

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

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**Bill No. 34/2019.**

*Read the first time on 7 October 2019.*

A BILL

*intituled*

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 2019 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

### 5 Amendment of section 2

2. Section 2(1) of the Central Provident Fund Act (called in this Act the principal Act) is amended —

(a) by inserting, immediately after the definition of “chief executive officer”, the following definition:

10 ““collector” means any person or a member of a class of persons, specified by regulations made under section 77(1) to be a person who is required under section 9B to pay an estimated contribution in respect of a self-employed person;”;

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(b) by inserting, immediately after the definition of “employer”, the following definition:

20 ““estimated contribution” means a contribution to the Fund payable by a collector under section 9B;”;

and

(c) by inserting, immediately after the definition of “retirement sum”, the following definition:

25 ““revenue payment” means any payment prescribed by regulations made under section 77(1) to be a revenue payment for the purposes of section 9B;”.

### Amendment of section 5

30 3. Section 5(4) of the principal Act is amended by deleting the words “a person who is required by any regulations made under section 77(1)(e)” and substituting the words “a self-employed person who is required under section 9A”.

## **Amendment of section 9**

4. Section 9(2) of the principal Act is amended by deleting the words “a person is liable to pay under any regulations made under section 77(1)(e)” and substituting the words “a self-employed person is liable to pay under section 9A”.

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## **New sections 9A, 9B, 9C and 9D**

5. The principal Act is amended by inserting, immediately after section 9, the following sections:

### **“Contributions by self-employed person**

**9A.—**(1) A self-employed person must pay contributions to the Fund, in respect of the self-employed person’s income determined in the manner prescribed by regulations made under section 77(1) —

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(a) of an amount computed in the manner prescribed by regulations made under section 77(1);

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(b) before the expiry of the prescribed period, or any longer period that the Board specifies in any particular case; and

(c) in the approved manner.

(2) Regulations made under section 77(1) may prescribe different manners of computation of the amount of contributions payable in respect of different classes of income or classes of self-employed persons.

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(3) In this section —

“approved manner”, in relation to the payment of contributions under this section, means any manner of payment of contributions that is permitted —

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(a) by regulations made under section 77(1); or

(b) by the Board for a particular payment;

“income” means assessable income from any trade, business, profession or vocation (other than from employment under a contract of service) ascertained

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in accordance with section 37(1) of the Income Tax Act (Cap. 134), and excludes any income prescribed by regulations made under section 77(1).

### **Estimated contributions by collectors**

5       **9B.**—(1) Where a collector makes any revenue payment to a self-employed person, the collector must pay a contribution to the Fund (called in this Act an estimated contribution) for the self-employed person —

10           (a) of an amount computed in the manner prescribed by regulations made under section 77(1) based on the amount of the revenue payment;

(b) before the expiry of the prescribed period, or any longer period that the Board specifies in any particular case; and

15           (c) in the approved manner.

(2) Regulations made under section 77(1) may prescribe different manners of computation of the amount of estimated contributions payable in respect of different classes of revenue payment or classes of collectors or self-employed persons.

20       (3) A collector by whom any estimated contribution is payable in respect of a revenue payment to a self-employed person is entitled to deduct the amount of the estimated contribution payable from that revenue payment.

25       (4) Where a collector pays an estimated contribution in respect of a revenue payment to an approved payer in accordance with an approved manner of payment, the collector is taken to have paid the estimated contribution to the Fund.

(5) In this section —

30       “approved manner”, in relation to the payment of contributions under this section, means any manner of payment of contributions that is permitted —

(a) by regulations made under section 77(1); or

(b) by the Board for a particular payment;

“approved payer” means a person approved by the Board to assist a collector in making payment of any estimated contribution for a self-employed person in accordance with an approved manner of payment under this section.

### **Waiver of contributions**

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**9C.** The Minister may waive the payment of the whole or any part of any contribution required under section 9A or 9B in any particular case.

