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CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND (RETIREMENT SUM TOPPING-UP SCHEME) (AMENDMENT) REGULATIONS 2018

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, makes the following Regulations:

Citation and commencement

1. These Regulations are the Central Provident Fund (Retirement Sum Topping-Up Scheme) (Amendment) Regulations 2018 and come into operation on 1 October 2018.

Amendment of regulation 3

2. Regulation 3 of the Central Provident Fund (Retirement Sum Topping-Up Scheme) Regulations (Rg 3) (called in these Regulations the principal Regulations) is amended —

(a) by deleting the definitions of “approved annuity” and “approved bank” in paragraph (1) and substituting the following definitions:

““applicable property charge” means any charge under section 15(9), (9A), (11D) or (11E), 21(1), 21A(1), 21B(1), 27E(1)(iv) or 27F(1)(iv) of the Act or undertaking under section 15(10) or (10A) of the Act;

“approved benefit” means a pension, annuity or other benefit approved by the Board —

(a) for the purposes of section 15(7A)(e) or (8)(e) of the Act; or

(b) to be taken into account in computing the retirement sum that has been set aside, for the purposes of these Regulations;

“benefit component”, in relation to a member with partial benefits, means an amount computed in accordance with the formula $(P \div Q) \times R$, where —

(a) P is the monthly income that the member is receiving or will receive from all of the member’s approved benefits based on information available to the Board at that time;

(b) Q is the payout benchmark applicable to the member; and

(c) R is the retirement sum applicable to the member;”;

(b) by inserting, immediately after the definition of “Lease Buyback Scheme” in paragraph (1), the following definitions:

““member with full benefits” means a member who, pursuant to section 15(8)(e) of the Act, does not need to comply with section 15(6)(a) of the Act by reason of the member’s approved benefits;

“member with partial benefits” means a member whose approved benefits provide the member with a monthly income that is less in value than the payout benchmark applicable to the member;”;

(c) by deleting paragraph (f) of the definition of “relevant deductibles” in paragraph (1) and substituting the following paragraph:

“(f) any amount paid to the member’s account under regulation 15(1) or (2) of the Central Provident Fund (Retirement Sum Scheme) Regulations (Rg 16), regulation 19(1) or (2) of the Central Provident Fund (Revised Retirement Sum Scheme) Regulations (Rg 2) or regulation 18(1) or (2) of the Central Provident Fund (New Retirement Sum Scheme) Regulations (Rg 31);”;

- (d) by deleting the words “at any time is determined” in paragraph (4) and substituting the words “(being a member with no approved benefit) at any time is calculated”; and
- (e) by deleting sub-paragraph (vii) of paragraph (4)(c) and substituting the following sub-paragraphs:

“(vii) any amount withdrawn or paid to the member under regulation 12B or 13(3) of the Central Provident Fund (Retirement Sum Scheme) Regulations, regulation 10(3) or 12A of the Central Provident Fund (Revised Retirement Sum Scheme) Regulations or regulation 10(3) or 11A of the Central Provident Fund (New Retirement Sum Scheme) Regulations;

(viii) in relation to any cash grant administered by the Ministry of National Development or the Housing and Development Board credited to the member’s retirement account, any amount recovered by the Board from the member’s retirement account pursuant to section 14(3) or (3A) of the Act.”.

New regulation 3A

3. The principal Regulations are amended by inserting, immediately after regulation 3, the following regulation:

“Retirement sum set aside by member with partial or full benefits, or other approved benefit

3A.—(1) The amount of the retirement sum that has been set aside by a member with partial benefits —

- (a) at the first computation time, is an amount calculated in accordance with the formula $A_p + B_p$, where —
- (i) A_p is the member’s benefit component at the first computation time;
 - (ii) B_p is the higher of the following amounts:
 - (A) the amount by which C_p exceeds D_p ;
 - (B) the lower of the following amounts:
 - (BA) C_p ;
 - (BB) E_p ;
 - (iii) C_p is the retirement sum that has been set aside by the member immediately before the first computation time calculated in accordance with the formula in regulation 3(4);
 - (iv) D_p is the amount by which D_1 exceeds D_2 , where —
 - (A) D_1 is the amount by which the member’s benefit component at the first computation time exceeds the shortfall in the amount of the retirement sum that has been set aside by the member immediately before the first computation time, calculated in accordance with the formula in regulation 3(4); and

