

Central Provident Fund (Amendment) Bill

Bill No. 20/2013.

Read the first time on 21st October 2013.

A BILL

i n t i t u l e d

An Act to amend the Central Provident Fund Act (Chapter 36 of the 2013 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 2013 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(1) of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the definition of “relevant individual”, the following definition:

10 ““reserved amount”, in relation to a member, means such reserved amount referred to in section 15(2A)(c), (6)(c), (7B)(c) or (8A)(c) as may be applicable to the member;”.

Amendment of section 5

3. Section 5 of the principal Act is amended —

15 (a) by inserting, immediately after the words “Deputy Commissioner for Labour,” in subsection (2), the words “Principal Assistant Commissioner for Labour;”;

(b) by inserting, immediately after the words “put questions concerning employees” in subsection (3)(c), the words “or their employment”;

20 (c) by deleting the words “or other person” in subsection (3)(c) and substituting the words “or person”;

(d) by deleting the word “salary” in subsection (3)(d) and substituting the word “wages”;

25 (e) by deleting paragraph (f) of subsection (3) and substituting the following paragraph:

“(f) require —

30 (i) any document or record containing information concerning employees or their employment to be furnished by their employers, by any person who may be in charge of the employees, by the employees themselves or by any

other person from whom the inspector may consider it desirable to require such document or record to be furnished; and

- (ii) the employers, employees or person referred to in sub-paragraph (i) to answer such questions as the inspector may think proper to ask relating to such document or record.”;

(f) by inserting, immediately after subsection (3), the following subsections:

“(3A) In addition to the powers conferred on him by subsection (3), an inspector who has reasonable cause to believe that an offence under section 7(3) or (5) or 58(b) has been committed by an employer, or that an offence under section 60 has thereby been committed by any director, manager, secretary or other officer of the employer, may by notice in writing require any person to furnish, within a reasonable period specified in the notice —

- (a) any information within the knowledge of that person; or

- (b) any document or record in the possession, custody or control of that person,

which the inspector considers to be relevant to the investigation of that offence.

(3B) An inspector may inspect, make a copy of or take extracts from any book, register, document or record produced or furnished under subsection (3)(d), (e) or (f) or (3A), and take possession of the book, register, document or record, when in his opinion —

- (a) the copying thereof cannot reasonably be performed unless possession is taken;

- (b) the book, register, document or record may be tampered with unless possession is taken; or

(c) the book, register, document or record may be required as evidence in any proceedings for an offence under this Act or in any proceedings for the recovery of any moneys due to the Fund.”;

5 (g) by deleting the words “Subsection (3)” in subsection (4) and substituting the words “Subsections (3), (3A) and (3B)”;

(h) by deleting the words “salary in that subsection” in subsection (4) and substituting the words “wages in subsection (3)”;

10 (i) by deleting the words “or as to who is the employer of any employee” in subsection (5)(c) and substituting the words “, or as to the employment or employer of any employee, which that person is required by this section to furnish to an inspector or such officer”.

15 **Amendment of section 13**

4. Section 13 of the principal Act is amended —

(a) by deleting paragraph (a) of subsection (7C) and substituting the following paragraph:

20 “(a) the Board shall restore to the member’s account in the Fund from which the transferred amount had been transferred, or transfer to such other account in the Fund of the member as may be prescribed in any regulations made under section 77(1), 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), if the Board is satisfied that the member was still alive at the time of the transfer;”;

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(b) by deleting the words “the Board shall restore the latter amount (including interest) to the member’s account in the Fund from which that amount had been transferred” in subsection (7C)(b)(i) and substituting the words “the Board

shall restore the latter amount (including interest, if any) to the member's account in the Fund from which that amount had been transferred, or transfer that latter amount (including interest, if any) to such other account in the Fund of the member as may be prescribed in any regulations made under section 77(1)";

(c) by inserting, immediately after the words "the member's account in the Fund from which that amount had been transferred" in subsection (7C)(b)(ii), the words ", or transfer that former amount to such other account in the Fund of the member as may be prescribed in any regulations made under section 77(1)";

(d) by deleting paragraph (c) of subsection (7C) and substituting the following paragraph:

"(c) in such other circumstances as may be prescribed in any regulations made under section 77(1), the Board may restore to the member's account in the Fund from which the transferred amount had been transferred, or transfer to such other account in the Fund of the member as may be prescribed in those regulations, 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)."; and

(e) by deleting subsection (7D) and substituting the following subsection:

"(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 to the member's account in the Fund from which that amount had been transferred, or transfer to such other account in the Fund of the member as may be

prescribed in those regulations, 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) in such circumstances as may be prescribed in those regulations.”.