### **Disclosure and provision of information to facilitate administration of contributions under section 9A or 9B**

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**9D.—**(1) The Board may provide information concerning any self-employed person to the following persons for the corresponding purpose:

(a) a collector — to pay any estimated contribution for a self-employed person;

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(b) an approved payer — to pay any estimated contribution for, or revenue payment to, the self-employed person in accordance with an approved manner of payment under section 9B.

(2) A self-employed person must provide information to the Board or persons mentioned in subsection (1) to facilitate the performance of the duties, or the exercise of the powers, of the Board or those persons (as the case may be) in relation to the payment of contributions for the self-employed person under section 9A or 9B.”.

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### **Amendment of section 13**

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

(a) by deleting paragraph (b) of subsection (4) and substituting the following paragraphs:

“(b) section 9A;

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(ba) section 9B; or”; and

- (b) by deleting the words “or where the Board has credited to a member’s account in the Fund any money paid in error and liable to be refunded or paid under section 74(1),” in subsection (7I).

5 **Amendment of section 13A**

7. Section 13A(1) of the principal Act is amended by deleting the words “any regulations made under section 77(1)(e)” and substituting the words “section 9A”.

**Amendment of section 15**

10 **8.** Section 15 of the principal Act is amended —

(a) by deleting the words “or (11E)” in subsections (4)(b) and (11F) and substituting in each case the words “, (11E) or (11EB)”;

15 (b) by inserting, immediately after “27DA(1)(v),” in subsection (4)(b), “27DB(2)(e),”; and

(c) by inserting, immediately after subsection (11E), the following subsections:

20 “(11EA) Subject to any regulations made under section 77(1), the Board may, on an application made on or after the date of commencement of section 8 of the Central Provident Fund (Amendment) Act 2019, permit the member to use any immovable property (owned by the member, or by the member and one or more persons jointly) to secure the whole or part of the retirement sum applicable to the member.

25 (11EB) Where the Board approves the member’s application under subsection (11EA), a charge is constituted on the immovable property mentioned in subsection (11EA) to secure the payment to the Board of an amount determined by the Board, not exceeding the amount of the retirement sum applicable to the member.”.

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## New sections 19B and 19C

9. The principal Act is amended by inserting, immediately after section 19A, the following sections:

### “Exceptions to sections 19(1) and (2) and 19A(1) and (2)

**19B.**—(1) Despite sections 19(1) and (2) and 19A(1) and (2), 5  
where a relevant individual —

(a) dies; or

(b) withdraws any sum from the Fund under  
section 15(2)(b) or (c),

the amount of the relevant individual’s transferred moneys 10  
mentioned in subsection (2) standing in any account in the Fund  
of the relevant individual on the death or withdrawal —

(c) must not be credited to the account from which it was  
transferred under section 18(1)(a), (2)(a) or (3)(a), as  
the case may be; but 15

(d) forms part of the moneys payable out of the Fund on  
the death of the relevant individual or that may be  
withdrawn from the Fund by the relevant individual  
under section 15(2)(b) or (c), as the case may be.

(2) Subsection (1) applies to the amount of the relevant 20  
individual’s transferred moneys that —

(a) before the relevant event occurs in relation to the  
relevant individual, is withdrawn from the relevant  
individual’s retirement account or special account (as  
the case may be) under any applicable provision, and 25  
then restored to any account of the relevant individual  
in the Fund because —

(i) the payment of the withdrawn moneys was  
unsuccessful; or

(ii) the instrument in respect of that payment was 30  
returned to the Board or had expired;

(b) before the relevant event occurs in relation to the  
relevant individual, is transferred to any other account

of the relevant individual in the Fund under any applicable provision;

(c) before the relevant event occurs in relation to the relevant individual, is dealt with in any other way prescribed for the purposes of this paragraph in regulations made under section 77(1); or

(d) on the occurrence of the relevant event in relation to the relevant individual, remains standing to the credit of the relevant individual in the Fund in any circumstances prescribed in regulations made under section 77(1).