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- (B) D_2 is the amount credited or transferred to the member's retirement account under section 18 or 18A of the Act immediately before the first computation time; and
- (v) E_p is the sum of the following amounts (if any) that have been withdrawn from the member's retirement account, but not refunded to the member's retirement account, at the first computation time:
- (A) the amount of moneys deposited in a bank account with an approved bank under the former section 15(6C)(b) of the Act;
 - (B) the amount withdrawn from the member's retirement account to purchase an approved annuity;
 - (C) the amount deducted from the member's retirement account for the payment of premium for any annuity plan under the Lifelong Income Scheme established and maintained by the Board under section 27K of the Act;
- (b) at any recomputation time, is an amount calculated in accordance with sub-paragraph (a) with the following modifications:
- (i) the references to "the first computation time" are replaced by "the recomputation time";
 - (ii) C_p is the retirement sum that has been set aside by the member immediately before the recomputation time, calculated in accordance with sub-paragraph (c), less the benefit component at the last computation time;
 - (iii) D_1 is the amount by which the member's benefit component at the recomputation time exceeds D_3 , where D_3 is the amount by which the

retirement sum applicable to the member exceeds the difference between —

- (A) the retirement sum set aside by the member immediately before the recomputation time, calculated in accordance with sub-paragraph (a) or (c) (whichever applied at the last computation time); and
 - (B) the benefit component at the last computation time; and
- (c) at any other computation time, is an amount calculated in accordance with the formula $F_p - G_p - H_p$, where —
- (i) F_p is the sum of —
 - (A) the amount that has been set aside by the member with partial benefits at the last computation time; and
 - (B) all moneys credited or transferred to the retirement account after the last computation time;
 - (ii) G_p is an amount determined by the Board, not exceeding the total of the amounts mentioned in regulation 3(4)(b) that have been credited to the member's retirement account after the last computation time and on or before the determination by the Board for the current computation time; and
 - (iii) H_p is an amount determined by the Board, not exceeding the total of the amounts mentioned in regulation 3(4)(c) that have been withdrawn from the moneys standing to the credit of the member's retirement account after the last computation time and on or before the determination by the Board for the current computation time (excluding any amount

withdrawn from the amounts mentioned in sub-paragraph (ii)).

(2) In paragraph (1) —

“first computation time”, in relation to a member’s approved benefits, means the time of approval by the Board of any approved benefit of the member if the member has no other approved benefit at that time;

“last computation time” means the first computation time or the previous recomputation time, whichever is the later;

“other computation time” means any time (other than a first computation time or recomputation time) when the Board takes a member’s approved benefit into consideration in computing the retirement sum that has been set aside by a member for the purposes of these Regulations;

“recomputation time” means any time the Board recomputes a member’s benefit component for the purposes of these Regulations.

(3) Paragraph (4) applies to a member who —

(a) is a member with full benefits; or

(b) has an approved benefit that is taken into account in computing the amount of the retirement sum that has been set aside by the member.

(4) If, immediately after a member’s approved benefit is terminated or surrendered, the member has no other approved benefits, the amount of the retirement sum that has been set aside by the member immediately after such termination or surrender is calculated in accordance with the formula $A_{fa} + B_{fa} + (A - B - C)$, where —

(a) A_{fa} is —

(i) for a member mentioned in paragraph (3)(a), the total amount credited or transferred to the

member's retirement account under section 18 or 18A of the Act; or

- (ii) for a member mentioned in paragraph (3)(b), the retirement sum set aside by the member at that time, calculated in accordance with paragraph (1)(c), less the member's benefit component (if any) at that time;

(b) B_{fa} is —

- (i) for a member mentioned in paragraph (3)(a), the lower of the following:

