

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

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**Bill No. 4/2016.**

*Read the first time on 26 January 2016.*

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 is the Central Provident Fund (Amendment) Act 2016 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

### 5 Amendment of section 2

2. Section 2 of the Central Provident Fund Act (called in this Act the principal Act) is amended —

(a) by deleting the words “, and includes a person who contributes to the Fund voluntarily in accordance with section 13B” in the definition of “ “member of the Fund” or “member” ” in subsection (1);

(b) by deleting the definition of “retirement account” in subsection (1) and substituting the following definition:

“ “retirement account” means a retirement account —

(a) maintained for the crediting, transfer and payment to the account of moneys or contributions in accordance with this Act; and

(b) from which withdrawals, transfers and deductions may be made in accordance with this Act;”;

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

“ “self-employed person” has the meaning given to it in any regulations made under section 77(1)(e);”;

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

“(1AA) In this Act —

(a) a reference to the former section 15(6C)(b) is a reference to section 15(6C)(b), as in force

immediately before the date of commencement of section 9(1) of the Central Provident Fund (Amendment) Act 2016; and

(b) a reference to an amount referred to in section 15(6C)(a) is a reference to an amount deposited with an approved bank or retained in the member's retirement account under that section or the former section 15(6C)(b)."; and

(e) by deleting subsection (2).

### **Amendment of section 7**

3. Section 7 of the principal Act is amended —

(a) by inserting, immediately after the words "the First Schedule" in subsection (4), the words ", and subject to such terms and conditions as the Board may impose";

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

“(4A) Despite subsection (4), the Board may refuse to credit any voluntary contribution received under subsection (4) to an employee's account in the Fund —

(a) where the amount of the intended voluntary contribution for any year, if paid into the Fund to the employee's credit, will result in the prescribed sum under section 13B(3) being exceeded for that year;

(b) where the intended voluntary contribution is to be made only to the medisave account of the employee and the amount of the intended voluntary contribution, if paid into the employee's medisave account, will result in —

(i) the total amount in the employee's medisave account exceeding the amount that the Minister directs under section 13(6); or

(ii) the prescribed sum under section 13B(3) being exceeded for that year; or

(c) in such other circumstances as may be prescribed in regulations made under section 77(1).”;

(c) by deleting the word “and” at the end of subsection (8)(a); and

(d) by deleting paragraph (b) of subsection (8) and substituting the following paragraphs:

“(b) the payment of contributions on such additional wages as may be specified in the First Schedule, and the computation of such contributions which may —

(i) be based on the wages of an employee for the preceding year or the current year; and

(ii) be adjusted at the end of the year or in the last month of the employee’s employment with the employer based on the employee’s actual wages for the year; and

(c) modifications to the contributions payable on an employee’s additional wages for any year by any of the employee’s employers which the Board is satisfied —

(i) are related in a manner approved by the Board; and

(ii) meet any requirements specified by the Board.”.

#### **Amendment of section 10**

4. Section 10 of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(3) Despite anything in this Act, no money in the Fund is to be used to make any payment for the purposes of Part IIIB or IV or any costs or expenses incurred in the administration of the Lifelong Income Scheme or the Home Protection Insurance Scheme, except for withdrawals or deductions from any of a member’s accounts in the Fund made in accordance with this Act.”.

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### **Amendment of section 13**

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

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

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“(1) Subject to subsections (7A) to (7G), the following subsidiary accounts are to be maintained for each member in respect of the money standing to the member’s credit in the Fund:

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(a) an ordinary account;

(b) a medisave account;

(c) a special account.

(1A) An account referred to in subsection (1) is an account —

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(a) maintained for the crediting, transfer and payment to the account of moneys or contributions in accordance with this Act or the MediShield Life Scheme Act 2015 (Act 4 of 2015); and

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(b) from which withdrawals, transfers and deductions may be made in accordance with this Act or the MediShield Life Scheme Act 2015.”;

(b) by deleting the words “and retirement account” in subsection (5A)(a) and substituting the words “, retirement account and nominee account”;

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

“*(7)* Where there is no balance in the medisave account of a member, the Board may, on the member’s application and with the Minister’s approval, transfer to the member’s medisave account the whole or such part, as the Board may determine, of —

(a) the amount standing to the member’s credit in any designated account, not exceeding the total amount which had been transferred from the medisave account to that designated account under subsection (6) (called in this subsection the transferred amount); and

(b) any interest that would have been payable on the transferred amount if the transfer had not been made.”;

(d) by deleting subsections (7C) and (7D) and substituting the following subsections:

“*(7C)* Where the Board has made an initial transfer specified in subsection (7D) of any amount standing to a member’s credit in the Fund from any account of the member in the Fund (called in this subsection Account A), the Board may in such circumstances as may be prescribed in any regulations made under section 77(1) —

(a) restore to Account A or transfer to such other account of the member in the Fund as may be prescribed in those regulations (called in this subsection Account B), the whole or such part, as the Board may determine, of the amount of the initial transfer; and

(b) pay into Account A or Account B (as the case may be) the whole or such part, as the Board may determine, of any interest that would have

been payable on the amount restored to Account A or transferred to Account B, if the initial transfer had not been made.

(7D) The initial transfer referred to in subsection (7C) is —

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(a) a transfer to the member’s ordinary account under subsection (7A);

(b) a transfer to the general moneys of the Fund under subsection (7B); or

(c) a transfer to the general moneys of the Fund under any regulations made under section 77(1).”; and

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(e) by deleting the words “or 13B(1)(b) or (2)(b)” in subsection (7I) and substituting the words “, 13B(1)(b) or (2)(b) or 13C”.

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### **Amendment of section 13B**

6. Section 13B of the principal Act is amended —

(a) by inserting, immediately after the words “section 77(1)” in subsections (1) and (2), the words “, and such terms and conditions as the Board may impose”;

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(b) by deleting the words “, for the purposes specified in section 13(1),” in subsections (1)(b) and (2)(b);

(c) by deleting the words “Subject to subsection (3A), the” in subsection (3) and substituting the word “The”;

(d) by deleting subsection (3A); and

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

“(5) Despite subsections (1) and (2), the Board may refuse to credit any voluntary contribution received under subsection (1)(a), (2)(a) or (3)(c) to a member’s account in the Fund under this section —

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- 5 (a) where the amount of the intended voluntary contribution for any year, if paid into the Fund to the person's credit, will result in the prescribed sum under subsection (3) being exceeded for that year;
- 10 (b) where the intended voluntary contribution is to be made only to the medisave account of the person and the amount of the intended voluntary contribution, if paid into the person's medisave account, will result in —
- (i) the total amount in the person's medisave account exceeding the amount that the Minister directs under section 13(6); or
- 15 (ii) the prescribed sum under subsection (3) being exceeded for that year; or
- (c) in such other circumstances as may be prescribed in regulations made under section 77(1).”.

20 **New section 13C**

7. The principal Act is amended by inserting, immediately after section 13B, the following section:

**“Other contributions to Fund**

**13C.—**(1) This section applies to a person who —

- 25 (a) has withdrawn the sum standing to the person's credit in the Fund by virtue of section 15(2)(b) or (c); and
- (b) subsequently applies to be or becomes a citizen or permanent resident of Singapore.

30 (2) Despite anything in this Act, the Board may, in any particular case, permit a person referred to in subsection (1) to contribute to the Fund, if the person satisfies such conditions as the Board may impose.



(3) Where the Board permits a person to contribute to the Fund, the Board may determine the manner and amount of the person's contribution to the Fund, including —

- (a) the account or accounts of that person in the Fund to which the amount of contribution is to be credited; and
- (b) the amount to be credited into each account of that person in the Fund.

(4) A contribution which the Board may permit under this section is not subject to any maximum limit, despite anything in this Act.”.

#### **Amendment of section 14**

**8.** Section 14 of the principal Act is amended —

- (a) by inserting, immediately after the words “such account” in subsection (1), the words “in the Fund”;
- (b) by inserting, immediately after subsection (1), the following subsection:

“(1A) Where —

(a) the Board, pursuant to an activity engaged under section 76(1)(a) —

(i) has attempted to make a cash payment to a person by issuing a cheque or other physical payment instrument to the person; and

(ii) has sent a notice to the person of the issue of the cheque or other physical payment instrument, whether or not the person receives the notice; and

(b) the cheque or other physical payment instrument has been returned to the Board or has expired before it is encashed,

the Board may, in lieu of making the cash payment, credit an amount equivalent to the value of the cash

payment into such account of that person in the Fund as the Minister may direct.”;

- (c) by inserting, immediately after the words “cash grant” wherever they appear in subsections (2) and (3), the words “or payment”;
- (d) by inserting, immediately after the words “subsection (1)” in subsection (2), the words “or (1A), as the case may be,”; and
- (e) by inserting, immediately after the word “Government” in the section heading, the words “or other payments”.

