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THE STATUTES OF THE REPUBLIC OF SINGAPORE

**EDUCATION ENDOWMENT SCHEME ACT
(CHAPTER 87A)**

Act
33 of 1992

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1993

Education Endowment Scheme Act

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An Act to establish an education endowment scheme and for matters connected therewith.

[1st January 1993]

PART I

PRELIMINARY

Short title. **1.** This Act may be cited as the Education Endowment Scheme Act.

Interpretation. **2.—(1)** In this Act, unless the context otherwise requires —

Cap. 36. “Board” means the Central Provident Fund Board established under the Central Provident Fund Act;

“child” means a person who is of school age;

“Council” means the Advisory Council established under section 10;

“Edusave account” means an Edusave account maintained under section 7 (3);

“Edusave Pupils Fund” means the Edusave Pupils Fund established under section 7 (1);

“eligible member” means any member who is eligible for the payment of the prescribed amount of contribution under section 9 (1);

“Endowment Fund” means the Edusave Endowment Fund established under section 3 (1);

“member” means a member of the Edusave Pupils Fund;

“parent”, in relation to a child, includes a guardian of the child;

“prescribed school” means an institution for providing full-time primary or secondary education, being —

(a) a school organised and conducted directly by the Government;

(b) a school specified in any order made under section 3 (1) of the School Boards (Incorporation) Act; Cap. 284A.

(c) an aided school within the meaning of that term in the School Boards (Incorporation) Act; or

(d) such other school as may be prescribed;

“school age” means such age as may be prescribed.

(2) For the purpose of the definition of “prescribed school” in subsection (1), the Minister may prescribe any training institute established under the Institute of Technical Education Act for such transitional period as he may specify. Cap. 141A.

PART II

EDUCATION ENDOWMENT SCHEME

3.—(1) For the purposes of this Act, there shall be established a fund to be called the Edusave Endowment Fund into which shall be paid all capital money provided by Parliament pursuant to this Act and all income of that Fund and out of which shall be met all payments authorised to be paid under this Act. Establishment of Edusave Endowment Fund.

(2) The Minister shall be responsible for the administration of the Endowment Fund and all moneys belonging to that Fund may be deposited in any bank and invested in any investment authorised under the Financial Procedure Act. Cap. 109.

(3) The Endowment Fund shall be deemed to be a Government fund for the purposes of any written law.

Capital
money of
Endowment
Fund.

4.—(1) Upon the commencement of this Act, the Government shall pay into the Endowment Fund as capital money such sum as the Minister for Finance may determine out of moneys to be provided by Parliament.

(2) For the purposes of this Act, the Minister for Finance may from time to time pay into the Endowment Fund such sums of capital money as he may determine out of moneys to be provided by Parliament.

(3) The capital money of the Endowment Fund shall not be used for any purpose other than for investment.

(4) Where at any time there is a permanent diminution of the capital money of the Endowment Fund, the Minister shall, before paying out the income of that Fund, make good such diminution from the income of that Fund.

Mode of
payment
out of
Endowment
Fund.

5. No payment shall be made out of the Endowment Fund unless such payment is authorised by the Minister.

Application
of income of
Endowment
Fund.

6.—(1) The income of the Endowment Fund may be paid out and expended for all or any of the following purposes:

- (a) for the provision of grants to any Government or Government-aided school to enable it to enhance its quality of teaching;
- (b) for the provision of scholarships to full-time pupils at any prescribed school;
- (c) for the provision of contributions to the Edusave Pupils Fund; and
- (d) for such other purposes as are authorised under this Act or as may be prescribed.

(2) For the purpose of providing income to the Endowment Fund for the year 1993, the Minister for Finance shall pay to that Fund such sum of money as is adequate for that purpose out of moneys to be provided by Parliament and such sum of money shall not be regarded as forming any part of the capital money of the Endowment Fund.

7.—(1) For the purposes of this Act, there shall be established a fund to be called the Edusave Pupils Fund into which shall be paid all contributions made under section 9 and all income of that Fund and out of which shall be met all payments authorised to be paid under this Act.

Establishment
of Edusave
Pupils Fund.

(2) The Board shall administer the Edusave Pupils Fund on behalf of the Minister and all moneys belonging to that Fund may be —

- (a) deposited into a bank or banks approved by the Board; and
- (b) invested in such securities as trustees may by any written law be authorised to invest.

(3) The Board shall maintain for each member in respect of the money standing to his credit in the Edusave Pupils Fund an account to be called the Edusave account from which withdrawals may be made under section 12 or 13.

(4) The Board shall have such powers and shall perform such duties as are given or imposed by this Act or as may be directed by the Minister and the Minister or the Board may by instrument in writing delegate to any person all or any of those powers and duties.

8. Every child who —

- (a) is a citizen of Singapore; and
- (b) satisfies such other requirements as may be prescribed,

Members of
Edusave
Pupils Fund.

shall become, by virtue of this section, a member of the Edusave Pupils Fund.