- (A) the amount paid to the member's account under regulation 15(3) of the Central Provident Fund (Retirement Sum Scheme) Regulations, regulation 19(3) of the Central Provident Fund (Revised Retirement Sum Scheme) Regulations or regulation 18(3) of the Central Provident Fund (New Retirement Sum Scheme) Regulations (as the case may be) in respect of the member's approved benefit that is terminated or surrendered;

- (B) the amount by which the retirement sum applicable to the member exceeds the total amount credited or transferred to the member's retirement account under section 18 or 18A of the Act; or

- (ii) for a member mentioned in paragraph (3)(b), the lower of the following:

- (A) the amount paid to the member's account under regulation 15(3) of the Central Provident Fund (Retirement Sum Scheme) Regulations, regulation 19(3) of the Central Provident Fund (Revised Retirement Sum Scheme) Regulations or regulation 18(3) of the Central Provident

Fund (New Retirement Sum Scheme) Regulations (as the case may be) in respect of the member's approved benefit that is terminated or surrendered;

(B) the amount by which the retirement sum applicable to the member exceeds the total of the following amounts computed immediately before the amount mentioned in sub-paragraph (A) is paid into the member's account or (if no amount mentioned in sub-paragraph (A) is to be paid) immediately before the member's approved benefit is terminated or surrendered:

(BA) the retirement sum set aside by the member calculated in accordance with paragraph (1), less the member's benefit component, if any;

(BB) any amount of the retirement sum comprised by an amount covered by any charge or undertaking in respect of that member; and

(c) A, B and C refer to the corresponding amounts mentioned in regulation 3(4) —

(i) immediately after payment to the member's account of the amount payable (if any) under regulation 15(3) of the Central Provident Fund (Retirement Sum Scheme) Regulations, regulation 19(3) of the Central Provident Fund (Revised Retirement Sum Scheme) Regulations or regulation 18(3) of the Central Provident Fund (New Retirement Sum Scheme) Regulations (as the case may be) in relation to the termination or surrender of the member's approved benefit; or

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- (ii) if no amount is due to be paid to the member's account under regulation 15(3) of the Central Provident Fund (Retirement Sum Scheme) Regulations, regulation 19(3) of the Central Provident Fund (Revised Retirement Sum Scheme) Regulations or regulation 18(3) of the Central Provident Fund (New Retirement Sum Scheme) Regulations (as the case may be), after the member's approved benefit is terminated or surrendered.”.

Amendment of regulation 4

4. Regulation 4 of the principal Regulations is amended —

- (a) by deleting the words “Subject to paragraph (4), the Board may grant an application under paragraph (1) only” in paragraph (3) and substituting the words “The Board may grant an application under paragraph (1)”;
- (b) by deleting the words “may grant the application only” in paragraph (4) and substituting the words “may, instead of granting the application under paragraph (3), grant the application”; and
- (c) by deleting paragraph (5) and substituting the following paragraphs:

“(5) If the application under paragraph (1) is to transfer moneys to a relevant individual who is the member's parent or grandparent, the Board may, instead of granting the application under paragraph (3), grant the application if —

- (a) where the member is below 55 years of age on the date the application is processed —

- (i) the total of the following amounts on that date is more than the prevailing retirement sum:

- (A) the amount of the payments to the member's accounts in the

Fund secured by any applicable property charges;

(B) the member's relevant amount; and

(ii) the member's relevant amount on that date is more than half the prevailing retirement sum; or

(b) where the member has attained 55 years of age on the date the application is processed —

(i) the total of the following amounts on that date is more than the retirement sum applicable to the member:

(A) the amount of the payments to the member's accounts in the Fund secured by any applicable property charges;

(B) the member's relevant amount; and

(ii) the member's relevant amount on that date is more than half the retirement sum applicable to the member.

(6) If the application under paragraph (1) is to transfer moneys to a relevant individual who is the member's parent-in-law or grandparent-in-law, the Board may, instead of granting the application under paragraph (3), grant the application if all of the following conditions are satisfied:

(a) the conditions set out in paragraph (5)(a) or (b), as the case may be;

(b) any other conditions as the Board may require.

(7) If an application under paragraph (1) is made by an applicable member to transfer moneys to a relevant individual, instead of granting the application under paragraph (3), (4), (5) or (6), the Board may grant the application if the applicable member's relevant amount on that date is more than the reduced retirement sum applicable to the applicable member."