### **Amendment of section 15**

**9.—(1)** Section 15 of the principal Act is amended —

- (a) by deleting subsection (6C) and substituting the following subsection:

“(6C) The amount standing to the credit of a member in the member’s retirement account may, in accordance with such terms and conditions as the Board may impose, be used or withdrawn in all or any of the following manner:

- (a) deposited before 1 January 2014 with an approved bank or retained in the member’s retirement account;
- (b) withdrawn to purchase an approved annuity from an insurer;
- (c) withdrawn to pay a premium referred to in section 27L(1) or (1A);
- (d) used, transferred or withdrawn in any other circumstances as permitted under this Act.”;
- (b) by deleting subsection (7) and substituting the following subsection:

“(7) Where a member has deposited the amount referred to in subsection (6C)(a) with an approved bank or retained that amount in the member’s retirement

account, the member is, on attaining the prescribed age, entitled to withdraw that amount or such part of that amount and any interest accruing on that amount, as the Board may determine, in accordance with any regulations made under section 77(1).”; 5

(c) by deleting the words “shall be entitled to withdraw the amount referred to in subsection (6C)(b), or such part thereof as the Board may determine, from his account with an approved bank or his retirement account” in subsection (7A) and substituting the words “is entitled, in accordance with any regulations made under section 77(1), to withdraw the amount referred to in subsection (6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or such part of that amount as the Board may determine”; 10 15

(d) by deleting the words “referred to in subsection (6C)(b) or any part thereof from his account with an approved bank or his retirement account” in subsection (7B) and substituting the words “referred to in subsection (6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or any part of that amount”; 20

(e) by deleting subsection (8C) and substituting the following subsection:

“(8C) A member who has attained the prescribed age and who need not comply with subsection (6)(a) by reason of subsection (8)(e) is entitled, in accordance with any regulations made under section 77(1) — 25

(a) where any amount standing to the member’s credit in the member’s retirement account is deposited with an approved bank or retained in the member’s retirement account under subsection (6C)(a), to withdraw the amount or such part of the amount, as the Board may determine, which was so deposited or retained; 30  
and 35

(b) where any amount standing to the member's credit in the member's retirement account is used to purchase an approved annuity under subsection (6C)(b), to surrender the approved annuity.”;

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(f) by inserting, immediately after the words “referred to in” in subsections (9)(a), (9A)(a), (10)(a) and (10A)(a), the words “the former”;

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(g) by inserting, immediately after the words “permit the member” in subsections (11), (11A), (11B) and (11C), the words “, in accordance with any regulations made under section 77(1)”;

(h) by deleting paragraph (a) of subsection (11) and substituting the following paragraph:

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“(a) to withdraw the amount referred to in subsection (6C)(a) which is deposited with an approved bank or retained in the member's retirement account or any part of that amount; or”;

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(i) by deleting paragraph (a) of subsection (11A) and substituting the following paragraph:

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“(a) to withdraw the amount referred to in subsection (6C)(a) which is deposited with an approved bank or retained in the member's retirement account or any part of that amount; or”;

(j) by deleting paragraph (a) of subsection (11B) and substituting the following paragraph:

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“(a) to withdraw the amount referred to in subsection (6C)(a) which is deposited with an approved bank or retained in the member's retirement account or any part of that amount; or”;

(k) by deleting paragraph (a) of subsection (11C) and substituting the following paragraph:

“(a) to withdraw the amount referred to in subsection (6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or any part of that amount; or”; and

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(l) by deleting the words “subsection (6C)(b) or part thereof from his account with an approved bank or his retirement account” in subsection (11D) and substituting the words “subsection (6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or any part of that amount”.

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(2) Section 15 of the principal Act, as amended by subsection (1), is amended by inserting, immediately after subsection (8C), the following subsections:

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“(8D) Despite sections 14(2), 15(2), (2A), (6), (6C), (7), (7B) and (8A) and 27, where the Board has transferred or paid any amount into a member’s account in the Fund (called in this section the transferred amount), the Board may, on the member’s application, permit the member to withdraw an amount determined by the Board —

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(a) from one or more accounts in the Fund as the Board may determine;

(b) in circumstances prescribed by regulations made under section 77(1); and

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(c) if the member satisfies such requirements as the Board may specify.

(8E) An application under subsection (8D) must be made within such time as may be prescribed by regulations made under section 77(1), and different times may be prescribed for different types of withdrawals.

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(8F) The amount that the Board may permit a member to withdraw under subsection (8D) must not exceed the transferred amount.”.

### **Amendment of section 17**

5 **10.** Section 17 of the principal Act is amended by deleting paragraph (b) and substituting the following paragraphs:

“(b) for the payment of —

10 (i) any improvement contribution due to the Housing and Development Board in respect of upgrading works carried out under Part IVA of the Housing and Development Act (Cap. 129) or to a Town Council in respect of lift upgrading works carried out under Part IVA of the Town Councils Act (Cap. 329A);

15 (ii) any interest imposed by the Housing and Development Board or the Town Council, as the case may be, on the improvement contribution referred to in sub-paragraph (i), where the improvement contribution is paid in instalments; and

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(iii) any costs, fees or other incidental expenses arising from such works;

(c) for such other purposes as permitted under, and in accordance with, this Act.”.

### **Amendment of section 18**

25 **11.** Section 18(1) of the principal Act is amended by deleting sub-paragraph (ii) of paragraph (c) and substituting the following sub-paragraph:

30 “(ii) any other sum that the Board may allow, being a sum not exceeding such sum as may be prescribed by any regulations made under section 77(1)(o).”.

### **Amendment of section 18A**

**12.** Section 18A of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

“(2) In this section, “prescribed amount” means an amount prescribed by regulations made under section 77(1)(o).”.

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### **Amendment of section 21**

**13.** Section 21(1) of the principal Act is amended by deleting paragraph (ca) and substituting the following paragraph:

“(ca) to pay —

- (i) any improvement contribution due to the Housing and Development Board in respect of upgrading works carried out under Part IVA of the Housing and Development Act (Cap. 129) or to a Town Council in respect of lift upgrading works carried out under Part IVA of the Town Councils Act (Cap. 329A);
- (ii) any interest imposed by the Housing and Development Board or the Town Council, as the case may be, on the improvement contribution referred to in sub-paragraph (i), where the improvement contribution is paid in instalments; and
- (iii) any costs, fees or other incidental expenses arising from such works;”.

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### **Amendment of section 21B**

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**14.** Section 21B(1) of the principal Act is amended by deleting paragraph (c) and substituting the following paragraph:

“(c) to pay —

- (i) any improvement contribution due to the Housing and Development Board in respect of upgrading works carried out under Part IVA of the Housing and Development Act (Cap. 129) or

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to a Town Council in respect of lift upgrading works carried out under Part IVA of the Town Councils Act (Cap. 329A);

- 5 (ii) any interest imposed by the Housing and Development Board or the Town Council, as the case may be, on the improvement contribution referred to in sub-paragraph (i), where the improvement contribution is paid in instalments; and
- 10 (iii) any costs, fees or other incidental expenses arising from such works; or”.

**Amendment of section 22**

15 **15.** Section 22 of the principal Act is amended by inserting, immediately after subsection (4), the following subsection:

“(4A) Any person who gives or has given an undertaking under subsection (3) to the Board in relation to any withdrawal under subsection (1) for payment to an approved educational institution may, if that person has attained 16 years of age, consent —

20 (a) to the approved educational institution disclosing to the Board such information, evidence or document about that person as the Board may reasonably require for the purpose of carrying out the provisions of this section or regulations made under section 23; and

25 (b) to the Board disclosing to any other person such information, evidence or document relating to that person as may be necessary or expedient —

30 (i) for the purpose of carrying out the provisions of this section or regulations made under section 23; or

(ii) to facilitate the enforcement of an undertaking given, or a payment or repayment required, under this section.”.



### **Amendment of section 24**

16. Section 24(1) of the principal Act is amended by deleting paragraph (e) and substituting the following paragraph:

“(e) any moneys referred to in section 15(6C)(a) or 15B(2) which is deposited by a member with an approved bank and any interest on those moneys, and any withdrawals from the moneys and interest;”.

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### **Amendment of section 27**

17. Section 27(2A) of the principal Act is amended by deleting the word “or” in paragraph (b) and substituting the word “of”.

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### **Amendment of section 27B**

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

(a) by inserting, immediately after the words “section 13(7),” in subsections (6)(b)(i) and (7)(b)(i), “15(8D),”; and

(b) by deleting the words “or 22” in subsections (6)(b)(i) and (7)(b)(i) and substituting in each case the words “, 22 or 57DA”.

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### **Amendment of section 27C**

19. Section 27C of the principal Act is amended by deleting paragraph (a) of subsections (1) and (2) and substituting in each case the following paragraph:

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“(a) a member of the Fund has withdrawn the amount referred to in section 15(6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or any part of that amount, or has surrendered his approved annuity, under section 15(9) or (9A);”.

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

20. Section 27D of the principal Act is amended by deleting paragraph (a) of subsections (1) and (2) and substituting in each case the following paragraph:

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“(a) a member of the Fund has withdrawn the amount referred to in section 15(6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or any part of that amount, or has surrendered his approved annuity, under section 15(10) or (10A);”.

### **Amendment of section 27DA**

**21.** Section 27DA of the principal Act is amended by deleting paragraph (a) of subsections (1) and (2) and substituting in each case the following paragraph:

“(a) a member of the Fund has withdrawn the amount referred to in section 15(6C)(a) which is deposited with an approved bank or retained in the member’s retirement account or any part of that amount, or has surrendered his approved annuity, under section 15(11), (11A), (11B) or (11C);”.

