

Children Development Co-Savings (Amendment) Bill

Bill No. 8/2011.

Read the first time on 28th February 2011.

A BILL

i n t i t u l e d

An Act to amend the Children Development Co-Savings Act (Chapter 38A of the 2002 Revised Edition) and to make consequential amendments to the Education Endowment and Savings Schemes Act (Chapter 87A of the 2009 Revised Edition) and the Income Tax Act (Chapter 134 of the 2008 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Children Development Co-Savings (Amendment) Act 2011 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Repeal and re-enactment of long title

2. The long title to the Children Development Co-Savings Act (referred to in this Act as the principal Act) is repealed and the following long title substituted therefor:

10 “An Act to encourage married persons in Singapore to have more children, to facilitate the provision of cash grants and the making of financial provision for the development of children, to enable financial provision to be made for children of parents who have been granted a divorce, a judicial separation or an annulment of marriage, and for matters connected therewith.”.

15 Amendment of section 1

3. Section 1 of the principal Act is amended by deleting the word “Children” and substituting the word “Child”.

Amendment of section 2

4. Section 2(1) of the principal Act is amended —
 20 (a) by deleting the definition of “eligible child”; and
 (b) by deleting the word “Children” in the definition of “Scheme” and substituting the word “Child”.

Amendment of heading to Part II

25 5. The heading to Part II of the principal Act is amended by deleting the word “CHILDREN” and substituting the word “CHILD”.

Amendment of section 3

6. Section 3 of the principal Act is amended —
 (a) by deleting subsection (1) and substituting the following subsection:
 30 “(1) The Minister may by regulations establish a scheme to be called the Child Development Co-Savings Scheme —

- 5 (a) to encourage married women to have more children,
by the provision of financial assistance for the
development of the children of families through a
co-savings arrangement under the Scheme whereby
the Government will make contributions, to the bank
account of a child who is eligible for that
arrangement, equal to the contributions made by or on
behalf of any parent of the child;
- 10 (b) to facilitate the provision of cash grants made by the
Government from time to time for the development of
children;
- 15 (c) to facilitate the making of financial provision for the
development of a child, whether or not the child is
eligible for the co-savings arrangement referred to in
paragraph (a), through the making of contributions to
the child's bank account by or on behalf of any parent
of the child; and
- 20 (d) to make financial provision for a child whose parents
have obtained a judgment for the dissolution or
annulment of their marriage or judicial separation,
through the transfer of matrimonial assets divided
between the parents by a court pursuant to the
divorce, annulment or judicial separation proceedings
into the child's bank account.”;
- 25 (b) by deleting paragraph (a) of subsection (2) and substituting the
following paragraph:
- “(a) different types of membership of the Scheme, and the
eligibility criteria, benefits and terms and conditions
for each type of membership of the Scheme;”;
- 30 (c) by deleting paragraphs (c) and (d) of subsection (2) and
substituting the following paragraphs:
- 35 “(c) the payment of contributions to the Scheme by or on
behalf of any parent of a member, whether or not the
member is eligible for the co-savings arrangement
referred to in subsection (1)(a);

- (d) the payment of moneys to a member, and the amount, mode, manner and terms and conditions of any such payment;”;
- 5 (d) by deleting the words “eligible children” in subsection (2)(k) and substituting the words “a child eligible for membership of the Scheme”; and
- (e) by deleting the word “Children” in the section heading and substituting the word “Child”.

10 **Consequential amendments to Education Endowment and Savings Schemes Act**

7. The Education Endowment and Savings Schemes Act (Cap. 87A) is amended —

- (a) by deleting the word “Children” in section 16A(1)(c) and substituting the word “Child”;
- 15 (b) by deleting paragraph (b) of section 16C(4) and substituting the following paragraph:
 - “ (b) all contributions, if any, made by the Government under the co-savings arrangement to the member’s bank account, if any, opened under regulations made under section 3 of the Child Development Co-Savings Act (Cap. 38A),”; and
- 20 (c) by deleting subsection (10) of section 16C and substituting the following subsection:
 - “ (10) In this section —
 - 25 “co-savings arrangement” means the co-savings arrangement referred to in section 3(1)(a) of the Child Development Co-Savings Act (Cap. 38A);
 - “eligible member of the PSE Fund” means any member of that Fund who —
 - 30 (a) is eligible for the co-savings arrangement; and
 - (b) satisfies such other requirements as may be prescribed.”.