Amendment of regulation 6

5. Regulation 6 of the principal Regulations is amended —

- (a) by deleting the words "to transfer moneys out of the member's ordinary account to top-up the retirement account of a relevant individual (who is not the member's spouse) under section 18(1)(a) of the Act, the amount that may be transferred out of the member's ordinary account for this purpose" in paragraph (1) and substituting the words "mentioned in paragraph (1A), the amount that may be transferred out of the member's ordinary account";
- (b) by inserting, immediately after paragraph (1), the following paragraph";
- “(1A) Paragraph (1) applies where the Board grants an application under regulation 4(3) to transfer moneys out of the member's ordinary account to top-up the retirement account of the member's brother, sister, parent-in-law or grandparent-in-law.”;
- (c) by deleting the words "to transfer moneys out of the member's ordinary account, special account or retirement account, or more than one of the accounts (called in this paragraph approved accounts), to top-up the retirement account of a relevant individual (who is the member's spouse) under section 18(1)(a) of the Act, the total amount that may be transferred out of the approved accounts for this purpose" in paragraph (2) and substituting the words "mentioned in paragraph (2A), the amount that may be transferred out of the member's approved accounts";

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- (d) by deleting the words “approved accounts on that date (except the member’s retirement account)” in paragraph (2)(b)(ii)(A) and substituting the words “ordinary account and special account on that date”;
- (e) by inserting, immediately after paragraph (2), the following paragraph:
- “(2A) Paragraph (2) applies where the Board grants an application to transfer moneys out of the member’s ordinary account, special account or retirement account, or more than one of the accounts (called in this paragraph and in paragraph (2) the member’s approved accounts), to top-up the retirement account of the member’s —
- (a) spouse, under regulation 4(3) or (4);
- (b) parent or grandparent, under regulation 4(3) or (5); or
- (c) parent-in-law or grandparent-in-law, under regulation 4(6).”; and
- (f) by deleting the words “section 18(1)(a) of the Act” in paragraph (3) and substituting the words “regulation 4(7)”.

Amendment of regulation 7

- 6.** Regulation 7 of the principal Regulations is amended —
- (a) by inserting, immediately after the words “retirement account of a member” in paragraph (1), the words “(other than a member with partial benefits)”;
- (b) by inserting, immediately after paragraph (1), the following paragraph:
- “(1A) For the purposes of these Regulations, the maximum amount by which the retirement account of a member with partial benefits can be topped-up under section 18(1)(a), (b) or (c) of the Act is the enhanced retirement sum, less the amount by which sub-paragraph (a) exceeds sub-paragraph (b):

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- (a) the amount computed under regulation 3A(1);
 - (b) the member's benefit component, if any.”;
 - (c) by deleting the words “a member's ordinary account or special account” in paragraph (3) and substituting the words “the ordinary account or special account of a member (other than a member with partial benefits)”;
 - (d) by inserting, immediately after paragraph (3), the following paragraph:

“(3A) For the purposes of these Regulations, the maximum amount which may be transferred from the ordinary account or special account of a member with partial benefits, or from both accounts, to the member's retirement account under section 18A(1) of the Act is the enhanced retirement sum, less the amount by which sub-paragraph (a) exceeds sub-paragraph (b):

- (a) the amount computed under regulation 3A(1);
- (b) the member's benefit component, if any.”.

Amendment of regulation 8

7. Regulation 8 of the principal Regulations is amended —

- (a) by deleting the words “a pledge” in paragraphs (1)(a) and (2)(a) and substituting in each case the words “an undertaking”; and
- (b) by deleting the word “pledge” in paragraphs (1)(b) and (2)(b) and in the regulation heading and substituting in each case the word “undertaking”.

Amendment of regulation 9

8. Regulation 9(1) of the principal Regulations is amended by deleting the words “a charge on or pledge of an immovable property”

in sub-paragraph (a) and substituting the words “any charge or undertaking”.