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

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

(a) by deleting subsections (2) to (5) and substituting the following subsections:

“(2) Subject to subsections (3) to (5A) and the relevant regulations, the Scheme applies to every member who —

(a) attains 55 years of age, on or after 1 January 2013; and

(b) on an assessment date applicable to the member, satisfies all of the following requirements:

(i) the member is a citizen or permanent resident of Singapore;

(ii) the member is entitled under section 15(2)(a), (3) or (4) to withdraw any sum standing to the member’s credit

in the Fund and would be required to comply with section 15(6)(a) if the member were to make such a withdrawal;

- (iii) the amount standing to the member's credit in the member's retirement account is not less than such amount as may be prescribed in the relevant regulations for the purposes of this sub-paragraph. 5  
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(3) The Scheme —

- (a) does not apply to an excluded member; or  
(b) if the member is a relevant member, ceases to apply when the member becomes an excluded member. 15

(4) The Board may, on such terms and conditions as the Board may impose, approve a member's application to be an excluded member.

(5) Despite subsections (2), (3) and (4), the Board may, on such terms and conditions as the Board may impose, approve a member's application to join the Scheme if the member — 20

- (a) has attained such age as may be prescribed in the relevant regulations, or such earlier age as the Board may permit in a particular case; and 25  
(b) is a citizen or permanent resident of Singapore.

(5A) Despite subsections (2), (3) and (4), the Scheme —

- (a) applies to a member whose application to join the Scheme has been approved under subsection (5); and 30  
(b) ceases to apply to that member only when the Board's approval under subsection (5) is cancelled under subsection (5B).

(5B) The Board may cancel an approval given under subsection (4) or (5) —

(a) if the member does not comply with any terms or conditions imposed by the Board; or

(b) in any other circumstances prescribed by the Minister in the relevant regulations.

(5C) Where the Board cancels an approval given under subsection (4) or (5), the Board may specify the time (on or after the time of occurrence of the circumstances, referred to in subsection (4) or (5), as the case may be, which gave rise to the cancellation) that the cancellation takes effect.”; and

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

“(9) In this section —

“assessment date” means —

(a) for a member who attains 55 years of age on or after 1 January 2013 but before the date of commencement of section 22 of the Central Provident Fund (Amendment) Act 2016, the date the member attains 55 years of age or any other time prescribed in the relevant regulations for the purposes of subsection (2)(b); or

(b) for a member who attains 55 years of age on or after the date of commencement of section 22 of the Central Provident Fund (Amendment) Act 2016, the time prescribed in the relevant regulations for the purposes of subsection (2)(b);

“excluded member” means a member —

- (a) who belongs to any class of members prescribed under the relevant regulations for the purposes of subsection (3); or
- (b) whose application under subsection (4) has been approved by the Board and the approval remains in force.”.

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### **Amendment of section 27Q**

**23.** Section 27Q of the principal Act is amended by inserting, immediately after subsection (2), the following subsections:

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“(3) Different times may be prescribed for different classes of members for the purposes of paragraphs (a) and (b) of the definition of “assessment date” in section 27K(9).

(4) Different amounts may be prescribed for different classes of members for the purposes of section 27K(2)(b)(iii).”.

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### **Amendment of section 28**

**24.** Section 28(1) of the principal Act is amended —

(a) by deleting the definition of “incapacitated” and substituting the following definitions:

“ “incapacitated” means suffering from —

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- (a) a total permanent disability; or
- (b) a terminal illness which arises on or after the date of commencement of section 24 of the Central Provident Fund (Amendment) Act 2016,

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and “incapacity” is to be construed accordingly;

“insured sum” means the sum prescribed in regulations made under this Part which is payable on the death or incapacity of a Scheme member;”;

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(b) by deleting the definition of “member of the Scheme” and substituting the following definition:

““member of the Scheme” or “Scheme member” means a person who is insured under the Scheme;”; and

(c) by deleting the full-stop at the end of the definition of “Scheme” and substituting a semi-colon, and by inserting immediately thereafter the following definitions:

““terminal illness” means any illness that a registered medical practitioner under the Medical Registration Act (Cap. 174) certifies is expected to result in death within 12 months;

“total permanent disability” means —

(a) being physically or mentally incapacitated from ever continuing in any employment; or

(b) the total or permanent loss, which arises on or after the date of commencement of section 24 of the Central Provident Fund (Amendment) Act 2016, of the physical function of —

(i) 2 eyes;

(ii) 2 limbs; or

(iii) one eye and one limb.”.

## **Amendment of section 29**

**25.** Section 29 of the principal Act is amended —

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

“(1) The Board is authorised to establish and maintain a Home Protection Insurance Scheme to provide for an insured sum to be paid in respect of any person who is a Scheme member, in accordance with the provisions of

this Part, on the person’s death or incapacity at any time during the period in which the person is insured under the Scheme.”; and

- (b) by deleting the words “cancel or terminate” in subsection (7) and substituting the words “issue to a member a cover under the Scheme, or cancel, terminate or reinstate”.

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### **Amendment of section 31**

**26.** Section 31 of the principal Act is amended by deleting subsections (1) and (2) and substituting the following subsections:

“(1) Subject to subsection (2), a person is not entitled to join the Scheme if the Board is not satisfied that the person is in good health at the time the insurance cover under the Scheme is to commence.

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(2) The Board may, on the application of a person who is not entitled to join the Scheme solely by reason of subsection (1), permit the person to join the Scheme, subject to such terms and conditions as the Board may impose either generally or in a particular case.”.

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### **Amendment of section 32**

**27.** Section 32 of the principal Act is amended —

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- (a) by deleting subsection (4) and substituting the following subsection:

“(4) Where the amount of the premium which a Scheme member is liable to pay under the Scheme exceeds the amount standing to the Scheme member’s credit in the Fund, the deficiency may be paid in either or both of the following manner:

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- (a) the Board may deduct the deficiency (in whole or in part) from any payment from the insured sum which the Board may make under the Scheme under section 36(1), (2) or (6);

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(b) the deficiency may be paid in such other manner and within such time as the Board may determine.”;

5 (b) by deleting the words “permit a joint-owner who is a spouse of the first-mentioned joint-owner” in subsection (5) and substituting the words “(on such terms and conditions as the Board may impose) permit such other joint-owner of the immovable property”; and

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

“(6) The other joint-owner referred to in subsection (5) —

(a) need not be insured under the Scheme; and

15 (b) must satisfy such other criteria as the Board may determine.”.

### **Amendment of section 36**

**28.** Section 36 of the principal Act is amended —

20 (a) by deleting the words “forthwith pay such amount” in subsection (1) and substituting the words “pay such amount deducted from the Scheme member’s insured sum”;

(b) by inserting, immediately after the words “pay such amount” in subsection (2)(a), the words “deducted from the Scheme member’s insured sum”;

25 (c) by inserting, immediately after the words “exceeding 2 years” in subsection (2)(b), the words “, by deducting the amount from the Scheme member’s insured sum”;

(d) by deleting the words “such an amount as is prescribed under regulations made under this Part” in subsection (5) and substituting the words “the Scheme member’s insured sum”;

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



“(6) Despite subsection (2)(b), if the incapacity of the Scheme member is in the opinion of the Board likely to continue for more than 2 years, the Board must pay the Housing Authority or the approved mortgagee an amount as is prescribed by regulations made under this Part.”;

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

“(8A) The Board must credit the excess of the Scheme member’s insured sum over the amount payable under this section to the Scheme member’s account in the Fund.”;

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- (g) by deleting the word “or” at the end of subsection (10)(a);

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

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“(c) was suffering from an illness when the member joined the Scheme, unless the Board permitted the member to join the Scheme when it knew that the member was suffering from that illness.”; and

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- (i) by inserting, immediately after subsection (10), the following subsections:

“(11) Subsection (9) does not limit the particulars, facts and circumstances which may be taken to be material for the purposes of subsection (10)(a) or (b).

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(12) Despite subsections (9) and (10), the Board may, on proof of death or incapacity of a Scheme member, pay in any circumstances prescribed by regulations made under this Part the whole or part of the insured sum.

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(13) Any payment made by the Board in respect of a Scheme member before the date of commencement of section 28 of the Central Provident Fund (Amendment)

Act 2016, which if made after that date would be permitted under subsection (12), is taken to be and always to have been validly paid, and no legal proceedings lie or may be instituted or maintained in any court of law on account of or in respect of any such payment.”.

### **Amendment of section 39**

**29.** Section 39 of the principal Act is amended —

(a) by deleting paragraph (*ca*) and substituting the following paragraph:

“(ca) prescribe the insured sum in respect of each class of Scheme members;”;

(b) by deleting paragraph (*ea*); and

(c) by deleting paragraph (*f*) and substituting the following paragraph:

“(f) provide for the refund of any premium (and the whole or such part, as the Board may determine, of any interest that would have been payable on the amount of the premium if that amount had been standing to a person’s credit in the person’s account in the Fund), the manner in which the premium and interest are to be refunded and the circumstances in which the refund is to be made and at such rates as may be prescribed by the Minister;”.