(3) Any payment by the Board, made before the date of commencement of section 9 of the Central Provident Fund (Amendment) Act 2019, from a relevant individual's transferred moneys that would, if made on or after that date, be valid under subsection (1) 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 such payment.

(4) In this section —

“applicable provision” means section 15(2)(d), (e), (f) or (g), (2B), (7), (7C) or (8B);

“relevant event”, in relation to a relevant individual, means the event mentioned in subsection (1)(a) or (b) that occurs in relation to the relevant individual;

“relevant individual's transferred moneys” means the amount of moneys transferred from a member's account in the Fund to —

(a) the relevant individual's retirement account under section 18(1)(a) or (2)(a); or

(b) the relevant individual's special account under section 18(3)(a).

### **Exceptions to sections 19(5) and (6) and 19A(5) and (6)**

**19C.**—(1) Despite sections 19(5) and (6) and 19A(5) and (6), the amount of a payee's paid moneys mentioned in subsection (2) that, on the death of the payee, is standing in any of the payee's accounts in the Fund —

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(a) must not be credited to the account mentioned in section 19(6) or 19A(6) (as the case may be) on the death of the payee; but

(b) forms part of the moneys payable out of the Fund on the death of the payee.

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(2) Subsection (1) applies to the amount of the payee's paid moneys that —

(a) before the death of the payee, is withdrawn from the payee's retirement account or special account (as the case may be) under any applicable provision, and then restored to any account of the payee in the Fund because —

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(i) the payment of the withdrawn moneys was unsuccessful; or

(ii) the instrument in respect of that payment was returned to the Board or had expired;

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(b) before the death of the payee, is transferred to any other account of the payee in the Fund under any applicable provision;

(c) before the death of the payee, is dealt with in any other way prescribed for the purposes of this paragraph in regulations made under section 77(1); or

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(d) on the death of the payee, remains standing to the credit of the payee in the Fund in any circumstances prescribed in regulations made under section 77(1).

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(3) Any payment by the Board, made before the date of commencement of section 9 of the Central Provident Fund (Amendment) Act 2019, from a payee's paid moneys that would, if made on or after that date, be valid under

subsection (1) 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 such payment.

5 (4) In this section —

“applicable provision” means section 15(2)(d), (e), (f) or (g), (2B), (7), (7C) or (8B);

“payee” means —

10 (a) in relation to moneys paid by any person into the retirement account of a member under section 18(1)(b) or (2)(b) — the person’s parent, grandparent, spouse or sibling to whose retirement account the moneys were paid under that section; and

15 (b) in relation to moneys paid by any person into the special account of a member under section 18(3)(b) — the person’s spouse or sibling to whose special account the moneys were paid under that section;

20 “payee’s paid moneys” means the moneys paid by any person, before 1 November 2008, into —

(a) the retirement account of the payee (being the person’s parent, grandparent, spouse or sibling) under section 18(1)(b) or (2)(b) as in force immediately before that date; or

25 (b) the special account of the payee (being the person’s spouse or sibling) under section 18(3)(b) as in force immediately before that date.”.

30 **Amendment of section 24**

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

(a) by deleting the words “or (11E), 27C(1)(v)(B), 27D(1)(v)(B) or 27DA(1)(v)” in subsection (1)(c)(iii)

and substituting the words “, (11E) or (11EB), 27C(1)(v)(B), 27D(1)(v)(B), 27DA(1)(v) or 27DB(2)(e)”;

- (b) by deleting “27B, 27C, 27D, 27DA,” in subsection (2) and substituting “24A, 27B, 27C, 27D, 27DA, 27DB,”.

