



THE STATUTES OF THE REPUBLIC OF SINGAPORE

EDUCATION SERVICE INCENTIVE PAYMENT ACT 2001

2020 REVISED EDITION

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Education Service Incentive Payment Act 2001

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An Act to establish a scheme known as the CONNECT Plan to encourage long service by teachers under the control or management of the Government and the CONNECT Fund for the purpose of that Plan and for matters connected therewith.

[1 January 2002]

PART 1
PRELIMINARY

Short title

1. This Act is the Education Service Incentive Payment Act 2001.

Interpretation

2. In this Act, unless the context otherwise requires —

“aided school” means a school which —

- (a) is established by any person other than the Government; and
- (b) is conducted by a committee of management which is in receipt of a grant-in-aid from the Government for the defraying of the expenses incurred for conducting the school,

but excludes an independent school;

“CONNECT Plan” means the CONNECT Plan established by regulations made under section 3;

“Fund” means the CONNECT Fund established under section 11;

“Government school” means any school that is established by and under the management of the Government but excludes an independent school;

“independent school” means any school that is —

- (a) specified in any order made under section 3(1) of the School Boards (Incorporation) Act 1990; or
- (b) a school which is declared by the Minister by notification in the *Gazette* to be an independent school for the purposes of this Act;

“qualifying service” means teaching service prescribed to be qualifying service;

“school” includes a junior college and a centralised institute but excludes any tertiary institute or training institute;

“teaching duties” includes —

- (a) the administration of any school;
- (b) the inspection or supervision of individuals engaged in teaching duties in any school; and
- (c) other duties connected with the teaching or other services provided at any school, being duties for the performance of which experience as a teacher is an advantage;

“teaching service” means service, whether part-time or full-time —

- (a) as a public officer in the Education Service; or
- (b) as an employee of an aided school for teaching duties.

PART 2

CONNECT PLAN

Establishment of CONNECT Plan

3.—(1) The Minister must by regulations establish a scheme to be known as the CONNECT Plan for the benefit of —

- (a) all public officers appointed (whether before or after the commencement of the regulations) to the permanent

establishment in the Education Service and who are below Superscale grade; and

- (b) all individuals employed other than for a term (whether before or after the commencement of the regulations) by the managers of any aided school for teaching duties, and who are remunerated on terms equivalent to any public officer mentioned in paragraph (a),

who, on or after the commencement of those regulations, will be members of the scheme.

(2) The regulations made under subsection (1) must provide for the payment of an award —

- (a) to a member of the CONNECT Plan; or
- (b) if the member dies before such payment —
 - (i) to such of the member's dependants as the Minister thinks fit; or
 - (ii) if the member has no dependants, to the member's legal personal representative,

on account of the member completing the prescribed period of qualifying service.

(3) The regulations made under subsection (1) must provide —

- (a) for the payment of contributions by the Government to the CONNECT Fund in respect of each member, including prescribing different contributions for different classes of members;
- (b) for the circumstances under which such contributions and awards may be withheld or restored; and
- (c) for the determination of qualifying service.

Awards not as of right

4. No member has an absolute right to compensation for past service or to any award under the CONNECT Plan.

Saving for powers of dismissal of employer

5. Nothing in this Act or any regulations made under section 3 limits any right of the Public Service Commission, or any of its delegates, or the managers of any aided school to dismiss without compensation any member from its teaching service.

Non-assignability or attachment, etc., of awards

6. No award payable under the CONNECT Plan, no contribution by the Government made under the CONNECT Plan and no interest thereon (if any) is assignable or transferable, or liable to be garnished, attached, sequestered or levied upon for or in respect of any debt or claim, other than —

- (a) a debt due to the Government; or
- (b) an order of court for the payment of periodical sums of money towards the maintenance of the wife or former wife or minor child (whether legitimate or not) of the member to whom the award has been granted.

Contributions excluded from bankrupt member's property

7.—(1) No contribution by the Government made under the CONNECT Plan and no interest on the contribution (if any) is to be subject to the debts of any member of the CONNECT Plan.

(2) No contribution and interest mentioned in subsection (1) is to pass to the Official Assignee on the bankruptcy of a member, and if the member is adjudicated a bankrupt, such contribution and interest (if any) are deemed excluded from the property of the bankrupt for the purposes of the Insolvency, Restructuring and Dissolution Act 2018.