9.—(1) There shall be paid to every member in each year out of the income of the Endowment Fund the prescribed amount of contribution for that year if on 1st January of that year he is of school age and at any time during that year he is a full-time pupil at a prescribed school.

Contributions
to be paid to
eligible
members.

(2) The Board shall cause to be credited —

- (a) to any eligible member the prescribed amount of contribution payable to him under subsection (1); and

(b) to every member interest at the rate prescribed under subsection (4) at such intervals and on the amount standing to his credit in the Edusave account to be paid out of the income of that Fund at such time as the Board may determine.

(3) The Board shall, as far as practicable, credit the prescribed amount of contribution payable to an eligible member under subsection (1) to the Edusave account of that member on or before 31st January of each year, commencing from the year 1993.

(4) Interest shall be payable on the amount standing to the credit of every member in the Edusave account at such rate per annum as the Minister may from time to time prescribe.

(5) For the purposes of this section, the “prescribed amount of contribution” in respect of the year 1993 and every subsequent year is such amount as the Minister may, by order published in the *Gazette*, from time to time prescribe.

Advisory
Council.

10.—(1) For the purposes of advising the Minister as to the application of the income of the Endowment Fund, there shall be established an Advisory Council.

(2) The Council shall consist of not less than 3 and not more than 7 members to be appointed by the Minister.

(3) The Minister shall appoint one of the members as chairman.

(4) The Schedule shall have effect with respect to the Council.

Functions of
Council.

11. The Council shall from time to time make recommendations to the Minister on all matters relating to the application of the income of the Endowment Fund.

PART III

WITHDRAWAL OF CONTRIBUTIONS

Conditions
for
withdrawal
from
Edusave
Pupils Fund.

12.—(1) Any money standing to the credit of any member in the Edusave account may be withdrawn from the Edusave Pupils Fund with the authority of the Board in accordance with this section and section 13.

(2) Subject to this section, the parent of a member below the age of 21 years, or a member who has attained the age of 21 years, shall be entitled to withdraw the sum standing to the credit of the member in the Edusave account at any time for the following purposes:

- (a) to defray the whole or part of such expenses of the member as may be necessary to enable him to take part in any extra-curricular activity or enhancement programme approved by the school of the member; and
- (b) such other purposes as may be prescribed.

(3) No member or parent of a member shall be entitled to withdraw any sum standing to the credit of the member in the Edusave account to pay for such school fees or miscellaneous fees of the member as may be prescribed.

(4) For the purposes of this section and section 13 (1), “school” means any prescribed school, junior college or institution of higher learning in Singapore.

13.—(1) The Board may, subject to such terms and conditions as it may impose, permit the parent of a member below the age of 21 years, or a member who has attained the age of 21 years, to donate to the school of the member such portion of the sum standing to his credit in the Edusave account as the parent of the member, or the member, as the case may be, may determine.

Donation
and transfer
of member's
moneys in
Edusave
Pupils Fund.

(2) Where any member has attained the age of 21 years, the Board shall, subject to subsection (3), transfer the sum standing to his credit in the Edusave account to his ordinary account, if any, maintained under section 13 of the Central Provident Fund Act and thereupon he shall cease to be a member.

Cap. 36.

(3) Where a member has attained the age of 21 years and has an ordinary account referred to in subsection (2), the Board may, upon an application by the member, permit him to remain a member until such time as the Board may determine.

14.—(1) Upon an application for the withdrawal of the sum of money standing to the credit of a member by the parent of the member or, by the member, as the case may

Withdrawals.

be, under section 12 or 13, the Board may authorise the payment to the school of the member of such sum as the parent or member is entitled to withdraw from the Edusave account.

(2) All applications for withdrawal shall be supported by such evidence as may be prescribed and by such further evidence as the Board may reasonably require.

Protection of benefits.

15. No withdrawals made by the authority of the Board from the Edusave Pupils Fund under section 12 or 13 nor the rights of any member acquired thereunder shall be assignable or transferable or liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatsoever.

Moneys payable on death of member.

16.—(1) On the death of a member, the total amount standing to his credit in the Edusave account shall be paid to the Public Trustee for disposal in accordance with any written law for the time being in force.

(2) The receipt of the Public Trustee shall be a good discharge to the Board for such portions of the moneys payable out of the Edusave account on the death of a member as are payable to the Public Trustee under subsection (1).

Cap. 96.

(3) All moneys paid out of the Edusave account on the death of any member shall be deemed to be impressed with a trust in favour of the person or persons determined by the Public Trustee in accordance with subsection (1) to be entitled thereto but shall, without prejudice to the Estate Duty Act, be deemed not to form part of the deceased member's estate or to be subject to his debts.

PART IV

MISCELLANEOUS

Expenses.

17. All expenses incurred in connection with the administration of the Endowment Fund and Edusave Pupils Fund, including the cost of auditing the accounts of the Funds under section 20 (1), shall be defrayed out of the income of the Endowment Fund.