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### **New section 24A**

**11.** The principal Act is amended by inserting, immediately after section 24, the following section:

**“Exceptions to section 24(2) relating to certain provisions in or under other written law**

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**24A.—**(1) Section 24(2) does not prevent the Board from doing, in relation to any thing set out in section 24(1), any thing required or allowed by the following provisions:

- (a) section 79 of the Goods and Services Tax Act (Cap. 117A), section 57 of the Income Tax Act, section 38 of the Property Tax Act (Cap. 254) or section 70 of the Stamp Duties Act (Cap. 312);

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- (b) any provision of other written law specified in regulations made under section 77(1) for the purposes of this paragraph, being a provision that allows or requires the Board to make any payment on behalf of a member.

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(2) Any payment made by the Board under any provision mentioned in subsection (1)(a), before the date of commencement of section 11 of the Central Provident Fund (Amendment) Act 2019, which would be valid if made on or after that date 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 such payment.”.

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### **New section 27DB**

**12.** The principal Act is amended by inserting, immediately after section 27DA, the following section:

**“Order of court for transfer or sale of immovable property  
in relation to which charge has been created under  
section 15(11EB)**

**27DB.**—(1) Subsection (2) applies where —

5           (a) the Board permits a member of the Fund to use the  
immovable property mentioned in section 15(11EA)  
to secure the whole or part of the retirement sum  
applicable to the member;

10           (b) a charge is constituted under section 15(11EB) on the  
immovable property to secure the payment to the  
Board of the whole or part of the retirement sum;

15           (c) an order of court is made requiring the transfer (other  
than by way of sale) of the member’s estate or interest  
in the immovable property to the member’s spouse;  
and

            (d) the spouse is a citizen or permanent resident of  
Singapore.

20           (2) Subject to any regulations made under section 77(1), the  
following provisions apply in the circumstances set out in  
subsection (1):

            (a) if the order of court requires any person to pay to the  
Board any amount towards covering the deficiency in  
the member’s retirement sum, that person must pay to  
the Board that amount;

25           (b) the member must pay to the Board a further amount  
sufficient to cover the deficiency in the member’s  
retirement sum, unless the amount paid under  
paragraph (a) (if any) is sufficient to cover that  
deficiency;

30           (c) if the immovable property is subsequently sold or  
otherwise disposed of, the spouse must pay to the  
Fund an amount determined by the Board in  
accordance with any regulations made under  
section 77(1), and the Board must credit that

amount to one or more designated accounts maintained, or to be maintained, for the spouse;

- (d) despite section 15(11F)(e), upon the transfer of the member's estate or interest in the immovable property to the spouse, and upon payment in accordance with paragraph (a), if applicable — 5
- (i) the charge mentioned in subsection (1)(b) ceases to secure the payment to the Board of the retirement sum applicable to the member; and 10
  - (ii) the member, the spouse or any other person having an interest in the immovable property is entitled to have any registration or notification of the charge in the appropriate register under the Land Titles Act, the Land Titles (Strata) Act or the Registration of Deeds Act (as the case may be) cancelled, insofar as it secures the payment to the Board of the retirement sum applicable to the member; 15
- (e) upon the transfer of the member's estate or interest in the immovable property to the spouse, a charge is constituted on the immovable property to secure the payment referred to in paragraph (c); 20
- (f) sections 15(11F)(b) to (e) and 21(12) apply, with the necessary modifications, to the charge under paragraph (e), and for the purposes of such application — 25
- (i) any reference to the charge under section 15(11EB) is to be read as a reference to the charge under paragraph (e); and 30
  - (ii) any reference to the member is to be read as a reference to the spouse;

(g) the charge under paragraph (e) —

(i) is subject to all prior statutory rights and charges of any public authority over the immovable property; and

(ii) despite anything in the Land Titles Act or the Registration of Deeds Act —

(A) is not subject to any encumbrance registered or notified on or after the date of the notification of the charge mentioned in subsection (1)(b); and

(B) ranks equally with the charge mentioned in subsection (1)(b), had it continued or if it continues to be in force, in the order of priority of interests in the immovable property.