[40/2018]

Effect on conviction, dismissal, etc., on awards and contributions

8.—(1) It is lawful for the Minister to withhold or refuse to pay (in whole or in part) any award which would under this Act or the regulations made under section 3 be paid to a member if, at the date of the payment of the award, the member —

- (a) has been convicted and sentenced to death or any term of imprisonment, by any court of competent jurisdiction, whether in Singapore or elsewhere, for any crime or offence and has not received a free pardon; or
- (b) has been dismissed, reduced in rank or charged with any disciplinary charge for any negligence, irregularity or misconduct in the teaching service.

(2) It is also lawful for the Minister to withhold or refuse (in whole or in part) any contribution which is required by this Act or the regulations made under section 3 to be made by the Government on account of a member under the CONNECT Plan if, at the date the contribution is due, the member —

- (a) has been convicted and sentenced to death or any term of imprisonment, by any court of competent jurisdiction, whether in Singapore or elsewhere, for any crime or offence and has not received a free pardon; or
- (b) has been dismissed, reduced in rank or charged with any disciplinary charge for any negligence, irregularity or misconduct in the teaching service.

Awards not part of member's estate

9. Subject to the provisions of any regulations made under section 3, all moneys paid or payable under the CONNECT Plan in respect of a deceased member are not to be deemed to form part of his or her estate or be subject to the payment of his or her debts but are deemed to be property passing on his or her death for the purposes of the Estate Duty Act 1929.

Recovery of awards paid in ignorance of disqualifying facts

10. It is a condition of the payment of every award under the CONNECT Plan that the Government may recover, cancel or reduce it if it is shown to have been obtained by the wilful suppression of material facts or to have been paid in ignorance of facts which, had the facts been known before the payment of that award to the member, would have justified the member's dismissal from the teaching service or a reduction of the member's salary.

PART 3
CONNECT FUND

Establishment of CONNECT Fund

11.—(1) A fund called the CONNECT Fund is established, into which must be paid all the following moneys:

- (a) the sums appropriated from the Consolidated Fund and authorised to be paid into the Fund by or under any written law as contributions under the CONNECT Plan or to enable the Fund to meet its liabilities under this Act or any other written law;
- (b) all revenues of Singapore allocated by written law to the Fund;
- (c) the net income from investments of moneys in the Fund authorised to be made by this Act or any other written law.

(2) The Fund must be regarded as a Government fund and as comprising public moneys for the purposes of any other written law.

(3) For the purposes of subsection (1)(c), the net income from investments is the amount ascertained by adding to, or deducting from, the income received from investments of moneys in the Fund any profit derived or loss sustained (as the case may be) from the realisation of those investments.

Purposes of Fund

12. The moneys in the Fund may only be withdrawn and applied to meet any one or more of the following purposes:

- (a) the payment of any award under the CONNECT Plan;
- (b) all expenses incidental to or arising from the administration, investment and management of the Fund, including the cost of auditing the accounts of the Fund;
- (c) any other purposes related to aided schools or Government schools that may be prescribed by the Minister by notification in the *Gazette*.

Fund surpluses

13. The Minister may, by warrant under the hand of the Minister, authorise the transfer to the Consolidated Fund any moneys in the Fund which, in the opinion of the Minister and the Minister for Finance, are not immediately required to meet the liabilities or the purposes of the Fund.

Withdrawals

14.—(1) Moneys must not be withdrawn from the Fund unless they are charged upon the Fund or are authorised or directed to be withdrawn or transferred under this Act.

(2) A payment must not be made out of the Fund unless the payment is authorised by the Minister.

PART 4

AUDIT AND ACCOUNTING

Accounts, financial statements and audit

15.—(1) The Minister is responsible for the administration of the Fund.

(2) The Minister must cause to be kept proper accounts and records of all transactions and affairs relating to the Fund and must do all things necessary to ensure that payments out of the Fund are correctly made and properly authorised and that adequate control is maintained over the assets and receipts of the Fund.

(3) The Minister must, as soon as practicable after the close of each financial year, cause to be prepared and submitted financial statements in respect of that year to the auditor mentioned in section 16.

(4) The financial year of the Fund begins on 1 April of each year and ends on 31 March of the succeeding year.

Appointment, powers and duties of auditor

16.—(1) The accounts and annual financial statements of the Fund must be audited by the Auditor-General or any other auditor that may

be appointed annually by the Minister in consultation with the Auditor-General.

(2) A person is not qualified for appointment as an auditor under subsection (1) unless that person is a public accountant within the meaning of the Accountants Act 2004.

