



THE STATUTES OF THE REPUBLIC OF SINGAPORE

EDUCATION SERVICE INCENTIVE PAYMENT ACT

(CHAPTER 87B)

(Original Enactment: Act 36 of 2001)

REVISED EDITION 2002

(31st July 2002)

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF
THE REVISED EDITION OF THE LAWS ACT (CHAPTER 275)

Informal Consolidation – version in force from 30/7/2020 to 31/12/2021

Education Service Incentive Payment Act

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title
2. Interpretation

PART II

CONNECT PLAN

3. Establishment of CONNECT Plan
4. Awards not as of right
5. Saving for powers of dismissal of employer
6. Non-assignability or attachment, etc., of awards
7. Contributions excluded from bankrupt member's property
8. Effect on conviction, dismissal, etc., on awards and contributions
9. Awards not part of member's estate
10. Recovery of awards paid in ignorance of disqualifying facts

PART III

CONNECT FUND

11. Establishment of CONNECT Fund
12. Purposes of Fund
13. Fund surpluses
14. Withdrawals

PART IV

AUDIT AND ACCOUNTING

15. Accounts, financial statements and audit
16. Appointment, powers and duties of auditor

Section

- 17. Periodic examination of Fund
 - 18. Rules for administration of Fund
-

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.

[1st January 2002]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Education Service Incentive Payment Act.

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 (Cap. 284A); 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 persons 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 whole-time —

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

PART II

CONNECT PLAN

Establishment of CONNECT Plan

3.—(1) The Minister shall 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 persons 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 referred to 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) shall provide the payment of an award to a member of the CONNECT Plan or, if the member dies before such payment, to such of his dependants as the Minister thinks fit or, if there are no dependants, to his legal personal representative, on account of the member completing the prescribed period of qualifying service.

(3) The regulations made under subsection (1) shall 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 shall have 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 shall limit 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) shall be 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 thereon (if any) shall be subject to the debts of any member thereof.

(2) No contribution and interest mentioned in subsection (1) shall 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) shall be deemed excluded from the property of the bankrupt for the purposes of the Insolvency, Restructuring and Dissolution Act 2018.

[Act 40 of 2018 wef 30/07/2020]

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

8.—(1) It shall be 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 penal servitude 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 shall also be 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 penal servitude 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 shall not be deemed to form part of his estate or be subject to the payment of his debts but shall be deemed to be property passing on his death for the purposes of the Estate Duty Act (Cap. 96).

Recovery of awards paid in ignorance of disqualifying facts

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

PART III

CONNECT FUND

Establishment of CONNECT Fund

11.—(1) There shall be established a fund to be called the CONNECT Fund into which shall be paid all the following moneys:

- (a) such 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; and
- (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 shall 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 shall be 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 such investments.

Purposes of Fund

12. The moneys in the Fund shall 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; and
- (c) such other purposes related to aided schools or Government schools as may be prescribed by the Minister by notification in the *Gazette*.

Fund surpluses

13. The Minister may, by warrant under his hand, 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) No moneys shall 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) No payment shall be made out of the Fund unless such payment is authorised by the Minister.

PART IV

AUDIT AND ACCOUNTING

Accounts, financial statements and audit

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

(2) The Minister shall cause to be kept proper accounts and records of all transactions and affairs relating to the Fund and shall 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 shall, 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 referred to in section 16.

(4) The financial year of the Fund shall begin on 1st April of each year and end on 31st March of the succeeding year, except that the first financial year of the Fund shall begin on 1st January 2002 and end on 31st March 2003.

Appointment, powers and duties of auditor

16.—(1) The accounts and annual financial statements of the 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.

(2) A person shall not be qualified for appointment as an auditor under subsection (1) unless he is a public accountant within the meaning of the Companies Act (Cap. 50).

[5/2004 wef 01/04/2004]

(3) The remuneration of the auditor shall be charged upon the Fund.

(4) 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 Fund and may make copies of, or extracts from, any such accounting and other records.

(5) 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.

(6) Any person who fails, without reasonable excuse, 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.

(7) The auditor shall in his 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) such other matters arising from the audit as he considers necessary.
- (8) The auditor shall —
 - (a) as soon as practicable, after the accounts have been submitted for audit, send a report of his audit to the Minister; and
 - (b) submit such periodical and special reports to the Minister as may appear to him 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 shall be forwarded to the Auditor-General when they are submitted to the Minister.
- (10) The Minister shall, as soon as practicable, cause a copy of the audited financial statements and of the report of the auditor to be presented to Parliament.

Periodic examination of Fund

17.—(1) For successive periods of such duration, not exceeding 5 years, as the Minister may determine in each case, an examination of the Fund shall 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) Notwithstanding 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) shall, at the end of his 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 shall cause a copy of every such report to be presented to Parliament forthwith after receipt thereof.

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
(CHAPTER 87B)

This Legislative History is provided for the convenience of users of the Education Service Incentive Payment Act. It is not part of the Act.

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

Date of First Reading : 25 September 2001
(Bill No. 41/2001 published on
26 September 2001)

Date of Second and Third Readings : 5 October 2001

Date of commencement : 1 January 2002

2. 2002 Revised Edition — Education Service Incentive Payment Act

Date of operation : 31 July 2002

3. Act 5 of 2004 — Companies (Amendment) Act 2004

Date of First Reading : 5 January 2004
(Bill No. 3/2004 published on
6 January 2004)

Date of Second and Third Readings : 6 February 2004

Date of commencement : 1 April 2004
(Item (4) of the Schedule —
Amendment of Education
Service Incentive Payment Act)

4. Act 40 of 2018 — Insolvency, Restructuring and Dissolution Act 2018

Date of First Reading : 10 September 2018 (Bill No.
32/2018 published on
10 September 2018)

Date of Second and Third Readings : 1 October 2018

Date of commencement : 30 July 2020