Amendment of section 15

5. Section 15 of the principal Act is amended —

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

“(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 at such other times as the Minister may determine, and in accordance with such directions as the Minister may give in any particular case —

(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, after excluding any reserved amount standing to the member’s credit in his ordinary account;

(b) unless the Minister otherwise allows, 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, after excluding any reserved amount standing to the member’s credit in his ordinary account; and

- (c) if there exist such circumstances as may be prescribed by any regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account, such reserved amount shall be set aside or topped-up in that account — 5
- (i) by the member; or
 - (ii) from the sum standing to the member's credit in that account.”;
- (b) by deleting subsection (2B) and substituting the following subsection: 10
- “(2B) Where any amount has been set aside or topped-up in the member's retirement account for the purposes of subsection (2A)(a), the amount standing to the credit of the member in his retirement account may be withdrawn by the member in accordance with such terms and conditions as the Minister may from time to time impose.”; 15
- (c) by deleting subsection (4) and substituting the following subsection: 20
- “(4) Notwithstanding subsection (3) but subject to subsection (6), the Board may —
- (a) where a member has withdrawn any money from the Fund on the ground that he has attained the age of 55 years, allow him to withdraw, at any time, the sum standing to his credit in the Fund if he satisfies such conditions as the Board may impose in any particular case; and 25
 - (b) where a member has attained the age of 55 years, allow him to withdraw, within such time as the Board may permit, the whole or any part of the amount of any money that is paid, repaid or refunded into his account in the Fund pursuant to a charge under subsection (9), (9A), (11D) or (11E) or section 21(1), 21A(1), 21B(1), 30 35

27C(1)(v)(A) or (B), 27D(1)(v)(B),
 27DA(1)(v), 27E(1)(iv) or 27F(1)(iv), or
 pursuant to an undertaking given under
 subsection (10) or (10A) or
 section 27D(1)(v)(A).”;

(d) by deleting subsection (6) and substituting the following
 subsection:

“(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 —

(a) such minimum sum applicable to the member as
 may be prescribed 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, after excluding any
 reserved amount standing to the
 member’s credit in his ordinary account;

(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

(ii) from the sum standing to the member’s
 credit in the Fund, after excluding —

(A) any reserved amount standing to
 the member’s credit in his ordinary
 account; and

(B) any sum standing to the member’s
 credit in his retirement account;
 and

- (c) if there exist such circumstances as may be prescribed by any regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account, such reserved amount shall be set aside or topped-up in that account — 5
- (i) by the member; or
 - (ii) from the sum standing to the member’s credit in that account.”;
- (e) by inserting, immediately after the word “deposited” in subsection (6C)(b)(i), the words “before 1st January 2014”; 10
- (f) by deleting the words “any pension, annuity or other benefit” in subsection (7A)(e) and substituting the words “or will receive such pension, annuity or other benefit”;
- (g) by deleting subsection (7B) and substituting the following subsection: 15
- “(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 at such other times as the Minister may determine, 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 — 25
 - (i) by the member; or
 - (ii) from the sum standing to the member’s credit in the Fund, after excluding any reserved amount standing to the member’s credit in his ordinary account; 30

(b) unless the Minister otherwise allows, 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, after excluding any reserved amount standing to the member's credit in his ordinary account; and

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(c) if there exist such circumstances as may be prescribed by any regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account, such reserved amount shall be set aside or topped-up in that account —

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(i) by the member; or

(ii) from the sum standing to the member's credit in that account.”;

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(h) by deleting subsection (7C) and substituting the following subsection:

“(7C) Where any amount has been set aside or topped-up in the member's retirement account for the purposes of subsection (7B)(a), the amount standing to the credit of the member in his retirement account may be withdrawn by the member in accordance with such terms and conditions as the Minister may from time to time impose.”;

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(i) by deleting the words “on his retirement will receive” in subsection (8)(e) and substituting the words “is receiving or will receive”;

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(j) 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 at such other times as the Minister may determine, and in accordance with such directions as the Minister may give in any particular case — 5

(a) such amount as the Minister may specify shall be set aside or topped-up in the member’s retirement account — 10

(i) by the member; or

(ii) from the sum standing to the member’s credit in the Fund, after excluding any reserved amount standing to the member’s credit in his ordinary account; 15

(b) unless the Minister otherwise allows, the prescribed amount referred to in section 16 shall be set aside or topped-up in the member’s medisave account — 20

(i) by the member; or

(ii) from the sum standing to the member’s credit in the Fund, after excluding any reserved amount standing to the member’s credit in his ordinary account; and 25

(c) if there exist such circumstances as may be prescribed by any regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account, such reserved amount shall be set aside or topped-up in that account — 30

(i) by the member; or

(ii) from the sum standing to the member's credit in that account.”;

(k) by deleting subsection (8B) and substituting the following subsection:

5 “(8B) Where any amount has been set aside or topped-up in the member's retirement account for the purposes of subsection (8A)(a), the amount standing to the credit of the member in his retirement account may be withdrawn by the member in accordance with such terms and conditions as the Minister may from time to time impose.”;

(l) by deleting the word “related” in subsection (11A); and

(m) by deleting subsections (12), (13) and (14).