(3) Subsection (4) applies where —

(a) the Board permits a member of the Fund to use the immovable property mentioned in section 15(11EA) to secure the whole or part of the retirement sum applicable to the member;

(b) a charge is constituted under section 15(11EB) on the immovable property to secure the payment to the Board of the whole or part of the retirement sum; and

(c) an order of court is made requiring the transfer or sale of the member's estate or interest in the immovable property to any person.

(4) In the circumstances mentioned in subsection (3), unless subsection (2) applies, the charge mentioned in subsection (3)(b) continues in force until —

(a) the retirement sum applicable to the member or part of the retirement sum that the charge was constituted to secure under section 15(11EB) —

(i) has been paid to the Board; or

- (ii) is no longer required by any regulations made under section 77(1) to be paid to the Board; or
- (b) the Board is satisfied of the occurrence of any event prescribed in any regulations made under section 77(1) for the purposes of this paragraph. 5

(5) Where any of the events mentioned in subsection (4) occurs, unless subsection (2) applies, the following persons are entitled to have any registration or notification of the charge mentioned in subsection (3)(b) in the appropriate register under the Land Titles Act, the Land Titles (Strata) Act or the Registration of Deeds Act (as the case may be) cancelled: 10

- (a) the member mentioned in subsection (3);
- (b) the person mentioned in subsection (3)(c);
- (c) any other person having an interest in the immovable property on which the charge is constituted.”. 15

### **Amendment of section 27I**

13. Section 27I(1) of the principal Act is amended by inserting, immediately after “27DA(1)” in paragraph (b), “, 27DB(2)”.

### **Amendment of section 36**

14. Section 36 of the principal Act is amended — 20

- (a) by deleting subsection (8) and substituting the following subsection:

“(8) The amount payable by the Board under this section on the death or incapacity of a member of the Scheme is not more than the aggregate of — 25

- (a) the outstanding amount of any housing loan taken in respect of the immovable property for which the member of the Scheme is insured at the time of that member’s death or incapacity; and 30
- (b) the amount of interest accrued on the outstanding amount mentioned in

paragraph (a) up to the date the outstanding amount is paid.”; and

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

5 “(8B) Any payment of interest made by the Board in respect of a Scheme member before the date of commencement of section 14 of the Central Provident Fund (Amendment) Act 2019 which, if made on or after that date, would be permitted under  
10 subsection (8) 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 any such payment.”.

### **Amendment of section 70**

15 **15.** Section 70 of the principal Act is amended —

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

“(1) Despite anything in the Mental Capacity Act, a relevant person’s approved caregiver may —

20 (a) make any application mentioned in paragraph (a)(i) of the definition of “relevant person” in subsection (10) on behalf of the relevant person; and

25 (b) furnish any information mentioned in paragraph (a)(ii) of the definition of “relevant person” in subsection (10) on behalf of the relevant person.

30 (2) Subject to subsection (3), the Board may approve an application, or permit the furnishing of information, mentioned in subsection (1) on any terms and conditions that the Board may, with the approval of the Minister, impose.”; and

(b) by deleting the words “on behalf of that person by an approved caregiver of that person” in subsections (3) and

(4) and substituting in each case the words “by the relevant person’s approved caregiver under subsection (1)”.

### **New section 71**

**16.** The principal Act is amended by inserting, immediately after section 70, the following section:

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#### **“Refund of moneys from Fund**

**71.—(1)** Where the Board is satisfied that the prescribed circumstances are met in relation to a prescribed payment, the Board may (on its own motion or an application under subsection (2), and on any terms and conditions that the Board may impose) refund or pay to a prescribed person —

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(a) the whole or part of the amount of the prescribed payment credited to a member’s account in the Fund, from any account in the Fund of that member; or

(b) the whole or part of the amount of the prescribed payment credited to the general moneys of the Fund, from the general moneys of the Fund.

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(2) The Board may require a person claiming a refund or payment under subsection (1) —

(a) to make an application in the form and manner required by the Board; and

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(b) to provide such information as the Board considers necessary.