### **Amendment of section 40**

**30.** Section 40 of the principal Act is amended by deleting the full-stop at the end of the definition of “Scheme” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

“ “serious illness”, in relation to an insured person, means any illness that —

- (a) is likely to result in a claim under that insured person's insurance cover under the Scheme; and
- (b) the Board has specified for the purposes of section 43(1), in a manner accessible to the insured person, as a serious illness which the insured person must disclose to the Board.”. 5

### **Amendment of section 42**

**31.** Section 42 of the principal Act is amended —

- (a) by inserting, immediately after the words “subsection (2)” in subsection (4), the words “but without prejudice to section 43A”; and 10
- (b) by inserting, immediately after subsection (5), the following subsection:

“(6) The Board or an appointed insurer, as the case may be, may, in such circumstances as may be prescribed by regulations made under this Part — 15

- (a) refuse to insure, under the Scheme, any person who has made an application under subsection (4);
- (b) insure a person under the Scheme subject to such terms and conditions as the Board or appointed insurer may impose either generally or in a particular case; or 20
- (c) continue to insure a person referred to in section 43(1), subject to such terms and conditions as the Board or appointed insurer may impose either generally or in a particular case.”. 25

### **Amendment of section 43**

**32.** Section 43 of the principal Act is amended — 30

- (a) by deleting the words “terminal illness” in subsection (1) and substituting the words “serious illness”; and

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

“(5) Subsection (1) applies to a person’s insurance cover under the Scheme which commenced before, on or after the date of commencement of section 32 of the Central Provident Fund (Amendment) Act 2016.

(6) Where a person’s insurance cover under the Scheme —

(a) was cancelled before the date of commencement of section 32 of the Central Provident Fund (Amendment) Act 2016; and

(b) could be cancelled under subsection (1) if it were still in force on that date,

that cancellation is taken to be and always to have been validly made, and no legal proceedings lie or may be instituted or maintained in any court of law on account of or in respect of that cancellation.”.

### **New section 43A**

**33.** The principal Act is amended by inserting, immediately after section 43, the following section:

#### **“Board may reinstate, etc., member’s cover**

**43A.** The Board may reinstate an insured person’s cover under the Scheme or issue a cover to any person, in such circumstances as may be prescribed by regulations made under this Part.”.

### **Amendment of section 45**

**34.** Section 45 of the principal Act is amended by deleting subsection (4) and substituting the following subsection:

“(4) Where the amount of the premium which an insured person is liable to pay under the Scheme exceeds the amount standing to the person’s credit in the person’s ordinary and special accounts, the deficiency may be paid in either or both of the following manner:

- (a) the Board or the appointed insurer, as the case may be, may deduct the deficiency (in whole or in part) from any payment from the insured sum which the Board or the appointed insurer may make under the Scheme under section 49;
- (b) the deficiency may be paid in such other manner and within such time as the Board may determine.”.

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**Amendment of section 47**

**35.** Section 47 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

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“(1) On payment of the prescribed premium payable under section 45 for an insured person, the person is covered under the Scheme by the Board or an appointed insurer assigned by the Board, as the case may be, for a period of 12 months beginning on —

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- (a) the date of such payment; or
- (b) where the insured person’s insurance cover is issued under section 43A, such other date as may be prescribed under section 51(e).”.

**Amendment of section 51**

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**36.** Section 51 of the principal Act is amended —

- (a) by deleting paragraph (d) and substituting the following paragraph:

“(d) provide for the refund of any premium (and the whole or such part, as the Board may determine, of any interest that would have been payable on the amount of the premium if that amount had been standing to an insured person’s credit in the person’s account in the Fund), the manner in which the premium and interest are to be refunded and the circumstances in which the refund is to be

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made and at such rates as may be prescribed by the Minister;” and

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

5                                   “(e) provide for the commencement of cover under the Scheme;”.

### **Amendment of section 57D**

10       **37.** Section 57D(1) of the principal Act is amended by deleting the words “fine prescribed under section 61 or penalty prescribed under” and substituting the words “penalty prescribed under section 61 or”.

### **New section 57DA**

**38.** The principal Act is amended by inserting, immediately after section 57D, the following section:

15                                   **“Withdrawal from Fund where relevant contribution credited into account of eligible member in certain circumstances**

20                                   **57DA.**—(1) Despite sections 14(2), 15(2), (2A), (6), (6C), (7), (7B) and (8A) and 27, where the Board has credited a relevant contribution into an eligible member’s account in the Fund (called in this section the contribution amount), the Board may, on the member’s application, permit the member to withdraw an amount determined by the Board —

(a) from one or more accounts in the Fund as the Board may determine;

25                                   (b) in circumstances prescribed by regulations made under section 57F; and

(c) if the member satisfies such requirements as the Board may specify.

30                                   (2) An application under subsection (1) must be made within such time as may be prescribed by regulations made under section 57F.

(3) The amount that the Board may permit a member to withdraw under subsection (1) must not exceed the contribution amount.”.

### **Amendment of section 57F**

**39.** Section 57F(2) of the principal Act is amended —

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- (a) by deleting the words “or relevant contribution” in paragraph (f) and substituting the words “, relevant contribution or amount withdrawn under section 57DA”; and
- (b) by inserting, immediately after paragraph (f), the following paragraph:

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“(fa) the whole or any part of the interest paid on the amount withdrawn from the member’s account under section 57DA to be dealt with in all or any of the following manner:

- (i) retained in that account;
- (ii) withdrawn from that account and paid to the member;
- (iii) transferred to the general moneys of the Fund;”.

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### **Amendment of section 61B**

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**40.** Section 61B of the principal Act is amended —

- (a) by deleting the word “fine” in subsection (1) and substituting the word “penalty”; and
- (b) by deleting the words “fine prescribed under this Act or penalty prescribed under that law” in subsection (1A) and substituting the words “penalty prescribed under this Act or under that other written law”.

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### **New Part VIIA**

**41.** The principal Act is amended by inserting, immediately after section 67, the following Part:

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“PART VIIA

ADMINISTRATIVE PENALTIES

**Interpretation of this Part**

**67A.** In this Part, unless the context otherwise requires —

“approved applicant” means a Medisave healthcare provider or an insurer which is approved —

(a) under section 67B(2) to submit a withdrawal application on behalf of a member; or

(b) before the date of commencement of section 41 of the Central Provident Fund (Amendment) Act 2016, to submit a withdrawal application on behalf of any member;

“Medisave healthcare provider” means a person or an institution that has provided or is providing any medical, psychiatric or other treatment or services prescribed under section 77(1)(j);

“withdrawal application” means an application, submitted on behalf of a member, to the Board —

(a) by a Medisave healthcare provider for any sum standing to the member’s credit in the member’s medisave account to be withdrawn and paid to the Medisave healthcare provider in respect of medical, psychiatric or other treatment or services prescribed under section 77(1)(j); or

(b) by an insurer for any sum standing to a member’s credit in the member’s medisave account to be withdrawn and paid to the insurer as a premium in respect of a medical insurance scheme or other insurance scheme referred to in section 77(1)(k).

**Application to withdraw money from member’s medisave account by approved applicant**

**67B.—(1)** A person may not, on behalf of a member, submit a withdrawal application to the Board for the withdrawal of any



sum standing to the member's credit in the member's medisave account unless the person is approved under subsection (2).

(2) The Board may, with the concurrence of the Minister charged with the responsibility for health, approve a Medisave healthcare provider or an insurer to submit any withdrawal applications on such terms and conditions as the Board may require. 5

(3) The Board may, at any time, order the audit of an approved applicant in such manner as it may direct.

(4) Subject to subsection (6), the Board may, with the concurrence of the Minister charged with the responsibility for health, cancel the approval of an approved applicant, by the Board or on the approved applicant's application. 10

(5) Where the Board is considering the cancellation of the approval of an approved applicant, the Board may, before the approval is cancelled, suspend the submission of any or all withdrawal applications by the approved applicant. 15

(6) If the Board imposes a financial penalty on an approved applicant under section 67C, the Board must not cancel the approval of the approved applicant until after — 20

(a) the disposal of any appeal against the imposition of the financial penalty and interest for late payment, if any, in accordance with regulations made under section 77(1)(*rb*); and

(b) the approved applicant has paid the financial penalty and any interest for late payment that the approved applicant is liable to pay. 25

### **Financial penalties for approved applicants**

**67C.**—(1) The Board may impose a financial penalty on an approved applicant for engaging in conduct that contravenes, on or after the date of commencement of section 41 of the Central Provident Fund (Amendment) Act 2016, any regulations made under section 77(1)(*rb*)(i) and is not an offence. 30

(2) A financial penalty must not exceed the maximum amount to be prescribed, which in no case may be more than \$10,000.

(3) Any financial penalty imposed under subsection (1) and any interest for late payment prescribed under section 77(1)(rb) —

(a) may be sued for and recovered by the Board under the Government Proceedings Act (Cap. 121) as if it were a debt due to the Government; and

(b) must be paid into the Consolidated Fund upon collection or recovery by the Board.