Amendment of section 15B

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

(a) by deleting the word “A” in subsection (1) and substituting the words “Before 1st January 2014, a”; and

(b) by deleting subsection (2) and substituting the following subsection:

20 “(2) The additional sum set aside under subsection (1) may, before 1st January 2014 —

(a) be deposited with an approved bank; or

(b) be used to purchase an approved annuity from an insurer.”.

Amendment of section 18

25 **7.** Section 18 of the principal Act is amended —

(a) by deleting the words “if the relevant individual has not attained the age of 55 years” in subsection (3)(a) and substituting the words “if the Board has not transferred under section 15(6CA) any amount from the sum standing to the credit of the relevant individual in the Fund to the relevant individual's retirement account”;

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(b) by deleting the words “who has not attained the age of 55 years” in subsection (3)(b) and substituting the words “, if the Board has not transferred under section 15(6CA) any amount from the sum standing to the credit of the member in the Fund to the member’s retirement account”;

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(c) by deleting subsections (4), (5) and (6) and substituting the following subsections:

“(4) Subject to subsection (6), where a member is a relevant individual to whose special account any moneys have been transferred under subsection (3)(a) —

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(a) the moneys so transferred; and

(b) the whole or such part as the Board may determine of any interest that would have accrued thereon,

shall be transferred by the Board to the member’s retirement account at the relevant time.

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(5) Subject to subsection (6) —

(a) any moneys paid by any person into a member’s special account under subsection (3)(b); and

(b) the whole or such part as the Board may determine of any interest that would have accrued thereon,

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shall be transferred by the Board to the member’s retirement account at the relevant time.

(6) Where, at the relevant time, the total amount of the moneys and interest referred to in subsections (4)(a) and (b) and (5)(a) and (b) exceeds the minimum sum applicable to a member —

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(a) the total amount to be transferred by the Board to the member’s retirement account under subsections (4) and (5) shall not exceed the minimum sum applicable to the member; and

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(b) the moneys and interest referred to in subsections (4)(a) and (b) and (5)(a) and (b) shall be transferred by the Board to the member's retirement account in such order of priority as may be prescribed in any regulations made under section 77(1)(oa)."; and

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

"(9) In this section, "relevant time", in relation to a member, means such time as may be prescribed in relation to the member in any regulations made under section 77(1).".

Amendment of section 22

8. Section 22 of the principal Act is amended —

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

"(3) Where any member wishes to make any withdrawal under subsection (1) for himself, his child or his relative, that member, child or relative shall —

(a) give an undertaking to the Board; and

(b) if required by the Board, furnish a guarantee by any person acceptable to the Board,

for —

(i) the repayment to that member's account in the Fund (in such manner and within such time as the Minister may prescribe) of all sums withdrawn under that subsection, together with the whole or such part, as the Board may determine, of the interest that would have been payable thereon; and

(ii) the payment into the Fund of the whole or such part, as the Board may determine, of any reasonable expenses incurred by the Board in

recovering any sum or interest referred to in paragraph (i).”; and

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

“(5) Notwithstanding anything in this Act, any amount repayable to a member’s account in the Fund, or payable to the Fund, pursuant to an undertaking given, or a guarantee furnished, under subsection (3) that is not repaid or paid (as the case may be) may be sued for and recovered by the Board under section 65.”.

Amendment of section 24

9. Section 24 of the principal Act is amended —

(a) by deleting subsections (1) and (2) and substituting the following subsections:

“(1) Subsection (2) shall apply to all of the following things:

(a) any contributions to the Fund, interest thereon and other moneys standing to the credit of a member in the Fund;

(b) any withdrawals made from the Fund under this Act, and any rights of any member acquired thereunder;

(c) any moneys repayable to the Fund by any member which are secured by —

(i) a charge on the member’s estate or interest in an immovable property under section 21(1), 21A(1), 27C(1)(v)(A) or 27E(1)(iv);

(ii) a charge constituted on an HDB flat under section 21B(1) or 27F(1)(iv);

(iii) a charge created or constituted on an immovable property under section 15(9),

(9A), (11D) or (11E), 27C(1)(v)(B),
27D(1)(v)(B) or 27DA(1)(v);

5 (d) any moneys repayable to the Fund pursuant to
an undertaking given under section 15(10) or
(10A) or 27D(1)(v)(A);

(e) any moneys deposited by a member with an
approved bank under section 15(6C)(b) or
15B(2) and any interest thereon, and any
withdrawals from the moneys and interest;

10 (f) any payments from an approved annuity
referred to in section 15(6C)(b) or 15B(2);

(g) every investment made by a member under any
scheme in accordance with any regulations
made under section 77(1)(n) the proceeds or
benefits (or any part thereof) of which the
member is obliged to repay into the Fund, and
any proceeds or benefits of such an investment
which the member is obliged to repay into the
Fund.

