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No. S 441

CENTRAL PROVIDENT FUND ACT
(CHAPTER 36)

CENTRAL PROVIDENT FUND
(REVISED MINIMUM SUM SCHEME)
(AMENDMENT NO. 2) REGULATIONS 2014

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 (Revised Minimum Sum Scheme) (Amendment No. 2) Regulations 2014 and shall come into operation on 1st July 2014.

Amendment of regulation 6

2. Regulation 6 of the Central Provident Fund (Revised Minimum Sum Scheme) Regulations (Rg 2) (referred to in these Regulations as the principal Regulations) is amended —

- (a) by deleting the words “a monthly income” in paragraphs (1) and (2) and substituting in each case the words “a minimum monthly income”;
- (b) by inserting, immediately after the words “retention amount” in paragraph (2), the words “less the sum of any amounts which the member has been paid under regulation 8A(1), (2) or (3), 10 or 10A before the determination of the required retention amount”;
- (c) by deleting sub-paragraphs (a) and (b) of paragraph (3) and substituting the following sub-paragraphs:

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- “(a) the basic monthly income for the member shall be computed in accordance with the formula $\frac{230M}{30,000}$;
- (b) the required retention amount for the member shall be computed in accordance with the formula $\frac{M(I-P)}{I}$; and
- (c) the Board —
- (i) shall determine the minimum monthly income provided or to be provided to a member by that member’s pension, annuity or other benefit from any information it may have; and
 - (ii) may, if it has information of the fixed minimum monthly income provided or to be provided by that member’s pension, annuity or other benefit, take that fixed minimum monthly income to be the minimum monthly income provided or to be provided to the member by that pension, annuity or other benefit.”;
- (d) by deleting the words “paragraph 3(a)(i) or (b)(i), as the case may be” in the definition of “I” in paragraph (4) and substituting the words “paragraph (3)(a)”;
- (e) by deleting the words “the monthly income” in the definition of “P” in paragraph (4) and substituting the words “the minimum monthly income”.

Amendment of regulation 8A

3. Regulation 8A of the principal Regulations is amended —

- (a) by deleting the words “paragraphs (2), (3), (4), (5) and (6) and regulations 9 and 10” in paragraph (1) and substituting the words “paragraphs (2), (3) and (4) and regulations 9, 10, 10B and 10C”;

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- (b) by deleting the words “paragraphs (4) and (6)” in paragraph (3) and substituting the words “paragraph (4) and regulation 10C(2)”;
 - (c) by deleting the words “paragraphs (5) and (6)” in paragraph (4) and substituting the words “regulation 10C”;
and
 - (d) by deleting paragraphs (5) and (6).

Amendment of regulation 9

4. Regulation 9 of the principal Regulations is amended —

- (a) by deleting paragraphs (1), (2) and (3) and substituting the following paragraphs:

“(1) This regulation applies where 2 members of the Fund who are parties to a marriage have set aside jointly an amount which is 1.5 times the minimum sum in accordance with regulation 7, and that amount is retained in their respective retirement accounts under section 15(6C)(b)(i) of the Act.

(2) Subject to paragraph (4) and regulation 10C, where 2 members of the Fund who are parties to a marriage have set aside jointly an amount which is 1.5 times the minimum sum in accordance with regulation 7, the amount of the income which either member may be paid, from the amount retained in their respective retirement accounts, on the date on which that member attains the applicable age and at every monthly interval thereafter, shall be the highest of the following:

- (a) the amount that either member had received under this paragraph prior to 1st July 2014;
- (b) the specified monthly payment; or
- (c) the subsistence amount set out in the Fourth Schedule.

(3) Subject to paragraph (4) and regulation 10C, where 2 members of the Fund who are parties to a marriage

have set aside jointly an amount which is 1.5 times the minimum sum in accordance with regulation 7, and either member dies or the members are divorced, the amount of the income that the surviving member or each divorced member may be paid from the amount the 2 members have set aside jointly shall be the highest of the following:

- (a) the amount that either member had received under this paragraph prior to 1st July 2014;
 - (b) the specified monthly payment; or
 - (c) the subsistence amount set out in the Fourth Schedule.”;
- (b) by deleting the words “paragraphs (5) and (6)” in paragraph (4) and substituting the words “regulation 10C”;
- (c) by deleting the words “deposited with an approved bank or” in paragraph (4);
- (d) by deleting paragraphs (5) and (6); and
- (e) by deleting the words “deposited with approved bank or” in the regulation heading.