(4) The members, officers and employees of the Board, in relation to their administration, assessment, collection and enforcement of payment of financial penalties imposed under subsection (1) —

(a) are taken to be public officers for the purposes of the Financial Procedure Act (Cap. 109); and

(b) section 20 of that Act applies to such members, officers and employees of the Board despite not being in the employment of the Government.

### **Repayment of moneys withdrawn from medisave account**

**67D.**—(1) Where any sum standing to the credit of a member in the member's medisave account is withdrawn and paid by the Board to —

(a) an approved applicant which is a Medisave healthcare provider in respect of medical, psychiatric or other treatment or services prescribed under section 77(1)(j); or

(b) any person as reimbursement for payments made by that person for any medical, psychiatric or other treatment or services prescribed under section 77(1)(j),

the approved applicant referred to in paragraph (a) or the person referred to in paragraph (b), as the case may be, (called in this section the recipient) must, if the withdrawal or payment of the

amount paid to the recipient was not in compliance with regulations made under section 77(1)(j) —

- (i) repay to the Board the amount determined by the Board under subsection (3);
- (ii) reimburse the Board for all reasonable expenses incurred by the Board in addressing the non-compliance with those regulations; and
- (iii) indemnify the Board against any liability incurred by the Board in connection with addressing the non-compliance with those regulations.

(2) Where any sum standing to the credit of a member in the member's medisave account is withdrawn and paid by the Board to an insurer as a premium in respect of a medical insurance scheme or other insurance scheme referred to in section 77(1)(k), then, if the withdrawal or payment to the insurer was not in compliance with regulations made under that section, the insurer must —

- (a) repay to the Board the amount determined by the Board under subsection (3);
- (b) reimburse the Board for all reasonable expenses incurred by the Board in addressing the non-compliance with those regulations; and
- (c) indemnify the Board against any liability incurred by the Board in connection with addressing the non-compliance with those regulations.

(3) The amount to be repaid under subsection (1)(i) or (2)(a) is the whole or such part as the Board may determine of —

- (a) the amount that was paid to the recipient in subsection (1) or the insurer referred to in subsection (2), as the case may be; and
- (b) the interest which would have been payable on the amount referred to in paragraph (a) if it had not been withdrawn from the medisave account.

(4) Any sum not repaid under subsection (1)(i) or (2)(a) may be sued for and recovered by the Board under section 65.

(5) Any sum not paid to the Board under subsection (1)(ii) or (iii) or (2)(b) or (c) may be sued for and recovered by the Board as a debt due to the Board.

(6) The Board must credit to the member's medisave account the amount that is determined by the Board under subsection (3).

(7) This section applies —

(a) whether the amount to be repaid under subsection (1)(i) or (2)(a) was withdrawn from the member's medisave account or paid to the recipient in subsection (1) or the insurer referred to in subsection (2) (as the case may be) before, on or after the date of commencement of section 41 of the Central Provident Fund (Amendment) Act 2016; and

(b) even if the recipient in subsection (1) or the insurer referred to in subsection (2) (as the case may be) has no obligation to repay or reimburse the payment to the member or the Board in the circumstances of the case, or is excluded by contract from such obligation.”.

#### **Amendment of section 74**

**42.** Section 74 of the principal Act is amended —

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

“(1A) If a claim for a refund or payment of the whole or any part of the money paid in error in any of the circumstances specified in subsection (2) is not received by the Board within one year beginning on the date on which the money was paid in error, the amount claimed —

(a) is not to be refunded or paid to the claimant but is deemed to have been properly paid under the provisions of this Act in respect of that person or as interest, as the case may be; and

(b) cannot be set off under subsection (3) against any sum due to the Fund.

(2) For the purposes of subsection (1A), the circumstances in which moneys are paid in error are as follows:

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(a) contributions made by an employer under section 7(1) or (4)(c);

(b) contributions made by an employee under section 7(4)(b);

(c) contributions made by a self-employed person under any regulations made under section 77(1)(e);

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(d) interest payable under section 9;

(e) moneys paid in error to the Fund or as interest under section 9 before the date of commencement of section 42 of the Central Provident Fund (Amendment) Act 2016.”; and

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(b) by deleting the word “If” in subsection (3) and substituting the words “Subject to subsection (1A)(b), if”.

### **Amendment of section 75A**

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**43.** Section 75A of the principal Act is amended by deleting subsection (5).

### **New sections 75C and 75D**

**44.** The principal Act is amended by inserting, immediately after section 75B, the following sections:

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#### **“Refund of excess contributions paid by self-employed person who is alive**

**75C.—**(1) This section applies where the Board is satisfied that the amount of contributions paid for any year by a member who is a self-employed person, under any regulations made under section 77(1)(e), exceeds the amount of contributions

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payable by the member after recomputation in accordance with those regulations.

(2) Subject to subsections (3), (4) and (5), if any excess contributions referred to in subsection (1) are credited to any account in the Fund of a member who is a self-employed person and the member is alive, the Board may —

(a) treat the excess contributions as payment towards any future contributions which the member is liable to pay; or

(b) subject to such terms and conditions as the Board may impose, refund the excess contributions to the member if —

(i) the member applies in writing for the refund within such time as may be prescribed; and

(ii) the refund is made in accordance with any regulations made under section 77(1).

(3) The Board may refund the excess contributions to a member, of an amount not exceeding the amount standing to the member's credit in the account (in which the excess contributions were credited) at the time the Board approves the refund.

(4) Where a member has not applied for a refund under subsection (2) within the prescribed time, the Board may retain the whole or any part of the excess contributions to be used to set off against any contributions or interest on any contributions as is due or may become due to the Board.

(5) The Board may require any person who claims to be entitled to any refund under this section, or to have paid any excess contributions to the Fund, to provide the Board with such information as the Board considers necessary to determine whether any refund should be made.

**Refund of excess voluntary contributions where member is alive**

**75D.**—(1) This section applies where the total amounts referred to in section 13B(3)(a), (b) and (c) which are contributed by or for a member in any year exceeds the sum prescribed under section 13B(3) for that year. 5

(2) Subject to subsections (4), (5) and (6), where any excess contributions referred to in subsection (1) are credited to any account in the Fund of a member and the member is alive, the Board may, subject to such terms and conditions as it may impose, refund to the member or to any other person such amount of the excess contributions as may be prescribed by regulations made under section 77(1). 10

(3) Where the member is an employee at any time during that year, and the Board is satisfied that the amount of additional medisave contributions which was paid in that year by his employer for the employee exceeds such sum as the Minister may prescribe by regulations made under section 77(1), the Board may, subject to such terms and conditions as the Board may impose, refund the excess to the employer. 15 20

(4) The Board may refund the excess contributions to the member, any other person referred to in subsection (2) or the employer referred to in subsection (3) (as the case may be) of an amount not exceeding the amount standing to the member's credit in the account (in which the excess contributions were credited) at the time the Board approves the refund. 25

(5) The Board may require any person to whom any excess contributions are to be refunded under this section to —

(a) submit an application to the Board for the refund of the excess contributions; and 30

(b) provide the Board with such information as the Board considers necessary to determine whether any refund should be made.

(6) The Board may retain the whole or any part of the excess contributions to be used to set off against any contributions or 35

interest on any contributions which is due or may become due to the Board.

(7) In this section, “additional medisave contributions” means the contributions paid by an employer under section 7(4)(c) specifically for the purposes of the medisave account of the employer’s employee.”.

### **New section 76A**

**45.** The principal Act is amended by inserting, immediately after section 76, the following section:

#### **“Protection from personal liability**

**76A.** No liability shall lie personally against any member, officer or employee of the Board, any other person acting under the Board’s direction or any public officer who, acting in good faith and with reasonable care, does or omits to do anything in the execution or purported execution of this Act.”.

### **Amendment of section 77**

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

- (a) by deleting the words “Town Council in respect of upgrading works” in paragraph (h)(iii)(A) and substituting the words “Town Council in respect of lift upgrading works”;
- (b) by deleting the word “and” at the end of sub-paragraph (A) of paragraph (h)(iii), and by inserting immediately thereafter the following sub-paragraph:

“(AA) any interest imposed by the Housing and Development Board or the Town Council, as the case may be, on the improvement contribution referred to in sub-paragraph (A), where the improvement



contribution is paid in instalments; and”;

(c) by deleting paragraph (j) and substituting the following paragraph:

“(j) to provide, in respect of medical, psychiatric or other treatment or services received, or to be received, by a member or by the member’s spouse, child or parent or by such other persons as may be prescribed, for — 5

(i) the withdrawal of money from the medisave account of the member for payment for such treatment or services; and 10

(ii) the repayment of such payment by any person who has received such payment;” 15

(d) by inserting, immediately after the words “the refund” in paragraph (k)(ii), the words “or repayment”;

(e) by inserting, immediately after the words “manner in which any such refund” in paragraph (k)(ii), the words “or repayment”; 20

(f) by inserting, immediately after “(7),” in paragraph (o), “(8D),”;

(g) by inserting, immediately after sub-paragraph (ii) of paragraph (o), the following sub-paragraph: 25

“(iia) prescribe the circumstances in which any amount standing to the credit of a member in the member’s retirement account is permitted to be used, transferred or withdrawn under section 15(6C)(d), and provide — 30