(3) Where any deductible sum is due, or may become due, to the Fund from a prescribed person, the Board —

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(a) may retain from any amount to be refunded or paid to the prescribed person under subsection (1) an amount not exceeding that deductible sum;

(b) may set off the whole or part of the retained amount against the deductible sum, when the deductible sum is or becomes payable to the Fund; and

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(c) must refund or pay to the prescribed person any of the retained amount remaining after it has been used to set off against the deductible sum under paragraph (b).

(4) Where an application to claim a refund or payment of a prescribed payment is required under subsection (2) to be made within a prescribed time and such an application is not made within the prescribed time, then the amount of the prescribed payment is not to be refunded or paid under subsection (1) and —

(a) except in the prescribed circumstances mentioned in paragraph (b), is deemed to have been properly paid under this Act and cannot be set off against any deductible sum; and

(b) in the circumstances prescribed by regulations made under section 77(1), the amount of the prescribed payment may be retained to set off against any of the following deductible sums (whether the deductible sum became due before, on or after the expiry of the prescribed time):

(i) where the retained amount is in a member's account in the Fund — any deductible sum payable to any account of the member in the Fund;

(ii) where the retained amount is in the general moneys of the Fund — any deductible sum payable to the Fund from the prescribed person.

(5) Every payment or transfer made by the Board under section 20(1)(b) or (1A) or 25 (whether before, on or after the date of commencement of section 16 of the Central Provident Fund (Amendment) Act 2019 but before the Board approves the application under subsection (2) to refund or pay the amount claimed) is taken to have been properly made under this Act.

(6) Where the Board makes any refund or payment to a prescribed person under subsection (1), the Board may —

(a) retain in the member's account;

(b) transfer to the general moneys of the Fund; or

(c) pay the prescribed person,

the whole or part of any interest that has been credited to the member's account in respect of the amount of the refund or payment.

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(7) In this section, unless the context otherwise requires —

“deductible sum”, in relation to any retained amount, means any class of payments due, or that may become due, to the Fund that is prescribed to be set off against the retained amount under subsection (3)(b) or (4)(b), as the case may be;

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“prescribed payment” means any payment or class of payments credited (whether before, on or after the date of commencement of section 16 of the Central Provident Fund (Amendment) Act 2019) to a member's account in the Fund or the general moneys of the Fund (as the case may be), that is prescribed by regulations made under section 77(1) for the purposes of this section;

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“prescribed person”, in relation to a prescribed payment, means any of the following persons:

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(a) a person who made the prescribed payment to the Fund;

(b) where the prescribed payment was credited to a member's account in the Fund — that member;

(c) where the prescribed payment was credited to the general moneys of the Fund — any other person;

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(d) any other person whom the Board is satisfied is entitled to receive the refund or payment under subsection (1) on behalf of a prescribed person under paragraph (a), (b) or (c);

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“retained amount” means the amount retained under subsection (3)(a) or (4)(b) (as the case may be) to be set off against any deductible sum.

(8) This section applies despite sections 20(1)(b) and (1A) and 25.”.

**Repeal of section 72**

17. Section 72 of the principal Act is repealed.

5 **Amendment and repeal of section 74**

18.—(1) Section 74(2) of the principal Act is amended by deleting paragraph (c).

(2) Section 74 of the principal Act is repealed.

**Repeal of section 75**

10 19. Section 75 of the principal Act is repealed.

**Repeal of section 75A**

20. Section 75A of the principal Act is repealed.

**Repeal of section 75B**

21. Section 75B of the principal Act is repealed.

15 **Repeal of section 75C**

22. Section 75C of the principal Act is repealed.

**Repeal of section 75D**

23. Section 75D of the principal Act is repealed.

**Amendment of section 77**

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

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

“(e) to prescribe for the purposes of section 9A or 9B any of the following:

25 (i) the classes of collectors who must pay estimated contributions in respect of any class of revenue

payments due to any class of self-employed persons;

(ii) for voluntary contributions to the Fund by or for self-employed persons and any modification in relation to the application of section 13B to those voluntary contributions;”;