[5/2004]

(3) The auditor's remuneration is to be charged upon the Fund.

(4) The auditor or any person authorised by the auditor 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 Fund and may make copies of, or extracts from, any such accounting and other records.

(5) The auditor or any person authorised by the auditor may require any person to provide the auditor or person authorised by the auditor any information in that person's possession or to which that person has access which the auditor considers necessary for the purposes of the auditor's functions under this Act.

(6) Any person who, without reasonable excuse, fails to comply with any requirement of the auditor under subsection (5) or who otherwise hinders, obstructs or delays the auditor in the performance of the auditor's duties or the exercise of the auditor's powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

(7) The auditor must in the auditor's report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Fund;
- (b) whether proper accounting and other records have been kept, including records of all assets of the Fund;
- (c) whether receipts, expenditure, and investment of moneys and the acquisition and disposal of assets on account of the Fund during the financial year were in accordance with the provisions of this Act; and
- (d) any other matters arising from the audit that the auditor considers necessary.

- (8) The auditor must —
- (a) as soon as practicable, after the accounts have been submitted for audit, send a report of the audit to the Minister; and
 - (b) submit such periodical and special reports to the Minister as may appear to the auditor to be necessary or as the Minister may require.
- (9) Where the Auditor-General is not the auditor of the Fund, a copy of the audited financial statements and any report made by the auditor must be forwarded to the Auditor-General when they are submitted to the Minister.
- (10) The Minister must, as soon as practicable, cause a copy of the audited financial statements and the auditor's report to be presented to Parliament.

Periodic examination of Fund

17.—(1) For successive periods of any duration, not exceeding 5 years, determined by the Minister in each case, an examination of the Fund must be made by a person appointed by the Minister with a view to determining the state of the Fund having regard to its prospective liabilities and the probable annual provisions required by the Fund to meet those liabilities.

(2) Despite subsection (1), where an amendment is made to the CONNECT Plan, and the amendment affects the cost of benefits payable under the CONNECT Plan or creates an initial unfunded liability, the Minister may, for the purposes of section 11(1)(a), appoint a person to make an examination and report on the state of the Fund.

(3) The person appointed under subsection (1) or (2) must, at the end of the person's examination, report to the Minister for Finance and the Minister the state of the Fund having regard to its prospective liabilities and the probable annual provisions required by the Fund to meet those liabilities.

(4) The Minister must cause a copy of every such report to be presented to Parliament forthwith after receiving it.

Rules for administration of Fund

18. The Minister may make rules for the proper control and management of the Fund.

LEGISLATIVE HISTORY
EDUCATION SERVICE INCENTIVE
PAYMENT ACT 2001

This Legislative History is a service provided by the Law Revision Commission on a best-efforts basis. It is not part of the Act.

1. Act 36 of 2001 — Education Service Incentive Payment Act 2001

Bill	:	41/2001
First Reading	:	25 September 2001
Second and Third Readings	:	5 October 2001
Commencement	:	1 January 2002

2. 2002 Revised Edition — Education Service Incentive Payment Act (Chapter 87B)

Operation	:	31 July 2002
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3. Act 5 of 2004 — Companies (Amendment) Act 2004

(Amendments made by section 59 read with item (4) of the Schedule to the above Act)

Bill	:	3/2004
First Reading	:	5 January 2004
Second and Third Readings	:	6 February 2004
Commencement	:	1 April 2004 (section 59 read with item (4) of the Schedule)

4. Act 40 of 2018 — Insolvency, Restructuring and Dissolution Act 2018
(Amendments made by section 472 of the above Act)

Bill	:	32/2018
First Reading	:	10 September 2018
Second and Third Readings	:	1 October 2018
Commencement	:	30 July 2020 (section 472)

Abbreviations

C.P.	Council Paper
G.N. No. S (N.S.)	Government Notification Number Singapore (New Series)
G.N. No.	Government Notification Number
G.N. No. S	Government Notification Number Singapore
G.N. Sp. No. S	Government Notification Special Number Singapore
L.A.	Legislative Assembly
L.N.	Legal Notification (Federal/Malaysian Subsidiary Legislation)
M. Act	Malayan Act/Malaysia Act
M. Ordinance	Malayan Ordinance
Parl.	Parliament
S.S.G.G. (E) No.	Straits Settlements Government Gazette (Extraordinary) Number
S.S.G.G. No.	Straits Settlements Government Gazette Number