(A) for all or any part of the amount so used, transferred or withdrawn (including the whole or such

part, as the Board may determine, of the interest that would have been payable on the amount if the amount had not been so used, transferred or withdrawn) to be paid into any account of the member in the Fund;

(B) the circumstances in which the payment is to be made; and

(C) the person who will make the payment;”;

(h) by deleting the word “and” at the end of paragraph (o)(iv);

(i) by inserting, immediately after the words “to the Board” in paragraph (o)(v), the words “of the whole or part of the amount”;

(j) by inserting, immediately after the words “27DA(1) or (2)” in paragraph (o)(v), the words “and for the Board to determine such amount to be paid”;

(k) by inserting, immediately after sub-paragraph (v) of paragraph (o), the following sub-paragraphs:

“(vi) provide for the payment into a member’s retirement account of all or any part of the moneys deposited with an approved bank (including any interest on such moneys deposited) or used to purchase an approved annuity in accordance with section 15, the circumstances in which such payment is to be made and the person who will make such payment; and

(vii) in the case of a member who need not comply with section 15(6)(a) by reason of section 15(8)(e), provide for payment into the member’s retirement account of all or any part of the moneys deposited

with an approved bank (including any interest on such moneys deposited) or of such sums when the member's pension, annuity or other benefit is terminated or surrendered, the circumstances in which such payment is to be made and the person who will make such payment;"; and

(l) by deleting the word "and" at the end of paragraph (ra), and by inserting immediately thereafter the following paragraph:

“(rb) to prescribe such matters as are necessary or expedient for giving full effect to section 67C, including —

(i) requirements and contraventions applicable to approved applicants relating to —

(A) access to information on a member's medisave account;

(B) the accuracy of information in a withdrawal application;

(C) authorisation by or on behalf of a member for an approved applicant to submit a withdrawal application on behalf of the member; and

(D) audits ordered by the Board under section 67B(3), and compliance with the Board's directions in relation to the audit;

(ii) the payment of interest if a financial penalty is not paid within the time specified in a notice to the approved applicant; and

(iii) providing for appeals against a decision of the Board to impose a financial

penalty or interest for late payment, and the amount of the penalty or interest for late payment imposed, to be made to a panel appointed by the Minister charged with the responsibility for health, and the procedure for making and hearing appeals; and”.

(2) Section 77(1) of the principal Act, as amended by subsection (1), is amended —

(a) by deleting the word “and” at the end of paragraph (o)(vi);  
and

(b) by inserting the word “and” at the end of sub-paragraph (vii) of paragraph (o), and by inserting immediately thereafter the following sub-paragraph:

“(viii) prescribe the types of transfer or payment that are made into a member’s account in the Fund for which a member may be permitted to withdraw an amount under section 15(8D), and provide for the whole or any part of the interest paid on the amount so withdrawn from the member’s account to be dealt with in all or any of the following manner:

(A) retained in that account;

(B) withdrawn from that account and paid to the member;

(C) transferred to the general moneys of the Fund;”.

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## EXPLANATORY STATEMENT

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

- (a) to amend the Lifelong Income Scheme to vary the auto-inclusion dates for members of the Central Provident Fund (the Fund) and provide for the Scheme to apply or cease to apply to such members in certain circumstances or on application;
- (b) to allow greater flexibility in the use or withdrawal of moneys in a retirement account of a member of the Central Provident Fund (member), including —
  - (i) dispensing with the requirement for a further charge on immovable property when the member withdraws money from the member's retirement account in certain circumstances if the member already has a charge on immovable property; and
  - (ii) enabling moneys to be transferred from a member's retirement account to any of the member's other account in the Fund in relation to the purchase of immovable property in certain circumstances;
- (c) to allow a member to use the moneys in the member's retirement account to top-up the retirement account or special account of the member's spouse and to clarify the amount that may be topped-up;
- (d) to amend the Home Protection Insurance Scheme —
  - (i) to allow claims for terminal illness and total permanent disability even though the member is not incapacitated from ever continuing in any employment;
  - (ii) to allow persons (in addition to spouses) who are co-owners of the immovable property to also pay for the insured member's premiums;
  - (iii) to provide for the amount of claim payable to be the insured sum instead of the lower of the insured sum or the outstanding mortgage as at the date of the claim event. Any excess of the insured sum over the outstanding mortgage will be credited to the insured member's account in the Fund;
  - (iv) to provide for regulations to be made to prescribe the circumstances where the Central Provident Fund Board (the Board) may issue or reinstate an insurance cover or pay claims where the Board is not liable to do so under section 36(9) or (10); and

- (v) to provide for the deduction of premiums for an insurance cover that is reinstated to be made from the insured member's account in the Fund or claim proceeds;
- (e) to amend the Dependants' Protection Insurance Scheme —
  - (i) to allow claims for terminal illness and total permanent disability even though the insured member is not incapacitated from ever continuing in any employment;
  - (ii) to clarify the circumstances in which the Board may refuse to insure a person or may cancel a person's insurance cover if that person was suffering from a serious illness when the person joined the Scheme;
  - (iii) to provide for regulations to be made to prescribe the circumstances where the Board may issue or reinstate an insurance cover; and
  - (iv) to provide for the deduction of premiums for an insurance cover that is reinstated to be made from the insured member's account in the Fund or claim proceeds;
- (f) to require the repayment of moneys withdrawn from a member's medisave account and paid by the Board to a relevant body in respect of medical, psychiatric or other treatment or services referred to in section 77(1)(j), or as reimbursement for payments made by any person for any medical, psychiatric or other treatment or services referred to in section 77(1)(j), or to an insurer as a premium in respect of a medical insurance scheme or other insurance scheme in respect of section 77(1)(k);
- (g) to provide for the approval of Medisave healthcare providers or insurers to apply on behalf of a member to withdraw moneys from the member's medisave account for certain purposes under section 77(1)(j) or (k). The Board may require approved applicants to pay administrative penalties for certain conduct, and certain recipients of moneys withdrawn from the medisave account to repay such withdrawals (with interest) and pay other expenses and liabilities incurred by the Board in certain circumstances;
- (h) to provide for changes to the additional wage contributions payable by related employers and to the method of estimating the additional wage ceiling to be based on the wages of an employee for the preceding year or current year;
- (i) to allow an approved educational institution (as defined in section 22(6)) and the Board to disclose information with the consent of a person who gives an undertaking in relation to section 22(3) and has attained 16 years of age. This is to enable the Board to carry out the purposes of the

Education Scheme and to facilitate enforcement of an undertaking, a payment or a repayment under section 22;

- (j) to allow withdrawals from the Fund to pay interest on unpaid upgrading costs where the member opts to pay upgrading costs by monthly instalments;
- (k) to allow for additional interest to be paid to nominee accounts;
- (l) to clarify that the amount of the medisave overflow transferred to a designated account may be transferred back to the medisave account in certain circumstances;
- (m) to provide for situations in which excess contributions may be refunded to members or any other persons;
- (n) to provide for the circumstances in which a claim for refund or payment of moneys paid in error may be allowed;
- (o) to allow a person who has previously withdrawn moneys from the Fund under section 15(2)(b) or (c) to contribute to the Fund if the person subsequently applies to be or becomes a citizen or permanent resident of Singapore;
- (p) to allow regulations to be made for the payment of moneys into the retirement account of moneys deposited with an approved bank (including any interest on such moneys deposited) or used to purchase an approved annuity, or in the case of a member who need not comply with section 15(6)(a) by reason of section 15(8)(e), of such sums when the member's pension, annuity or other benefit is terminated or surrendered, the circumstances in which such payment is to be made and the person who will make such payment;
- (q) to provide for the withdrawal of the amount which is deposited with an approved bank or retained in a member's retirement account or such part of that amount as the Board may determine where the member is exempted from the requirement to set aside the minimum sum;
- (r) to replace section 2(2) with an updated provision on protection from personal liability;
- (s) to ring-fence the Fund from liabilities, costs and expenses under the Lifelong Income Scheme and Home Protection Insurance Scheme;
- (t) to empower the Board to credit unencashed cash payments made by the Board to a person pursuant to an activity engaged in under section 76(1)(a), into such account of that person in the Fund as the Minister may direct;

- (u) to empower the Board to permit a member to withdraw an amount transferred or paid into the member's account in the Fund and to withdraw a relevant contribution within the meaning of section 57A that has been credited into a member's account in the Fund if the member satisfies such requirements as the Board may specify, and to enable regulations to be made in respect of such withdrawals of the amount and the treatment of the interest paid on the amount;
- (v) to empower the Board to impose terms and conditions with regard to the making of voluntary contributions and to enable the Board to refuse to accept voluntary contributions that, when credited to the recipient's account in the Fund, will cause the applicable limits to be exceeded;
- (w) to clarify that penalties prescribed under certain provisions include imprisonment, and not only fines;
- (x) to allow regulations to be made to provide for circumstances for which the Board may restore or transfer moneys, and pay interest on such moneys to members' accounts in the Fund;
- (y) 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 in the following manner:

- (a) to simplify the definition of “ “member of the Fund” or “member” ” in section 2(1);
- (b) to update the definition of “retirement account” in section 2(1) to enable the account generally to be maintained and the moneys in the account used in accordance with the Act;
- (c) to introduce the definition of “self-employed person”, which is currently found in section 75A (and which will be deleted from that section), and for the purposes of section 75A and the new section 75C (to be inserted by clause 44);
- (d) to insert a new subsection (1AA) consequential to amendments relating to section 15(6C);
- (e) to delete subsection (2) as this provision on protection from personal liability will be updated and inserted as a new section 76A.