18. The financial year of the Endowment Fund and the Edusave Pupils Fund shall begin on 1st April of each year and end on 31st March of the succeeding year except that the first financial year shall begin on the date of the establishment of each Fund and shall end on 31st March of the succeeding year.

Financial year of Endowment Fund and Edusave Pupils Fund.

19.—(1) The Minister shall cause to be kept proper accounts and records of all transactions and affairs relating to the Endowment Fund and Edusave Pupils Fund and shall do all things necessary to ensure that all payments out of each Fund are correctly made and properly authorised and that adequate control is maintained over the assets and receipts of each Fund.

Accounts to be kept.

(2) The Minister shall, as soon as practicable after the close of each financial year but not later than 30th June of each year, cause to be prepared and submitted financial statements in respect of that year to the auditor of the Endowment Fund and Edusave Pupils Fund.

20.—(1) The accounts of the Endowment Fund and Edusave Pupils Fund shall be audited by the Auditor-General or such other auditor as may be appointed annually by the Minister in consultation with the Auditor-General.

Appointment, powers and duties of auditor.

(2) A person shall not be qualified for appointment as an auditor under subsection (1) unless he is an approved company auditor under the Companies Act.

Cap. 50.

(3) The auditor or any person authorised by him is entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Endowment Fund and Edusave Pupils Fund and may make copies of, or extracts from, any such accounting and other records.

(4) The auditor shall in his report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Endowment Fund and Edusave Pupils Fund;
- (b) whether proper accounting and other records have been kept, including records of all assets of the Endowment Fund and Edusave Pupils Fund;

(c) whether receipts, expenditure and investment of moneys and the acquisition and disposal of assets on account of the Endowment Fund and Edusave Pupils Fund during the financial year were in accordance with the provisions of this Act; and

(d) such other matters arising from the audit as he considers necessary.

(5) The auditor shall, as soon as practicable after the accounts have been submitted for audit, send a report of his audit to the Minister and shall also submit such periodical and special reports to the Minister as may appear to him to be necessary or as the Minister may require.

(6) Where the Auditor-General is not the auditor of the Endowment Fund or Edusave Pupils Fund, a copy of the audited financial statements and any report made by the auditor shall be forwarded to the Auditor-General.

Failure to furnish information to auditor.

21.—(1) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of his functions under this Act.

(2) Any person who, without reasonable excuse, fails to comply with any requirement of the auditor under subsection (1) or who otherwise hinders, obstructs or delays the auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

Presentation of financial statements, auditor's report and annual report to Parliament.

22. The Minister shall, as soon as practicable but not later than 30th September of each year, cause an annual report in respect of the administration of the Endowment Fund and Edusave Pupils Fund during the preceding financial year to be prepared and shall present a copy of such report and of the audited financial statements and the auditor's report to Parliament

Offences.

23. Any person who for any purpose connected with this Act —

(a) knowingly makes any false statement; or

- (b) produces or furnishes or causes or knowingly allows to be produced or furnished any document which he knows to be false in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

24. The Minister may make such regulations as are necessary or expedient for the purpose of carrying out the provisions of this Act and, in particular, such regulations may — Regulations.

- (a) prescribe the qualifications for the award of scholarships and the procedure for the selection of the pupils to whom scholarships are to be awarded and the amount of the scholarships;
- (b) prescribe the amount and the manner in which withdrawals may be made by members or their parents;
- (c) provide for such information, evidence and documents that the Board may require from members or their parents who have utilised such withdrawals;
- (d) provide for the disposal of amounts which are unclaimed, unpaid or otherwise remained in the Edusave Pupils Fund;
- (e) prescribe the procedure of the Council; and
- (f) prescribe anything which may be prescribed.

THE SCHEDULE

Section 10 (4)

THE ADVISORY COUNCIL

1.—(1) Subject to this paragraph, every member of the Council shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for reappointment.

(2) Any member of the Council may resign his office at any time by written notice given to the Minister.

THE SCHEDULE — *continued*

- (3) If the Minister is satisfied that a member of the Council —
- (a) is guilty of neglect of duty or misconduct;
 - (b) has become a bankrupt or made an arrangement with his creditors;
 - (c) is incapacitated by physical or mental illness; or
 - (d) is otherwise unable or unfit to discharge the functions of a member,

the Minister may remove him from office.

2. The validity of any proceedings of the Council shall not be affected by any vacancy among the members or by any defect in the appointment of any member.

3. At any meeting of the Council, one-half of the number of members shall constitute a quorum.

4. The arrangements relating to meetings of the Council shall be such as the Council may determine.

5. The chairman shall preside at all meetings of the Council at which he is present and in his absence the members present shall elect one of their number to act as chairman of that meeting.

6. All questions arising at any meeting of the Council shall be decided by a majority of votes of the members present and, in the case of an equality of votes, the chairman or member presiding shall have a casting vote.

7. Subject to the provisions of this Act and any regulations made thereunder, the Council may regulate its own procedure in such manner as it thinks fit.