(b) by deleting the words “persons referred to in paragraph (e)” in subsection (1)(f) and substituting the words “self-employed persons and the amount of estimated contribution payable by collectors”;

(c) by inserting, immediately after paragraph (ga) of subsection (1), the following paragraph:

“(gb) for the purposes of section 71;”;

(d) by deleting the words “or (11E), 27C(1) or (2), 27D(1) or (2) or 27DA(1) or (2)” in subsection (1)(o)(v) and substituting the words “, (11E) or (11EB), 27C(1) or (2), 27D(1) or (2), 27DA(1) or (2) or 27DB(2) or (4)”;

(e) by deleting the word “and” at the end of subsection (1)(o)(vii);

(f) by inserting the word “and” at the end of sub-paragraph (viii) of subsection (1)(o), and by inserting immediately thereafter the following sub-paragraph:

“(ix) prescribe the circumstances in which a member may be permitted to use any immovable property to secure the whole or part of the retirement sum applicable to the member;”;

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

“(g) to provide for —

(i) rates of contributions, other than those specified in the First Schedule, in respect of categories, classes or descriptions of employees; and

(ii) the extent of the obligation of employers as to payment of contributions under this Act where an employee is employed concurrently by 2 or more employers or otherwise employed;”; and

(h) by deleting paragraph (g) of subsection (2).

### **Amendment of First Schedule**

**25.** The First Schedule to the principal Act is amended by deleting “, 75” in the Schedule reference.

### **Saving and transitional provisions**

**26.** For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.

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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 provide for the Contribute-As-You-Earn (CAYE) scheme, under which certain persons (called collectors) paying certain revenue payments to self-employed persons are required to pay estimated contributions to the Central Provident Fund (the Fund) for any self-employed person;
- (b) to allow the refund of moneys from the Fund in certain prescribed circumstances;
- (c) to allow members to meet the whole or part of the retirement sum applicable to any member by a charge on immovable property;
- (d) to clarify certain provisions for better administration, in particular, the provisions for approved caregivers to make applications and furnish information under the Act on behalf of a person whom the Central Provident Fund Board (the Board) is satisfied is likely to be permanently unable to do so, the period for which interest accrued on the outstanding amount of housing loan is paid under the Home Protection Insurance Scheme, and the distribution of unencashed payments from a member's account in the Fund on the death of, or withdrawals from the Fund under section 15(2)(b) or (c) by, the member and to validate such transactions carried out in the past;
- (e) to clarify that payments made by the Board, on behalf of members under certain other written law (including such payments in the past) are validly made despite section 24.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 to define certain terms relating to the CAYE scheme, such as “collector”, “estimated contribution” and “revenue payment”.

Clauses 3, 4 and 7 make amendments to sections 5, 9 and 13A, respectively, which are consequential to the introduction of the new section 9A.

Clause 5 amends the Act by inserting the new sections 9A, 9B, 9C and 9D relating to the CAYE scheme.

The new section 9A re-enacts existing requirements (from the Central Provident Fund (Self-Employed Persons) Regulations (Rg 25)) for self-employed persons to make contributions in respect of their income.

The new section 9B requires a collector to make estimated contributions to the Fund for self-employed persons to whom the collector pays revenue payments. The new section also provides for payment of estimated contributions in an

approved manner, which may include payment to a person (called an approved payer) approved by the Board to assist a collector in making payment of estimated contributions in accordance with an approved manner of payment, and the collector is taken to have paid the estimated contribution to the Fund on payment to the approved payer.

The new section 9C allows the Minister to waive the payment of any contribution under the new section 9A or 9B in any particular case.

The new section 9D provides for the disclosure and provision of information in relation to the payment of contributions for a self-employed person under the new section 9A or 9B.

Clause 6 makes amendments to section 13 consequential to the new sections 9A and 9B, as well as amendments consequential to the repeal of section 74.