Clause 3 amends section 7 —

- (a) to enable the Board to impose terms and conditions for voluntary contributions made to an employee's account in the Fund;



- (b) to provide that the Board may refuse to credit any voluntary contributions received under section 7(4) in certain circumstances; and
- (c) to provide, by way of the Minister amending and prescribing in the First Schedule, for the computation of payment of contributions on additional wages to be based on the wages of an employee for the preceding or current year, and for changes to the additional wage contributions payable by related employers of an employee.

Clause 4 amends section 10 to ring-fence the Fund from liabilities, costs and expenses incurred under the Lifelong Income Scheme and Home Protection Insurance Scheme. The clause also provides that moneys in the Fund cannot be used to make any payment for the purposes of Part IIIB or IV or any costs or expenses incurred in the administration of the Lifelong Income Scheme or Home Protection Insurance Scheme, other than withdrawals or deductions from a member's account in the Fund which is made in accordance with the Act.

Clause 5 deletes subsection (1) of section 13 and replaces it with subsections (1) and (1A), to broadly redefine the accounts to be maintained in the Fund for each member (namely an ordinary account, a medisave account and a special account) and the purposes of each account. The new definition of each account and its purposes (without references to specific provisions in the Act) provides flexibility and avoids the need to re-amend the provision in future to cater for other purposes, so long as such purposes are in accordance with the Act.

The clause also —

- (a) amends section 13(5A)(a) to include a nominee account which the Board may credit additional interest, payable to a member under section 6(4B);
- (b) deletes and substitutes section 13(7) to clarify that the amount that may be transferred back from a designated account to a member's medisave account is an amount not exceeding the total amount that was transferred from the medisave account to that designated account under section 13(6);
- (c) deletes and substitutes section 13(7C) and (7D) to enable certain transfers of moneys from accounts in the Fund to be restored to the originating account or transferred to another account of the member in the Fund, and for the whole or such part (as the Board may determine) of any interest that may have been payable on such moneys to be paid as if initial transfer had not taken place; and
- (d) amends subsection (7I) of section 13 to include a reference to section 13C, consequential on the insertion of a new section 13C to the Act, to enable moneys that have been paid into a member's account in the Fund under the new section 13C to be refunded or transferred in accordance with that subsection.

Clause 6 amends section 13B(1) and (2) to allow the Board to impose terms and conditions when accepting voluntary contributions under those provisions and inserts a new section 13B(5) to allow the Board to refuse to accept a voluntary contribution in the circumstances stated in that provision. The clause also deletes words in section 13B(1)(b) and (2)(b) which are redundant and makes other consequential amendments to section 13B.

Clause 7 inserts a new section 13C to allow the Board to permit a person who has previously withdrawn moneys from the Fund under section 15(2)(b) or (c) to contribute to the Fund if the person subsequently applies to be or becomes a citizen or permanent resident of Singapore. The Board may determine the manner and amount of the person's contribution, which is not subject to any maximum limit.

Clause 8 amends section 14 by inserting a new subsection (1A) to empower the Board to credit unencashed cash payments made by the Board to a person pursuant to an activity engaged in under section 76(1)(a), into such account of that person in the Fund as the Minister may direct. The clause also makes consequential amendments to other subsections of section 14.

Clause 9 amends section 15 to allow greater flexibility in the use or withdrawal of moneys in a member's retirement account. The clause deletes and substitutes subsection (6C) to allow the moneys, apart from the existing uses, to be used, transferred or withdrawn in any other circumstances permitted under the Act. It also —

- (a) deletes and substitutes subsection (7) to allow the Board to determine the amount that may be withdrawn under that subsection and to make other consequential amendments;
- (b) deletes and substitutes subsection (8C) to allow a member, in accordance with regulations made under section 77(1), to withdraw the amount deposited with an approved bank or retained in the member's retirement account under section 15(6C)(a) or such part of the amount, as the Board may determine, or to surrender an approved annuity purchased under section 15(6C)(b);
- (c) inserts new subsections (8D), (8E) and (8F) to allow the Board, where the Board has transferred or paid any amount into a member's account in the Fund (called the transferred amount), to permit a member to withdraw an amount determined by the Board (not exceeding the transferred amount) from one or more accounts in the Fund in the prescribed circumstances, and if the member satisfies such requirements as the Board may specify and applies within a prescribed time; and
- (d) makes other consequential amendments to section 15.

Clause 10 deletes paragraph (b) of section 17 and substitutes new paragraphs (b) and (c) of that section, to allow withdrawals from the Fund to pay interest on

unpaid upgrading costs where the member opts to pay upgrading costs by monthly instalments, or for such other purposes as permitted under, and in accordance with, the Act.

Clause 11 deletes and substitutes section 18(1)(c)(ii) to allow the Board to permit a member to voluntarily maintain a sum not exceeding such sum as may be prescribed by any regulations made under section 77(1)(o). This allows the maximum amount that a member may maintain in the member's retirement account and special account to differ.

Clause 12 deletes and substitutes section 18A(2) to allow the maximum amount that may be transferred from a member's ordinary account or special account to the member's retirement account to be prescribed by regulations made under section 77(1)(o). This allows the maximum amount that a member may maintain in the member's retirement account and special account to differ.

Clause 13 deletes and substitutes section 21(1)(ca) to provide for a charge on the member's immovable property to secure repayment of money withdrawn under section 77(1)(h)(iii)(AA) to pay interest that may be imposed by the Housing and Development Board or the Town Council on the unpaid upgrading costs.

Clause 14 deletes and substitutes section 21B(1)(c) to provide for a charge on the member's immovable property to secure repayment of money withdrawn under section 77(1)(h)(iii)(AA) to pay interest that may be imposed by the Housing and Development Board or the Town Council on the unpaid upgrading costs.

Clause 15 inserts a new subsection (4A) to section 22 to allow approved educational institutions and the Board to disclose information with the consent of a person who gives an undertaking in relation to section 22(3) and has attained 16 years of age. This is to enable the Board to carry out the purposes of the Education Scheme and to facilitate enforcement of an undertaking, payment or repayment under section 22.

Clause 16 makes an amendment to section 24(1)(e) which is consequential on the amendment to section 15(6C)(a).

Clause 17 makes a technical amendment to section 27(2A)(b) by replacing the word "or" with the word "of".

Clause 18 amends section 27B to provide that a transfer or payment of money made pursuant to a court order for division of matrimonial assets under section 27B takes priority over withdrawals under new sections 15(8D) and 57DA.

Clause 19 deletes and substitutes subsections (1)(a) and (2)(a) of section 27C to make amendments which are consequential to the amendment of section 15(6C).

Clause 20 deletes and substitutes subsections (1)(a) and (2)(a) of section 27D to make amendments which are consequential to the amendment of section 15(6C).

Clause 21 deletes and substitutes subsections (1)(a) and (2)(a) of section 27DA to make amendments which are consequential to the amendment of section 15(6C).

Clause 22 amends section 27K to amend the Lifelong Income Scheme to vary the auto-inclusion dates for members and provide for the Scheme to apply or cease to apply to members in certain circumstances or on application.

Clause 23 re-enacts the existing section 27K(2A) as new subsections (3) and (4) in section 27Q to allow different times and different amounts to be prescribed for different classes of members for certain purposes under section 27K.

Clause 24 makes the following amendments to section 28 to amend the Home Protection Insurance Scheme to allow claims for terminal illness and total permanent disability even though the member is not incapacitated from ever continuing in any employment:

- (a) the definition of “incapacitated” in section 28(1) is deleted and substituted;
- (b) “insured sum” is defined as a sum prescribed in regulations which is payable on the death or incapacity of a Scheme member;
- (c) “Scheme member” is defined with the same meaning as “member of the Scheme”;
- (d) “terminal illness” is defined as an illness that a registered medical practitioner under the Medical Registration Act (Cap. 174) certifies is expected to result in death within 12 months;
- (e) “total permanent disability” is defined to mean being physically or mentally incapacitated from ever continuing in any employment or the total or permanent loss, which arises on or after the commencement date of clause 24, of the physical function of 2 eyes, 2 limbs, or one eye and one limb.

Clause 25 deletes and substitutes section 29(1) to better reflect the purpose of the Home Protection Insurance Scheme in light of the amendments to Part IV, and amends subsection (7) to provide for the circumstances in which the Board may issue or reinstate a cover to be prescribed.

Clause 26 deletes and substitutes section 31(1) and (2) for clarity.

Clause 27 deletes and substitutes section 32(4) to allow the Board to deduct the whole or part of the deficiency in the amount standing to the Scheme member’s credit in the Fund to pay the premium under the Home Protection Insurance Scheme from any payment from the insured sum or the deficiency to be paid in such other manner and within such time as the Board may determine. It also amends section 32(5) and inserts the new section 32(6) to allow persons (in addition to a member’s spouse) who are co-owners of the immovable property to

also pay for the insured member's premiums under the Home Protection Insurance Scheme.