Consequential amendment to Income Tax Act

8. Section 10(26) of the Income Tax Act (Cap. 134) is amended by deleting the word “Children” and substituting the word “Child”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Children Development Co-Savings Act (Cap. 38A) (principal Act) for the following main purposes:

- (a) to facilitate the provision of cash grants to be made by the Government from time to time for the development of children;
- (b) to facilitate the making of financial provision for the development of children;
- (c) to extend certain amendments made to the principal Act by section 16 of the Women’s Charter (Amendment) Act 2011 (Act 2 of 2011) to every child with a bank account opened under regulations made under section 3 of the principal Act (bank account); and
- (d) to change the short title of the principal Act and the name of the scheme established by regulations made under section 3 of the principal Act (the Scheme).

The Bill also makes consequential amendments to the Education Endowment and Savings Schemes Act (Cap. 87A) and the Income Tax Act (Cap. 134).

Clause 1 relates to the short title and commencement.

Clause 2 repeals and re-enacts the long title to update the purposes of the principal Act as a consequence of the deletion and substitution of section 3(1) by clause 6(a).

Clause 3 amends section 1 to change the short title of the principal Act to “Child Development Co-Savings Act”, so that the short title is aligned with the name of the cash grant to be made by the Government from time to time for the development of a child (namely, the Child Development Credit).

Clause 4 amends section 2(1) to delete the existing definition of “eligible child” (which will be made redundant by the amendments to be made to section 3 by clause 6), and to amend the definition of “Scheme” (as a consequence of the renaming of the Scheme by the deletion and substitution of section 3(1) by clause 6(a)).

Clause 5 makes an amendment to the heading to Part II that is consequential to the renaming of the Scheme by the deletion and substitution of section 3(1) by clause 6(a).

Clause 6(a) deletes and substitutes section 3(1) to do the following:

- (a) to rename the Scheme as the Child Development Co-Savings Scheme, so that the name of that Scheme is aligned with the name of the cash grant to be

made by the Government from time to time for the development of a child (namely, the Child Development Credit);

- (b) to provide for the Scheme to encourage married women to have more children, by the provision of financial assistance for the development of children through a co-savings arrangement whereby the Government will make contributions, to the bank account of a child who is eligible for that arrangement, equal to the contributions made by or on behalf of any parent of the child (the co-savings arrangement), which is the main purpose of the Scheme and the existing position;
- (c) to provide for the Scheme to facilitate the provision of cash grants to be made by the Government from time to time for the development of children;
- (d) to provide for the Scheme to facilitate the making of financial provision for the development of a child, whether or not the child is eligible for the co-savings arrangement, through the making of contributions to the child's bank account by or on behalf of any parent of the child; and
- (e) to extend the amendments made to section 3(1) by section 16 of the Women's Charter (Amendment) Act 2011 (Act 2 of 2011) (relating to the making of financial provision for a child whose parents have obtained a judgment for the dissolution or annulment of their marriage or judicial separation, through the transfer of matrimonial assets divided between the parents by a court pursuant to the divorce, annulment or judicial separation proceedings into the child's bank account) to every child with a bank account.

Clause 6(b) deletes and substitutes section 3(2)(a) to provide for different types of membership of the Scheme, and the eligibility criteria, benefits and terms and conditions for each type of membership of the Scheme, as the Scheme will be extended to children who are not eligible for the co-savings arrangement.

Clause 6(c) deletes and substitutes section 3(2)(c) and (d) to make changes that are consequential to the deletion and substitution of section 3(1) by clause 6(a), as well as certain technical changes.

Clause 6(d) amends section 3(2)(k) to clarify that it applies to any child who is eligible for membership of the Scheme, whether or not that child is also eligible for the co-savings arrangement.

Clause 6(e) makes an amendment to the section heading of section 3 that is consequential to the renaming of the Scheme by the deletion and substitution of section 3(1) by clause 6(a).

Clauses 7(a) and 8 make amendments to section 16A(1)(c) of the Education Endowment and Savings Schemes Act (Cap. 87A) and section 10(26) of the Income Tax Act (Cap. 134), respectively, that are consequential to the amendment of the short title of the principal Act by clause 3.

Clause 7(b) and (c) makes amendments to section 16C(4) of the Education Endowment and Savings Schemes Act that are consequential to —

- (a) the amendment of the short title of the principal Act by clause 3; and
- (b) the deletion and substitution of section 3(1) by clause 6(a).

EXPENDITURE OF PUBLIC MONEY

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