be paid to the Public Trustee for the benefit of the nominee —

- (a) in any case where the nominee is nominated in accordance with section 25(1)(a)(i) or (ii), if the nominee (not being a widow of the deceased member) is below the age of 18 years at the time of the payment of that portion (as provided under the present law); or

(b) in any case where the nominee is nominated in accordance with the new section 25(1)(a)(iii), if —

- (i) the nominee (not being a widow of the deceased member) is below the age of 18 years at the time of the payment of that portion; and
- (ii) that portion does not exceed such amount as the Minister may determine under the new section 25(1)(a)(iii)(C).

Clause 13(a) makes an amendment to section 26(4)(b) that is consequential to the insertion of the new section 26(4BA) (by clause 13(h)).

Clause 13(b) deletes and substitutes section 26(4A)(a)(iii) to provide for the Board to make payment under section 26(4A)(a), where a nominated person has died —

- (a) to the personal representatives of the deceased nominated person; or
- (b) to a proper claimant, if —
 - (i) to the best of the Board's knowledge the deceased nominated person does not have any personal representatives; and
 - (ii) the amount of the payment does not exceed such amount as the Minister may, by notification in the *Gazette*, specify.

Clause 13(c) and (d) makes changes to section 26(4A)(b) that are consequential to the deletion and substitution of section 26(4A)(a)(iii) (by clause 13(b)).

Clause 13(e) deletes and substitutes section 26(4B)(a)(ii)(C) to provide for the Board to make payment of the excess referred to in section 26(4B)(a)(ii), where a nominated person has died —

- (a) to the personal representatives of the deceased nominated person; or
- (b) to a proper claimant, if —
 - (i) to the best of the Board's knowledge the deceased nominated person does not have any personal representatives; and
 - (ii) the excess does not exceed such amount as the Minister may, by notification in the *Gazette*, specify.

Clause 13(f) and (g) makes changes to section 26(4B)(b) that are consequential to the deletion and substitution of section 26(4B)(a)(ii)(C) (by clause 13(e)).

Clause 13(h) inserts a new section 26(4BA) to provide for how the proceeds of the sale of certain shares belonging to a member are to be dealt with upon the death of the member, where the member has made an SNSS nomination. Under the new section 26(4BA), the Board will, as soon as practicable, pay the

proceeds of the sale of the shares (after making any deduction under section 26(4)(a)) to the member's nominee ordinary account. The Board will then make payment from the member's nominee ordinary account in accordance with the new section 26(4BA)(b).

Clause 13(i) makes an amendment to section 26(4C) that is consequential to the insertion of the new section 26(4BA) (by clause 13(h)).

Clause 13(j) makes an amendment to section 26(4C) that is consequential to the deletion and substitution of section 26(4A)(a)(iii) (by clause 13(b)), the deletion and substitution of section 26(4B)(a)(ii)(C) (by clause 13(e)) and the insertion of the new section 26(4BA) (by clause 13(h)).

Clauses 14 and 15 make amendments to sections 26C and 26D, respectively, to clarify that the proceeds of sale of certain shares belonging to a member are to be treated, under those sections, in the same manner as any dividends, returned paid-up share capital or other moneys in respect of those shares.

Clause 16 makes an amendment to section 27B(3)(c) that is consequential to the deletion and substitution of section 15(2A) and (6) (by clause 6(a) and (c), respectively).

Clauses 17 and 18 make amendments to sections 27C and 27D, respectively, that are consequential to the deletion and substitution of section 15(6) (by clause 6(c)).

Clause 19 inserts a new section 27Q(2)(ea) to expressly empower the Minister to make regulations for the Lifelong Income Scheme which provide for the Board to pay a relevant member's monthly income under section 27K(6), or any amount to be refunded to a relevant member, into the relevant member's account in the Fund.

Clause 20 deletes and substitutes section 31(2) and (3), and makes a consequential amendment to section 31(1), to enable the Board to permit a person whom the Board is not satisfied is in good health to join the Home Protection Insurance Scheme, subject to such terms and conditions as the Board may impose either generally or in a particular case.

Clause 21(a) amends section 33(1) to enable the Board to meet any costs and expenses incurred by the Board in establishing and maintaining the Home Protection Insurance Scheme out of the Home Protection Fund.

Clause 21(b) inserts a new section 33(3) to validate every past payment by the Board out of the Home Protection Fund that was used to defray the costs and expenses incurred by the Board in establishing and maintaining the Home Protection Insurance Scheme.

Clause 22(a) inserts a new section 39(ca) to empower the Minister to make regulations to provide, in respect of each class of members of the Home Protection Insurance Scheme, for the amount of money for which a member of

that Scheme may be insured under that Scheme. Under the new section 39(*ca*), different provisions may be made for different classes of members of the Home Protection Insurance Scheme.

Clause 22(*b*) amends section 39(*d*) and (*e*) to empower the Minister to make regulations providing for the matters referred to in section 39(*d*) and (*e*) in respect of each class of members of the Home Protection Insurance Scheme, so that different provisions may be made for different classes of members of that Scheme.

Clause 23(*a*) deletes and substitutes section 49B(*b*) to enable the Board to meet any costs and expenses incurred by the Board in maintaining the Dependants' Protection Insurance Scheme out of the moneys of the dissolved Dependants' Protection Insurance Fund that are retained by the Board.

Clause 23(*b*) renumbers section 49B as section 49B(1), and inserts a new section 49B(2) to validate every past payment by the Board out of the dissolved Dependants' Protection Insurance Fund before the dissolution of that Fund, or out of the moneys of that Fund upon or after the dissolution of that Fund, that was used to defray the costs and expenses incurred by the Board in establishing and maintaining the Dependants' Protection Insurance Scheme.

Clause 23(*c*) makes a technical amendment to the section heading of section 49B that is consequential to the insertion of the new section 49B(2) (by clause 23(*b*)).

Clause 24(*a*) amends section 56(1) to enable the Board to meet any costs and expenses incurred by the Board in establishing and maintaining the MediShield Scheme out of the MediShield Fund.

Clause 24(*b*) inserts a new section 56(4) to validate every past payment by the Board out of the MediShield Fund that was used to defray the costs and expenses incurred by the Board in establishing and maintaining the MediShield Scheme.

Clause 25(*a*) inserts a new section 77(1)(*m*) to empower the Minister, after consulting with the Board, to make regulations for the purposes of the new sections 20(1)(*b*)(iii), (1A)(*c*), (1B), (1C) and (1D) and 25(1)(*a*)(iii), (1B)(*b*) and (1C) to (1H) (to be inserted by clauses 11(*e*), (*f*) and (*g*) and 12(*a*) and (*b*), respectively) and, in particular, to provide for the determination of the amount of any periodic instalment referred to in the new section 20(1)(*b*)(iii) or (1A)(*c*) or 25(1)(*a*)(iii), so as to provide for matters related to the scheme to be known as the Special Needs Savings Scheme that are not dealt with in the Act.

Clause 25(*b*) deletes and substitutes section 77(1)(*o*) —

- (*a*) to expressly empower the Minister to make regulations to provide for the Board to pay an amount of the minimum sum withdrawn by a member into the member's account in the Fund, and for the

circumstances in which payment will be made to a member in this manner; and

(b) to make technical changes.

EXPENDITURE OF PUBLIC MONEY

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