Clause 28 amends section 36 —

- (a) to provide for the amount payable under the Home Protection Insurance Scheme to be such amount deducted from the Scheme member's insured sum as may be prescribed by regulations made under Part IV;
- (b) by deleting and substituting subsection (6) to provide for the amount payable under the Home Protection Insurance Scheme, if the incapacity of the Scheme member is in the opinion of the Board likely to continue for more than 2 years, to be prescribed by regulations made under Part IV;
- (c) by inserting a new subsection (8A) to require the Board to credit the excess of the Scheme member's insured sum over the amount payable under section 36 to the Scheme member's account in the Fund;
- (d) by inserting a new subsection (10)(c) to provide that the Board is not required to make payment under the Scheme in respect of any Scheme member who was suffering from an illness when the member joined the Scheme, unless the Board permitted the member to join the Scheme knowing that the member was suffering from that illness;
- (e) by inserting a new subsection (11) to clarify that subsection (9) does not limit the particulars, facts and circumstances which may be taken to be material for the purposes of subsection (10)(a) or (b);
- (f) by inserting a new subsection (12) to allow the Board to pay the whole or part of the insured sum on proof of a Scheme member's death or incapacity despite subsections (9) and (10); and
- (g) by inserting a new subsection (13) to validate payments made by the Board in respect of a Scheme member before the date of commencement of clause 28, which if made after that date would be permitted by subsection (12), and to prevent legal proceedings in respect of such payment.

Clause 29 amends section 39 —

- (a) to delete and substitute paragraph (f) to clarify that regulations may also prescribe the refund of interest on the premium;
- (b) to delete and substitute paragraph (ca) to refer to the insured sum, to relate back to the definition of "insured sum" introduced in section 28; and
- (c) to delete paragraph (ea) as a result of the amendment to section 29(7).

Clause 30 amends section 40 to define "serious illness" as an illness that is likely to result in a claim under that insured person's insurance cover under the Dependents' Protection Insurance Scheme, and that the Board has specified for the

purposes of section 43(1), in a manner accessible to the insured person, as a serious illness which the insured person must disclose to the Board.

Clause 31 amends section 42 to insert a new subsection (6) to allow the Board or an appointed insurer, in prescribed circumstances, to refuse an application to insure a person to whom the Dependants' Protection Insurance Scheme does not apply under subsection (2), to insure a person subject to terms and conditions, or to continue to insure a person referred to in section 43(1) or (2) subject to terms and conditions. The clause also amends subsection (4) to provide that that subsection does not affect the operation of the new section 43A.

Clause 32 amends section 43(1) to substitute the words "terminal illness" with the words "serious illness". Section 43 provides that the Board may cancel a person's insurance cover under the Dependants' Protection Insurance Scheme if the Board has reason to believe that the insured person is incapacitated or suffering from a serious illness on or before the commencement of the person's insurance cover. The clause also inserts —

- (a) a new subsection (5) to provide that section 43(1) applies to a person's insurance cover which commenced before, on or after the date of commencement of clause 32; and
- (b) a new subsection (6) to validate cancellations made before that date if the cancellation could be made under subsection (1) if it were still in force on that date, and to prevent legal proceedings in respect of such a cancellation.

Clause 33 inserts a new section 43A to allow the Board to reinstate an insured person's insurance cover under the Dependants' Protection Insurance Scheme or issue a cover to any person, in prescribed circumstances.

Clause 34 deletes and substitutes section 45(4). Where the premium which an insured person has to pay exceeds the amount available in the person's ordinary and special accounts, the Board or an appointed insurer may deduct the whole or part of the deficiency in the premium from any payment from the insured sum under section 49, or the deficiency may be paid in such other manner as the Board may determine.

Clause 35 deletes and substitutes section 47(1) to provide that the period of insurance under the Dependants' Protection Insurance Scheme is 12 months beginning on the date of payment of the prescribed premium for an insured person or, where the insured person's insurance cover is issued under section 43A, on a prescribed date.

Clause 36 amends section 51 to delete and substitute paragraph (d) to clarify that regulations may also prescribe the refund of interest on the premium, and to make amendments to paragraph (e) that are consequential on the amendment to section 47(1).

Clause 37 amends section 57D(1) to provide that that provision applies to penalties prescribed under section 61 or the relevant regulations, which includes imprisonment and not only fines.

Clause 38 inserts a new section 57DA to allow the Board, where the Board has credited a relevant contribution into an eligible member's account in the Fund, to permit the member to withdraw an amount determined by the Board (not exceeding the contribution amount) from one or more accounts in the Fund in the prescribed circumstances and if the member satisfies such requirements as the Board may specify and applies within a prescribed time.

Clause 39 amends section 57F(2) by inserting a new paragraph (*fa*) to allow regulations to provide for interest paid on the amount withdrawn from a member's account under section 57DA to be retained in the account, withdrawn and paid to the member, or transferred to the general moneys of the Fund. The clause also amends section 57D(*f*) to allow regulations to restrict the purposes for which an amount withdrawn under the new section 57DA may be utilised.

Clause 40 amends section 61B(1) and (1A) to provide that those provisions apply to certain penalties, which includes imprisonment and not only fines.

Clause 41 inserts a new Part VIIA on administrative penalties, comprising new sections 67A, 67B, 67C and 67D, as follows:

- (a) the new section 67A defines the terms “approved applicant”, “Medisave healthcare provider” and “withdrawal application” in Part VIIA;
- (b) the new section 67B provides for the approval of approved applicants in relation to applications for withdrawal of moneys from a member's medisave account under section 77(1)(*j*) in respect of medical treatments, etc., and under section 77(1)(*k*) for the payment of premiums in respect of a medical insurance scheme or other insurance scheme;
- (c) the new section 67C allows the Board to impose financial penalties on an approved applicant for certain conduct;
- (d) the new section 67D allows the Board to recover moneys withdrawn, before, on or after the commencement date of clause 41, from a member's medisave account under circumstances prescribed under section 77(1)(*j*) or 77(1)(*k*).

Clause 42 amends section 74 by deleting subsection (2) and substituting new subsections (1A) and (2). The new subsection (1A), similar to existing subsection (2), provides that moneys paid in error are not to be refunded unless a claim is received by the Board within one year of the payment in error. The new subsection (2) sets out the circumstances in which moneys are paid in error to which subsection (1A) applies. The clause also makes a consequential amendment to subsection (3).

Clause 43 deletes section 75A(5) as the definition of “self-employed person” has been moved to section 2.

Clause 44 inserts new sections 75C and 75D. The new section 75C provides for the refund of excess contributions paid by a self-employed person who is alive. The new section 75D provides similarly for the refund of excess voluntary contributions made by or for a member (including a self-employed person) who is alive.

Clause 45 inserts a new section 76A to replace section 2(2) with an updated provision on protection from personal liability.

Clause 46 amends section 77(1) —

- (a) to clarify that paragraph (h)(iii)(A) relates to lift upgrading works;
- (b) to insert a new paragraph (h)(iii)(AA) to allow regulations to provide for a member to apply, assign or withdraw moneys standing to the member’s credit in the Fund for the payment of interest on Housing and Development Board or Town Council improvement contributions, where the contributions are paid in instalments, and for the repayment of such moneys into the member’s account in the Fund;
- (c) to delete and substitute paragraph (j) to allow regulations to provide for the repayment of moneys withdrawn from a member’s medisave account for medical, psychiatric or other treatment or services for certain persons, in addition to the existing power to make regulations for the withdrawal of moneys for such purposes;
- (d) to add the words “or repayment” in paragraph (k) to provide for the repayment of moneys withdrawn from a member’s medisave account for a medical insurance scheme or other insurance scheme;
- (e) to insert a new paragraph (o)(iia) to prescribe circumstances in which any amount standing to the credit of a member in the member’s retirement account is permitted to be used, transferred or withdrawn and various matters relating to the payment of such amount and interest that would have been payable on such amount, into the member’s account in the Fund;
- (f) to amend paragraph (o)(v) to allow regulations to provide for the Board to determine how much of the amount secured under certain immovable property charges or undertakings is to be paid into a member’s account;
- (g) to insert a new paragraph (o)(vi) to allow regulations to provide for payment into a member’s retirement account, of moneys deposited with an approved bank (including interest) or used to purchase an approved annuity;



- (h) to insert a new paragraph (o)(vii) to allow regulations to provide for payment into a member's retirement account, of moneys deposited with an approved bank (including interest) or used to purchase an approved annuity, in the case of a member who need not comply with section 15(6)(a) by reason of section 15(8)(e);
- (i) to insert a new paragraph (o)(viii) to allow regulations to prescribe the types of transfers or payments for which a member may be permitted to withdraw an amount under section 15(8D), and for the manner in which interest paid on the amount withdrawn may be dealt with; and
- (j) to insert a new paragraph (rb) to allow regulations to be made for the purposes of section 67C, which relates to the imposition of financial penalties.

## EXPENDITURE OF PUBLIC MONEY

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

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