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CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND (MINIMUM SUM SCHEME) (AMENDMENT) REGULATIONS 2015

In exercise of the powers conferred by section 77(1) of the Central Provident Fund Act, the Minister for Manpower, after consulting with the Central Provident Fund Board, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Central Provident Fund (Minimum Sum Scheme) (Amendment) Regulations 2015 and shall come into operation on 31 January 2015.

Amendment of regulation 6

2. Regulation 6 of the Central Provident Fund (Minimum Sum Scheme) Regulations (Rg 16) is amended by deleting paragraph (3) and substituting the following paragraphs:

“(3) For the purposes of paragraph (2), the required retention amount shall be calculated in accordance with the following formula:

$$\frac{M(I - P)}{I} + T + B,$$

where I is the amount specified in regulation 14(1);
M is the minimum sum applicable to the member;
P is the monthly income that the pension, annuity or other benefit provides or will provide to the member;

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- T is an amount equivalent to the amount transferred to or paid into the member's retirement account under section 18(1) or 18A(1) of the Act or the member's special account under section 18(3) of the Act, less any amount that the member had transferred to or paid into the member's retirement account under the Voluntary Contributions to Retirement Account Scheme; and
- B is the sum of —
- (a) the interest, on T, which has accrued (whether paid or not) from the date of the transfer or payment referred to in T to 31 December of the year before the year in which the computation of interest is made (both dates inclusive);
 - (b) the interest on the amount calculated according to the formula $\frac{M(I-P)}{I}$, which would have accrued from the member's 55th birthday to 31 December of the year before the year in which the computation of interest is made (both dates inclusive), as if such amount was set aside on the member's 55th birthday; and
 - (c) the interest on the amount standing to the member's credit in the member's retirement account which has accrued (whether paid or not) during the year, but before the month, in which the computation of interest is made.

(3A) In paragraph (3), “Voluntary Contributions to Retirement Account Scheme” means a scheme administered by the Board that —

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- (a) had allowed a member (and not any other person) to top up the member's retirement account by paying moneys into the member's retirement account under section 18(1) of the Act or transferring moneys standing to the member's credit in the Fund into the member's retirement account under section 18(1) or 18A(1) of the Act; and
- (b) had ceased on 1 November 2012.”.

New regulation 13E

3. The Central Provident Fund (Minimum Sum Scheme) Regulations are amended by inserting, immediately after regulation 13D, the following regulation:

“Manner of payment from amount retained in retirement account

13E.—(1) Subject to paragraph (2), where a member is not a relevant member, and any amount standing to the member's credit in the member's retirement account is retained in that account under section 15(6C)(b)(i) of the Act, the Board shall pay any monthly income or amount due to the member under regulation 12(1), 12A(2) or (3), 13(1) or (2) or 13C(1), any balance due to the member under regulation 13D(2) or any additional amount due to the member under regulation 13B(1) —

- (a) into the member's account with a bank, where the member has applied, and the Board has approved the member's application, for the payment to be credited into that bank account;
- (b) by issuing a cheque or any other physical payment instrument to the member, where the member has applied, and the Board has approved the member's application, for the payment to be made in that manner; or
- (c) to the member in such other manner as the Board thinks fit, in any other case.

(2) Despite paragraph (1)(b) and (c), the Board may pay the monthly income, amount, balance or additional amount, as the case may be, due to the member referred to in paragraph (1) by issuing a cheque or any other physical payment instrument to the member, where the member has not applied for the payment to be made in that manner.

(3) Subject to paragraph (4), where a member is or becomes a relevant member, and any amount standing to the member's credit in the member's retirement account is retained in that account under section 15(6C)(b)(i) of the Act, the Board shall pay any monthly income due to the member under regulation 12(2) —

(a) into the member's account with a bank, where the member has applied, and the Board has approved the member's application, for the payment to be credited into that bank account;

(b) by issuing a cheque or any other physical payment instrument to the member, where the member has applied, and the Board has approved the member's application, for the payment to be made in that manner;
or

(c) into the member's ordinary account, in any other case.

(4) Despite paragraph (3)(a) and (b), the Board shall pay the monthly income due under regulation 12(2) to the member referred to in paragraph (3) into the member's ordinary account, if —

(a) in a case referred to in paragraph (3)(a), the payment into the member's bank account is unsuccessful; or

(b) in a case referred to in paragraph (3)(b), the cheque or other physical payment instrument relating to the payment has been returned to the Board or has expired.

(5) Where paragraph (4)(a) or (b) applies, the monthly income shall be paid into the ordinary account of the member referred to in paragraph (3) as soon as practicable after the Board is notified of the unsuccessful payment into the member's bank account, or

after the cheque or other physical payment instrument has been returned to the Board or has expired (whichever is the earlier), as the case may be.”

*[G.N. Nos. S 503/2007; S 707/2007; S 396/2009;
S 341/2010; S 263/2012; S 708/2012; S 481/2013;
S 850/2013; S 443/2014]*

Made on 28 January 2015.

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(To be presented to Parliament under section 78(2) of the Central Provident Fund Act).