Amendment of regulation 10

5. Regulation 10 of the principal Regulations is amended —

- (a) by deleting the words “equal to the difference between —” in paragraph (1) and substituting the words “the highest of the following.”;
- (b) by deleting sub-paragraphs (a) and (b) of paragraph (1) and substituting the following sub-paragraphs:
 - “(a) the amount that such member had received under this paragraph prior to 1st July 2014;
 - (b) the specified monthly payment; or
 - (c) the subsistence amount set out in the Fourth Schedule.”;

(c) by deleting the word “higher” in paragraph (2) and substituting the word “highest”;

(d) by deleting sub-paragraphs (a) and (b) of paragraph (2) and substituting the following sub-paragraphs:

“(a) the amount that such member had received under this paragraph prior to 1st July 2014;

(b) the specified monthly payment; or

(c) the subsistence amount set out in the Fourth Schedule.”; and

(e) by inserting, immediately after paragraph (2), the following paragraphs:

“(3) Where a member is receiving or will receive a pension, annuity or other benefit which provides him with a minimum monthly income for life and he has any amount standing to his credit in his retirement account —

(a) if the minimum monthly income from the pension, annuity or other benefit is equal to or more than the basic monthly income referred to in regulation 6(3)(a), the member may be paid, in a lump sum, the amount standing to his credit in his retirement account; and

(b) if the minimum monthly income from the pension, annuity or other benefit is less than the basic monthly income referred to in regulation 6(3)(a), the member may be paid, in a lump sum, the difference between the amount standing to his credit in his retirement account and the required retention amount referred to in regulation 6(3) which is applicable to the member.

(4) For the purposes of this regulation, the Board —

(a) shall determine the minimum monthly income provided or to be provided to a member by that

member's pension, annuity or other benefit from any information it may have; and

- (b) may, if it has information of the fixed monthly income provided or to be provided by that member's pension, annuity or other benefit, take that fixed monthly income to be the monthly income provided or to be provided to the member by that pension, annuity or other benefit.”.

Amendment of regulation 10A

6. Regulation 10A of the principal Regulations is amended —

- (a) by deleting the words “paragraph (5)” in paragraph (1) and substituting the words “regulation 10C”; and
- (b) by deleting paragraph (5).

New regulations 10B and 10C

7. The principal Regulations are amended by inserting, immediately after regulation 10A, the following regulations:

“Payment of lower monthly income under regulation 8A(1) or (3), 9, 10 or 10A

10B.—(1) Despite regulation 8A(1) or (3), 9, 10 or 10A, a member who is entitled to receive a monthly income under any of those provisions may apply to the Board to be paid a monthly income, specified in his application, of an amount less than the monthly income provided by that provision.

(2) The Board may approve an application made under paragraph (1) on such terms and conditions as the Board may impose.

Payment of monthly income where balance in retirement account is low

10C.—(1) Subject to paragraph (2), where any amount is retained in a member's retirement account under section 15(6C)(b)(i) of the Act, and the balance of the amount

so retained (including any interest accruing thereon) is less than \$20, the Board may —

- (a) if the member has applied for the monthly income which he may be paid under regulation 8A(1), 9(2) or (3), 10, 10A or 10B to be paid into his account with a bank by inter-bank GIRO, pay the member the entire balance in that manner; or
- (b) retain the entire balance in the member's retirement account until there is a balance of not less than \$20 in the amount so retained (including any interest accruing thereon).

(2) Where any payment of the monthly income which a member may be paid under regulation 8A(1) or (3), 9(2) or (3), 10, 10A or 10B results in a balance of \$100 or less in the amount retained in his retirement account under section 15(6C)(b)(i) of the Act (including any interest accruing thereon), the Board may permit the entire balance to be paid together with the monthly income.”.

Amendment of regulation 11

8. Regulation 11 of the principal Regulations is amended by deleting the definition of “specified monthly payment” and substituting the following definition:

““specified monthly payment”, in relation to a member, means an amount computed in accordance with the following formula:

$$(a) X \times \frac{230A}{30,000},$$

where X is the percentage of the minimum sum applicable to the member set aside by the member in cash in the member's retirement account; and

A is the minimum sum applicable to the member; or

- (b) $\frac{230B}{30,000}$, if the member has applied to the Board, in such manner as the Board may require, for the payment to be computed in accordance with this

formula, where B is the minimum sum set aside by a member in cash and in the form of a charge on or pledge of an immovable property.”.

Amendment of Fourth Schedule

9. The Fourth Schedule to the principal Regulations is amended by deleting the words “8A(7) and 9(3)” in the Schedule reference and substituting the words “8A(7), 9(2) and (3) and 10(1) and (2)”.

*[G.N. Nos. S 504/2007; S 702/2007; S 394/2009;
S 339/2010; S 261/2012; S 706/2012; S 477/2013;
S 849/2013; S 381/2014]*

Made this 30th day of June 2014.

LOH KHUM YEAN
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Ministry of Manpower,
Singapore.*

[S5.2/85 V34; AG/LLRD/SL/36/2010/14 Vol. 2]

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