Clause 8 amends section 15 to provide for a charge on immovable property to secure the whole or part of the retirement sum applicable to a member. The clause also makes amendments consequential to the amendment of section 15 and the new section 27DB.

Clause 9 inserts new sections 19B and 19C.

The new section 19B provides for exceptions to sections 19(1) and (2) and 19A(1) and (2), which require moneys transferred from a member's account in the Fund to a relevant individual's retirement account under section 18(1)(a) or (2)(a), or special account under section 18(3)(a), to be returned to the member's account on the death of the relevant individual or withdrawal by the relevant individual under section 15(2)(b) or (c). The new section 19B provides for such moneys to form part of the moneys payable out from the Fund on the death of the relevant individual or to be withdrawn by the relevant individual under section 15(2)(b) or (c) in certain circumstances. The new section also validates past payments which are now permitted by the new section.

The new section 19C provides for exceptions to sections 19(5) and (6) and 19A(5) and (6), which require moneys paid before 1 November 2008 to the retirement account of the member's parent, grandparent, spouse or sibling (called the payee) under section 18(1)(b) or (2)(b), or the special account of the member's spouse or sibling (also called the payee) under section 18(3)(b), to be returned to the member's account on the death of the payee. The new section 19C provides for such moneys to form part of the moneys payable out from the Fund on the death of the payee in certain circumstances. The new section also validates past payments which are now permitted by the new section.

Clause 10 makes amendments to section 24 consequential to the amendments to section 15 and the new sections 24A and 27DB.

Clause 11 inserts a new section 24A to clarify that section 24(2) does not prevent the Board from acting under certain provisions of other written law that

require the Board to make certain payments on the member's behalf. The application of the new section 24A may be extended to other such provisions of written law by specifying those provisions in regulations made under section 77(1). The new section 24A(2) also validates past payments which are now permitted by the new section 24A(1)(a).

Clause 12 inserts a new section 27DB to make provisions in the event of an order of court for the transfer or sale of immovable property in relation to which a charge has been created under the new section 15(11EB).

Clause 13 makes an amendment to section 27I consequential to the new section 27DB.

Clause 14 amends section 36 to provide for the Board to pay interest accrued on the outstanding amount of the housing loan up to the date the outstanding amount is paid for a member insured under the Home Protection Insurance Scheme. The section also validates payments of interest so made in the past.

Clause 15 amends section 70 to clarify that an approved caregiver may make applications and furnish information on behalf of a person whom the Board is satisfied is likely to be permanently unable to do so, even though that person is unable to authorise the approved caregiver to do so on the person's behalf.

Clause 16 inserts a new section 71 to allow the Board to make refunds from the Fund in certain prescribed circumstances to certain prescribed persons and to deal with any interest paid on the refund amount. The new section also allows deductible sums that are due or may become due from a prescribed person to be deducted from the amount of the refund or payment to be made to the prescribed person. Where an application for refund or payment is not made within the prescribed time, as required, the amount is not to be refunded or repaid, and may be retained to set off against certain deductible sums. This will allow flexibility to provide for refunds in the appropriate circumstances.

Clauses 17 to 23 provide for the repeal of sections 72, 74, 75, 75A, 75B, 75C and 75D which allow for refunds in certain circumstances. These sections will be repealed when regulations have been made to provide for refunds in such circumstances pursuant to the new section 71.

Clause 24 amends section 77 to provide for regulations to be made in relation to the following:

- (a) the new sections 9A, 9B and 71;
- (b) the circumstances in which a member may be permitted to use any immovable property to secure the whole or part of the retirement sum applicable to the member;
- (c) to provide for the rates of contributions, other than those specified in the First Schedule for employees, and the extent of the obligation of

employers to pay contributions in respect of an employee who is employed concurrently by 2 or more employers or is otherwise employed.

Clause 25 makes a consequential amendment to the Schedule reference of the First Schedule to delete the reference to section 75 which will be repealed by clause 19.

Clause 26 empowers the Minister to make regulations of a saving and transitional nature.

## 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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