20 (2) Notwithstanding any written or other law but
subject to sections 14, 14A, 27B, 27C, 27D, 27DA,
27E, 27F, 27G, 27H, 27N and 57C and any regulations
made under section 27Q, 57F or 77(1), the things set out
in subsection (1)(a) to (g) —

25 (a) shall not be assignable, transferable, attached,
sequestered or levied upon for or in respect of
any debt or claim;

(b) shall not be subject to any set-off of any nature
for any debt owing by the member; and

30 (c) if the member is adjudicated a bankrupt by a
court —

(i) shall not pass to the Official Assignee on
the bankruptcy of the member; and

(ii) shall be deemed not to form part of the property of the member.”; and

(b) by deleting subsections (3), (4) and (5).

Amendment of section 27

10. Section 27 of the principal Act is amended —

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(a) by deleting the words “section 15(2)(a), (d), (e), (f) or (g)” in subsection (2)(a) and substituting the words “section 15(2)”; and

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

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“(2A) Any moneys paid out of the Fund to that member —

(a) shall not be assignable, transferable, attached, sequestered or levied upon for or in respect of any debt or claim;

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(b) shall not be subject to any set-off or any nature for any debt owing by that member;

(c) shall not pass to the Official Assignee; and

(d) shall be deemed not to form part of the property of that member.”.

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Amendment of section 29

11. Section 29 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

“(1) The Board is hereby authorised to establish and maintain a Home Protection Insurance Scheme for the purpose of providing that on the death or incapacity of a member of the Scheme at any time during the period in which the member is insured under the Scheme —

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(a) his liability to repay his housing loan to a Housing Authority or an approved mortgagee secured by a mortgage of the immovable property to that Authority or approved mortgagee (as the case may be) shall be

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discharged by the Board in accordance with the Scheme;
or

- 5 (b) if that liability has been discharged, such person or persons whom the Board is satisfied have discharged that liability shall be reimbursed by the Board in such manner as may be prescribed by regulations made under this Part.”.

Amendment of section 36

12. Section 36 of the principal Act is amended —

- 10 (a) by deleting subsections (1) and (2) and substituting the following subsections:

15 “(1) Where a member of the Scheme dies at any time during the period he is insured under the Scheme, the Board shall, upon proof of death, forthwith pay such amount as may be prescribed by regulations made under this Part —

- (a) in any case where there exist such circumstances as may be prescribed by those regulations —

20 (i) to such person or persons (other than the Housing Authority or the approved mortgagee) and in such manner as may be prescribed by those regulations; and

25 (ii) if that amount is payable to 2 or more persons, in such proportion as may be determined by the Board; or

- (b) in any other case, to the Housing Authority or the approved mortgagee.

30 (2) Subject to subsections (3), (4) and (5), where there is a claim made to the Board by a member of the Scheme on the ground of incapacity at any time during the period he is insured under the Scheme, the Board shall, upon proof of incapacity —

- (a) in any case where there exist such circumstances as may be prescribed by regulations made under this Part, pay such amount as may be prescribed by those regulations to be payable at the time of incapacity of the member — 5
- (i) to such person or persons (other than the Housing Authority or the approved mortgagee) and in such manner as may be prescribed by those regulations; and
 - (ii) if that amount is payable to 2 or more persons, in such proportion as may be determined by the Board; or 10
- (b) in any other case, pay to the Housing Authority or the approved mortgagee the monthly or other periodic loan instalments which the member of the Scheme is liable to pay to the Housing Authority or the approved mortgagee under the housing loan for a period not exceeding 2 years.”; 15
- (b) by deleting the words “subsection (2)” wherever they appear in subsections (3) to (6) and substituting in each case the words “subsection (2)(b)”;
- (c) by deleting the words “to the Housing Authority or the approved mortgagee” in subsection (8); and
- (d) by deleting the words “to Housing Authority or approved mortgagee” in the section heading. 25

Amendment of section 39

13. Section 39 of the principal Act is amended by inserting, immediately after paragraph (d), the following paragraph:

- “(da) prescribe the circumstances referred to in section 36(1)(a) and (2)(a) under which the Board may make payment to any person other than the Housing Authority or the approved mortgagee, the person or 30

persons to whom such payment may be made and the manner in which such payment may be made;”.

New section 42A

5 **14.** The principal Act is amended by inserting, immediately after section 42, the following section:

“Application to persons below 21 years of age

42A.—(1) On or after the date of commencement of section 14 of the Central Provident Fund (Amendment) Act 2013 —

10 (a) where any person has attained the age of 16 years (or such other age as the Minister may prescribe in place thereof) but is below the age of 21 years, he may do any thing under this Part, or any regulations made under section 51, as if he were of full age; and

15 (b) the provisions of this Part and any regulations made under section 51 shall apply to any person who has attained the age of 16 years (or such other age as the Minister may prescribe in place thereof) but is below the age of 21 years, as if he were of full age.

20 (2) Where, before the date of commencement of section 14 of the Central Provident Fund (Amendment) Act 2013, a person below the age of 21 years did any thing under this Part, or any regulations made under section 51, which would have been validly done if he were of full age, that thing shall be deemed to be and always to have been validly done by him.

25 (3) Section 42(4) and (5) shall not apply to any member of the Fund unless he has attained the age of 16 years (or such other age as the Minister may prescribe in place thereof).