Amendment of regulation 10A

9. Regulation 10A(3) of the principal Regulations is amended —

- (a) by deleting the words “a charge on or pledge of an immovable property” in sub-paragraph (b) and substituting the words “any charge or undertaking”; and
- (b) by deleting the words “the charge or pledge” and substituting the words “any charge or undertaking under those sections”.

Amendment of regulation 10C

10. Regulation 10C of the principal Regulations is amended —

- (a) by deleting paragraph (1) and substituting the following paragraph:

“(1) Subject to paragraphs (2), (3) and (4) and regulations 10E and 10F, a member (not being a relevant member) who attains 55 years of age before 1 January 1987 may be paid a monthly income from the member’s balance, starting on the date on which the member attains 60 years of age or a later date (specified by the Board).”;

- (b) by deleting paragraph (2) and substituting the following paragraph:

“(2) Subject to paragraphs (3) and (4), a member (being a relevant member) who attains 55 years of age before 1 January 1987 may be paid a monthly income from the member’s balance, starting in the later of the following months:

- (a) the month in which the member attains 60 years of age;
- (b) the month after the member becomes a relevant member.”;

(c) by deleting paragraph (3) and substituting the following paragraphs:

“(2C) Paragraph (3) applies to a member who —

- (a) attained 55 years of age before 1 January 1987; and
- (b) before becoming a relevant member, has deposited any moneys with an approved bank under regulation 10A(1)(a).

(3) Subject to paragraph (4) and regulation 10F(2), a member mentioned in paragraph (2C) may be paid a monthly income from the amount mentioned in paragraph (2C)(b) (including any interest accruing on that amount), starting on or after a date (specified by the Board) that falls in the month after the member becomes a relevant member.

(3A) The amount of the monthly income mentioned in paragraph (3) is —

- (a) where the balance of the amount mentioned in paragraph (2C)(b) (including any interest accruing on that amount) is less than the amount specified in paragraph (7) — the entire balance; or
- (b) in any other case — the amount specified in paragraph (7).”; and

(d) by deleting “(3)” in paragraph (7) and substituting “(3A)”.

Amendment of regulation 10D

11. Regulation 10D of the principal Regulations is amended —

(a) by deleting paragraph (1) and substituting the following paragraph:

“(1) A member who is entitled to receive payment under regulation 10C(1) or (3) may apply to the Board, in such manner as the Board may require, to be

paid an additional amount monthly from the member's balance —

- (a) if the member is entitled to receive payment under regulation 10C(1), starting on or after the later of the following dates:
 - (i) a date (specified by the Board) that falls in the month in which the member attains 60 years of age;
 - (ii) the date the Board approved the application; and
- (b) if the member is entitled to receive payment under regulation 10C(3), starting on or after the later of the following dates:
 - (i) a date (specified by the Board) that falls in the month in which the member becomes a relevant member;
 - (ii) the date the Board approved the application.”;
- (b) by deleting the words “and (c)” in paragraph (2)(b); and
- (c) by deleting the words “pay the member at monthly intervals” in paragraph (3) and substituting the words “pay to the member monthly”.

Deletion and substitution of regulation 12

12. Regulation 12 of the principal Regulations is deleted and the following regulation substituted therefor:

“Reducing amount of retirement sum covered by charge or undertaking

- 12.** Where —
- (a) any part of the retirement sum applicable to a member is covered by any charge or undertaking; and
 - (b) a transfer or payment into the retirement account of the member under these Regulations causes the sum

of the following amounts to exceed the retirement sum applicable to the member:

- (i) the amount of the member's retirement sum that has been set aside in accordance with regulation 3(4) or regulation 3A (as the case may be);
- (ii) the retirement sum applicable to the member covered by any charge or undertaking,

the part of the retirement sum applicable to the member covered by the charge or undertaking is to be reduced, as directed by the Board, by the extent that the retirement sum applicable to the member is exceeded.”.

[G.N. Nos. S 513/2007; S 510/2008; S 105/2009; S 395/2009; S 340/2010; S 723/2011; S 44/2012; S 262/2012; S 537/2012; S 705/2012; S 478/2013; S 851/2013; S 442/2014; S 31/2015; S 853/2015; S 734/2016; S 344/2017; S 787/2017]

Made on 26 September 2018.

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