(4) This section shall apply subject to any contrary age requirement expressly provided under this Act in respect of —

30 (a) any thing done under this Part, or any regulations made under section 51; or

(b) any provision of this Part or of any regulations made under section 51.

(5) Section 58 of the Insurance Act (Cap. 142) shall not apply to —

- (a) any thing done under this Part, or any regulations made under section 51; or
- (b) the application of any provision of this Part and of any regulations made under section 51.”.

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Amendment of section 49B

15. Section 49B of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) The Board may —

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- (a) transfer to the Fund such part of the moneys of the dissolved Fund retained under subsection (1)(b) as it thinks fit; and
- (b) apply the transferred moneys towards meeting —
 - (i) any of its own liabilities under the Scheme that may have arisen prior to the transfer under section 49A; and
 - (ii) any costs and expenses incurred by it in maintaining the Scheme.”.

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New section 53A

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16. The principal Act is amended by inserting, immediately after section 53, the following section:

“Application to persons below 21 years of age

53A.—(1) Subject to subsection (2), on or after the date of commencement of section 16 of the Central Provident Fund (Amendment) Act 2013 —

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- (a) a person below the age of 21 years may do any thing under this Part, or any regulations made under section 57, as if he were of full age; and

(b) the provisions of this Part and any regulations made under section 57 shall apply to a person below the age of 21 years, as if he were of full age.

5 (2) Any thing done under this Part or any regulations made under section 57, on or after the date of commencement of section 16 of the Central Provident Fund (Amendment) Act 2013, by a person below the age of 16 years (or such other age as the Minister may prescribe in place thereof) shall be done with the consent of his parent or guardian.

10 (3) Where, before the date of commencement of section 16 of the Central Provident Fund (Amendment) Act 2013, a person below the age of 21 years did any thing under this Part, or any regulations made under section 57, which would have been validly done if he were of full age, that thing shall be deemed to
15 be and always to have been validly done by him.

(4) This section shall apply subject to any contrary age requirement expressly provided under this Act in respect of —

(a) any thing done under this Part, or any regulations made under section 57; or

20 (b) any provision of this Part or of any regulations made under section 57.

(5) Section 58 of the Insurance Act (Cap. 142) shall not apply to —

25 (a) any thing done under this Part, or any regulations made under section 57; or

(b) the application of any provision of this Part and of any regulations made under section 57.”.

Amendment of section 57F

30 **17.** Section 57F(2) of the principal Act is amended by deleting the words “any such criteria by the Board” in paragraph (a) and substituting the words “the whole or any part of any such criteria, by the Board or such other person as may be prescribed in those regulations”.

Repeal and re-enactment of section 61

18. Section 61 of the principal Act is repealed and the following section substituted therefor:

“General penalties

61.—(1) Except as otherwise provided in subsection (2), any person convicted of an offence under this Act for which no penalty is provided shall be liable on conviction — 5

(a) to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both; and

(b) if that person is a repeat offender in relation to the same offence, to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both. 10

(2) Where any person —

(a) is guilty of an offence under section 7(5) or 58(b); or 15

(b) being a director, manager or secretary or any other officer of a body corporate, is guilty of an offence under section 60 by virtue of the fact that an offence under section 7(3) or (5) or 58(b) has been committed by that body corporate and is found to have been committed with the consent or connivance of or to be attributable to that person, 20

that person shall be liable on conviction —

(i) to a fine of not less than \$1,000 and not more than \$5,000 or to imprisonment for a term not exceeding 6 months or to both; and 25

(ii) if that person is a repeat offender in relation to the same offence, to a fine of not less than \$2,000 and not more than \$10,000 or to imprisonment for a term not exceeding 12 months or to both. 30

(3) For the purposes of subsections (1) and (2), a person is a repeat offender in relation to an offence (referred to in this subsection as the current offence) if the person has been

convicted of the same offence on at least one other occasion (whether before, on or after the date of commencement of section 18 of the Central Provident Fund (Amendment) Act 2013) before the person is convicted of the current offence.”.

5 **Amendment of section 63**

19. Section 63(1) of the principal Act is amended by deleting “\$500” and substituting “\$1,000”.

Amendment of section 77

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

10 (a) by inserting, immediately after the words “for the purposes of section 18(3)” in paragraph (oa), “, (6)(b)”;

(b) by deleting the word “and” at the end of paragraph (oa)(i);

(c) by inserting, immediately after sub-paragraph (i) of paragraph (oa), the following sub-paragraph:

15 “(ia) the order of priority in which the moneys and interest referred to in section 18(4)(a) and (b) and (5)(a) and (b) shall be transferred by the Board to a member’s retirement account; and”;

20 (d) by inserting, immediately after paragraph (oa), the following paragraph:

“(ob) to provide for the reserved amount to be set aside or topped-up in an ordinary account;”.

Savings and transitional provision

25 **21.** Section 18 shall not apply to any person who, before the date of commencement of that section, commits any offence referred to in section 61 of the principal Act in force immediately before that date, and section 61 of the principal Act in force immediately before that date shall continue to apply to that person in relation to that offence as
30 if section 18 had not been enacted.

EXPLANATORY STATEMENT

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

- (a) to expand the scope of inspectors' powers in obtaining information, documents or records in the course of an inspection or where the inspector has reasonable cause to believe that a specified offence has been committed;
- (b) to provide that where moneys have been transferred to the ordinary account of a member or the general moneys of the Central Provident Fund (the Fund) pursuant to section 13(7A) or (7B) or regulations made under section 77(1), the Central Provident Fund Board (the Board) may, instead of restoring the moneys to the account of the member in the Fund from which the moneys were transferred, transfer the moneys (including the whole or such part as the Board may determine of any interest that would have accrued thereto) to such other account of the member in the Fund as may be prescribed in those regulations;
- (c) to provide for the setting aside or topping-up of a reserved amount in a member's ordinary account at the time when he is required to maintain such amount as the Minister may specify or a minimum sum in his retirement account and the required amount in his medisave account, if there exist such circumstances as may be prescribed in any regulations made under section 77(1);
- (d) to empower the Board to determine the conditions for further withdrawals from the Fund by any member who has withdrawn any money from the Fund on the ground that he has attained the age of 55 years;
- (e) to provide for matters relating to the cessation of the Minimum Sum Bank Deposit Scheme and the Minimum Sum Plus Scheme with effect from 1st January 2014;
- (f) to allow the withdrawal by a member, from his account with an approved bank or his retirement account, or the surrender of a member's approved annuity from an insurer, under section 15(7A), and to provide that a member need not under section 15(8) set aside the minimum sum under section 15(6)(a), if the Board is satisfied that the member is receiving or will receive such pension, annuity or other benefit as may be approved which will provide him with a monthly income that is not less in value than the prescribed amount;
- (g) to clarify that withdrawal by a member of moneys under section 15(11A)(a) or surrender of his approved annuity under section 15(11A)(b) is permitted where the immovable property referred

to in section 15(11A) is jointly owned by the member and one or more persons who may not be related to the member;

- (h) to make certain refinements to the law relating to the transfer to the member's retirement account of moneys transferred or paid to a special account under section 18(3), including the whole or such part as the Board may determine of any interest that would have accrued thereon;
- (i) to consolidate the existing provisions on the protection of benefits and extend the same protection to all the things set out in the new section 24(1)(a) to (g);
- (j) to provide that a member who is an undischarged bankrupt may be permitted to withdraw from the amount standing to his credit in the Fund if he satisfies any of the grounds for withdrawals specified in section 15(2)(b) or (c), in addition to the existing grounds specified in section 15(2)(a), (d), (e), (f) or (g);
- (k) to provide for an undertaking given or a guarantee furnished under section 22 to cover reasonable expenses incurred by the Board in recovering any sum withdrawn under the Education Scheme and the whole or such part, as the Board may determine, of the interest payable thereon;
- (l) to expand the purpose of the Home Protection Insurance Scheme and provide for reimbursement by the Board to the person or persons whom the Board is satisfied have discharged a member's liability to repay his housing loan which is secured by a mortgage of the immovable property to a Housing Authority or an approved mortgagee;
- (m) to provide for the application of the Dependants' Protection Insurance Scheme and the MediShield Scheme to persons who are below the age of 21 years;
- (n) to provide for the transfer of moneys retained by the Board from the dissolved Dependants' Protection Insurance Fund to the Central Provident Fund and to apply the transferred moneys towards meeting any of the Board's own liabilities under the Dependants' Protection Insurance Scheme that may have arisen prior to the transfer of that Scheme under section 49A and any costs and expenses incurred by the Board in maintaining that Scheme;
- (o) to enable regulations to be made to provide for the waiver by the Board or such other person as may be prescribed in those regulations of the whole or any part of any criteria to be satisfied by a member in order to be eligible to receive any cash payment or relevant contribution under the Workfare Income Supplement Scheme;

- (p) to provide for an increase in penalties for offences for which no penalty is provided by raising the maximum fine and introducing a jail term and a minimum fine, and to provide an enhanced penalty for repeat offenders; and
- (q) to make miscellaneous changes for greater clarity or consistency, or for the better administration of the Act.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2(1) to insert a definition for “reserved amount”.

Clause 3 amends section 5 to include a Principal Assistant Commissioner for Labour as a person who may exercise the powers of an inspector, and to expand the powers of inspection and investigation of inspectors.

Clause 4 amends section 13(7C) and (7D) to provide for the transfer to such other account of the member in the Fund as may be prescribed in any regulations made under section 77(1) of any amount standing to the member’s credit in the Fund which has been transferred to his ordinary account or to the general moneys of the Fund under section 13(7A) or (7B) or any regulations made under section 77(1). The amount to be transferred to the prescribed account includes the whole or such part, as the Board may determine, of any interest that would have been payable thereon if the original transfer had not been made.

Clause 5 makes various amendments to section 15.

Clause 5(a) amends section 15(2A) to provide for the setting aside or topping-up of a reserved amount in a member’s ordinary account at the time when he is required to maintain such amount as the Minister may specify in his retirement account and the prescribed amount referred to in section 16 in his medisave account, if there exist such circumstances as may be prescribed in any regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account.

Clause 5(b) amends section 15(2B) to permit a member to withdraw, in accordance with the terms and conditions imposed by the Minister, the amount standing to his credit in his retirement account where any amount has been set aside or topped-up in his retirement account for the purposes of section 15(2A)(a).

Clause 5(c) amends section 15(4) to enable the Board to determine the conditions for further withdrawals from the Fund by any member who has withdrawn any money from the Fund on the ground that he has attained the age of 55 years. The conditions, for the time being, include the member being unemployed throughout the period of 6 months immediately preceding his application for the withdrawal. Clause 5(c) also makes a technical amendment to section 15(4)(b).

Clause 5(d) amends section 15(6) to provide for the setting aside or topping-up of a reserved amount in a member's ordinary account at the time when he is required to maintain a minimum sum in his retirement account and the amount specified under section 15(6D) in his medisave account, if there exist such circumstances as may be prescribed in any regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account.

Clause 5(e) amends section 15(6C)(b)(i) to specify that moneys in a retirement account may only be deposited with an approved bank before 1st January 2014, so as to ensure that the cessation of the Minimum Sum Bank Deposit Scheme with effect from 1st January 2014 does not affect members who have already participated in that Scheme.

Clause 5(f) amends section 15(7A)(e) to allow the withdrawal by a member from his account with an approved bank or his retirement account, or the surrender of a member's approved annuity from an insurer, under section 15(7A) if the Board is satisfied that he is receiving or will receive such pension, annuity or other benefit as may be approved which will provide him with a monthly income that is not less in value than the prescribed amount.

Clause 5(g) amends section 15(7B) to provide for the setting aside or topping-up of a reserved amount in a member's ordinary account at the time when he is required to maintain such amount as the Minister may specify in his retirement account and the prescribed amount referred to in section 16 in his medisave account, if there exist such circumstances as may be prescribed in regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account.

Clause 5(h) amends section 15(7C) to permit a member to withdraw, in accordance with the terms and conditions imposed by the Minister, the amount standing to his credit in his retirement account where any amount has been set aside or topped-up in his retirement account for the purposes of section 15(7B)(a).

Clause 5(i) amends section 15(8)(e) to provide that a member need not set aside or top-up the minimum sum under section 15(6)(a) if the Board is satisfied that the member is receiving or will receive such pension, annuity or other benefit as may be approved which will provide him with a monthly income that is not less in value than the prescribed amount.

Clause 5(j) amends section 15(8A) to provide for the setting aside or topping-up of a reserved amount in a member's ordinary account at the time when he is required to maintain such amount as the Minister may specify in his retirement account and the prescribed amount referred to in section 16 in his medisave account, if there exist such circumstances as may be prescribed in regulations made under section 77(1) and the member is thereby required to reserve any amount in his ordinary account.

Clause 5(*k*) amends section 15(8B) to permit a member to withdraw, in accordance with the terms and conditions imposed by the Minister, the amount standing to his credit in his retirement account where any amount has been set aside or topped-up in his retirement account for the purposes of section 15(8A)(*a*).

Clause 5(*l*) amends section 15(11A) to clarify that the withdrawal by a member of moneys under section 15(11A)(*a*), or the surrender of a member's approved annuity under section 15(11A)(*b*), is permitted where the immovable property referred to in section 15(11A) is jointly owned by the member and one or more persons who may not be related to the member.

Clause 5(*m*) deletes section 15(12), (13) and (14) as the matters therein are consolidated in a new section 24(1) and (2) on the protection of benefits.

Clause 6 amends section 15B(1) and (2) to specify that members may only set aside the additional sum under section 15B for deposit with an approved bank or purchase of an approved annuity from an insurer before 1st January 2014, so as to ensure that the cessation of the Minimum Sum Plus Scheme with effect from 1st January 2014 does not affect members who have already participated in that Scheme.

Clause 7 makes various amendments to section 18.

Clause 7(*a*) amends section 18(3)(*a*) to empower the Board to permit a member to transfer such portion of the sum standing to his credit in the Fund as may be prescribed to a relevant individual's special account, if the Board has not transferred any amount from the sum standing to the credit of the relevant individual in the Fund to the relevant individual's retirement account.

Clause 7(*b*) amends section 18(3)(*b*) to empower the Board to permit any person to pay money into a member's special account, if the Board has not transferred any amount from the sum standing to the credit of the member in the Fund to the member's retirement account.

Clause 7(*c*) deletes and substitutes section 18(4) and (5) to provide for the transfer to a member's retirement account of moneys transferred under section 18(3)(*a*) or paid under section 18(3)(*b*), including the whole or such part as the Board may determine of any interest that would have accrued thereon, at the relevant time as defined in the new section 18(9) inserted by clause 7(*d*). Clause 7(*c*) also deletes and substitutes section 18(6) to provide that where at the relevant time, the total amount of moneys and interest referred to in section 18(4)(*a*) and (*b*) and (5)(*a*) and (*b*) exceeds the minimum sum applicable to the member, the total amount to be transferred by the Board to the member's retirement account will not exceed the minimum sum applicable to the member, and to provide for the transfer to take place in such order of priority as may be prescribed in any regulations made under section 77(1)(*oa*).

Clause 7(d) amends section 18 to insert a new subsection (9) to define “relevant time”.

Clause 8 deletes and substitutes section 22(3) and (5) to provide for an undertaking given or a guarantee furnished under section 22(3) to cover reasonable expenses incurred by the Board in recovering any sum withdrawn under section 22(1) and the whole or such part, as the Board may determine, of the interest payable thereon, and to allow for such expenses not paid to be sued for and recovered by the Board under section 65.

Clause 9 amends section 24 by deleting subsections (1), (2), (3), (4) and (5) and consolidating the provisions on protection of benefits in new subsections (1) and (2). The new section 24(1) and (2) extends the same protection to all the things set out in section 24(1)(a) to (g), such protection being that those things will not be assignable, transferrable, attached, sequestered or levied upon for or in respect of any debt or claim, will not be subject to any set-off of any nature for any debt owing by the member, and if the member is adjudicated a bankrupt by a court, will not pass to the Official Assignee on the bankruptcy of the member and will be deemed not to form part of the property of the member.

Clause 10 amends section 27(2)(a) to provide that a member who is an undischarged bankrupt may be permitted to withdraw from the amount standing to his credit in the Fund if he satisfies any of the grounds for withdrawals specified in section 15(2)(b) or (c), in addition to the existing grounds specified in section 15(2)(a), (d), (e), (f) or (g). The clause also replaces section 27(2A) to extend to moneys which are paid from the Fund to the undischarged bankrupt under section 27 protection similar to that accorded under the new section 24(2).

Clause 11 amends section 29(1) to expand the purpose of the Home Protection Insurance Scheme by providing for reimbursement by the Board to the person or persons whom the Board is satisfied to have discharged a member’s liability to repay his housing loan which is secured by a mortgage of the immovable property to a Housing Authority or an approved mortgagee.

Clause 12 amends section 36 to provide for reimbursement by the Board of a member’s housing loan by making payment to a person or persons other than the Housing Authority or approved mortgagee where there exist such circumstances as may be prescribed by regulations made under Part IV.

Clause 13 amends section 39 to insert a new paragraph (da) providing for the making of regulations to prescribe the circumstances under which the Board may reimburse a member’s housing loan by making payment to a person or persons other than the Housing Authority or approved mortgagee, and the person or persons to whom and the manner in which such payment may be made.

Clause 14 inserts a new section 42A to provide for the application of Part V (Dependants’ Protection Insurance Scheme) to persons who are below the age of 21 years.

Clause 15 amends section 49B to insert a new subsection (3) to provide for the transfer of moneys retained by the Board from the dissolved Dependents' Protection Insurance Fund to the Central Provident Fund and to apply the transferred moneys towards meeting any of the Board's own liabilities under the Dependents' Protection Insurance Scheme that may have arisen prior to the transfer of that Scheme under section 49A and any costs and expenses incurred by the Board in maintaining that Scheme.

Clause 16 inserts a new section 53A to provide for the application of Part VI (MediShield Scheme) to persons who are below the age of 21 years.

Clause 17 amends section 57F(2)(a) to enable regulations to be made to provide for the waiver by the Board or such other person as may be prescribed in those regulations of the whole or any part of any criteria to be satisfied by a member in order to be eligible to receive any cash payment or relevant contribution under the Workfare Income Supplement Scheme.

Clause 18 repeals and re-enacts section 61 to increase the maximum fines and introduce a term of imprisonment for offences under the Act for which no penalty is provided. The clause also introduces minimum fines and increases the maximum fines for an offence committed by a person under section 7(5) or 58(b) and an offence committed by any director, manager, secretary or other officer of a body corporate under section 60 by virtue of the fact that an offence under section 7(3) or (5) or 58(b) has been committed by that body corporate. The clause further clarifies who a repeat offender is for the purposes of the new section 61(1) and (2).

Clause 19 amends section 63(1) to increase the maximum composition sum from \$500 to \$1,000.

Clause 20 amends section 77(1) to empower the Minister to make regulations to prescribe the order of priority in which the moneys and interest referred to in section 18(4)(a) and (b) and (5)(a) and (b) are to be transferred by the Board to a member's retirement account, and to provide for the reserved amount to be set aside or topped-up in an ordinary account.

Clause 21 is a savings and transitional provision to provide that clause 18 will not apply to any person who, before the date of commencement of that clause, commits any offence referred to in section 61 in force immediately before that date. The clause also provides that section 61 in force immediately before that date will continue to apply to that person in relation to that offence as if clause 18 had not been enacted.

EXPENDITURE OF PUBLIC MONEY

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