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## No. S 735

### CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

#### CENTRAL PROVIDENT FUND (MINIMUM SUM SCHEME) (AMENDMENT NO. 2) REGULATIONS 2016

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 (Minimum Sum Scheme) (Amendment No. 2) Regulations 2016 and come into operation on 1 January 2017.

#### **Amendment of regulation 1**

2. Regulation 1 of the Central Provident Fund (Minimum Sum Scheme) Regulations (Rg 16) (called in these Regulations the principal Regulations) is amended by deleting the words “Minimum Sum” and substituting the words “Retirement Sum”.

#### **Amendment of regulation 3**

3. Regulation 3(1) of the principal Regulations is amended —

(a) by inserting, immediately after the definition of “Lease Buyback Scheme”, the following definition:

“ “member’s balance” means the amount referred to in section 15(6C)(a) of the Act, and any interest accruing on that amount, standing to the credit of the member;”;

(b) by deleting the words “section 15(6C)(b)(i)” in paragraph (a) of the definition of “monthly income” and substituting the words “section 15(6C)(a)”;

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- (c) by deleting the words “section 15(6C)(b)(ii)” in paragraph (b) of the definition of “monthly income” and substituting the words “section 15(6C)(b)”;
- (d) by deleting the full-stop at the end of the definitions of “relevant member” and “Scheme” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

““relevant property charge” means a charge under section 21(1), 21A(1), 21B(1), 27E(1)(iv) or 27F(1)(iv) of the Act.”.

### **Amendment of heading to Part II**

4. Part II of the principal Regulations is amended by deleting the words “MINIMUM SUM” in the Part heading and substituting the words “RETIREMENT SUM”.

### **Amendment of regulation 4**

5. Regulation 4 of the principal Regulations is amended by deleting the words “minimum sum” wherever they appear in paragraphs (1), (2), (2A)(a), (4) and (5) and in the regulation heading and substituting in each case the words “retirement sum”.

### **Amendment of regulation 5**

6. Regulation 5 of the principal Regulations is amended —

- (a) by deleting the words “minimum sum” in paragraph (1) and in the regulation heading and substituting in each case the words “retirement sum”; and
- (b) by deleting paragraph (2).

### **Amendment of regulation 6**

7. Regulation 6 of the principal Regulations is amended —

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

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“(1) For the purposes of section 15(7A)(e) or (8)(e) of the Act, the monthly income that the pension, annuity or other benefit mentioned in that provision will provide to the member must be not less in value than the specified amount in regulation 14(1).”;

- (b) by deleting the words “minimum sum” in paragraphs (2) and (3) and substituting in each case the words “retirement sum”; and
- (c) by deleting the words “Minimum sum” in the regulation heading and substituting the words “Retirement sum”.

### **Amendment of regulation 8**

8. Regulation 8(2) of the principal Regulations is amended by deleting the words “minimum sum” and substituting the words “retirement sum”.

### **Amendment of regulation 8A**

9. Regulation 8A(4) of the principal Regulations is amended by inserting, immediately after the words “1 January 2016” in sub-paragraph (e), the words “, but before 1 January 2017,”.

### **Amendment of regulation 8B**

10. Regulation 8B of the principal Regulations is amended by deleting the words “minimum sum” wherever they appear in paragraph (1) and in the regulation heading and substituting in each case the words “retirement sum”.

### **New regulations 8C and 8D**

11. The principal Regulations are amended by inserting, immediately after regulation 8B, the following regulations:

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**“Transfer to ordinary account of moneys credited to retirement account under section 19 or 19A of Act in excess of retirement sum**

**8C.**—(1) This regulation applies where —

- (a) a member’s moneys in the retirement account is transferred —
  - (i) to the retirement account of a relevant individual under section 18(1)(a) or (2)(a) of the Act; or
  - (ii) to the special account of a relevant individual under section 18(3)(a) of the Act; and
- (b) on the death of the relevant individual, the transferred amount in sub-paragraph (a), or the balance of that amount, is then credited to the member’s retirement account under section 19(2)(a) or 19A(2)(a) of the Act.

(2) Upon the crediting of the amount in paragraph (1)(b), the Board must transfer the credited amount to the member’s ordinary account.

**Transfer to retirement account when whole or part of reserved amount no longer required to be set aside**

**8D.** Where —

- (a) any reserved amount has been set aside in a member’s ordinary account under section 15(6) of the Act in respect of item 6A of the Schedule to the Central Provident Fund (Reserved Amount) Regulations 2014 (G.N. No. S 380/2014); and
- (b) the whole or any part of the reserved amount mentioned in paragraph (a) ceases to be set aside under regulation 3(4) of those Regulations,

the Board must transfer the whole or part of the amount mentioned in paragraph (b) (which ceases to be set aside) to the member’s retirement account towards the maintenance of the retirement sum.”.

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**Deletion and substitution of regulation 9**

**12.** Regulation 9 of the principal Regulations is deleted and the following regulation substituted therefor:

**“Approved bank or approved annuity**

**9.**—(1) The Board may, from time to time, approve any annuity as an approved annuity for the purposes of section 15(6C)(b) of the Act.

(2) Any bank approved by the Board as an approved bank for the purposes of the former section 15(6C)(b) of the Act before 1 January 2014 or any insurer whose annuity has been approved by the Board under paragraph (1) must comply with the provisions of the Act, these Regulations and the terms, conditions and directions imposed or given by the Board relating to the retirement sum scheme.”

**Amendment of regulation 9A**

**13.** Regulation 9A of the principal Regulations is amended —

- (a) by deleting the words “section 15(6C)(b)” in paragraphs (1) to (4) and substituting in each case the words “section 15(6C)(a)”; and
- (b) by deleting the words “section 15(6C)(b)” in the regulation heading and substituting the words “section 15(6C)(a)”.

**Amendment of regulation 10**

**14.** Regulation 10 of the principal Regulations is amended —

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

“(1) This regulation applies where a member has, before 1 January 2014, deposited an amount in a bank account with an approved bank under the former section 15(6C)(b) of the Act.”;
- (b) by deleting the words “referred to in section 15(6C)(b)” in paragraph (4) and substituting the words “mentioned in the former section 15(6C)(b)”; and

(c) by deleting the regulation heading and substituting the following regulation heading:

**“Amount deposited with approved bank”.**

### **Deletion and substitution of regulation 11**

15. Regulation 11 of the principal Regulations is deleted and the following regulation substituted therefor:

#### **“Purchase of approved annuity with amount from retirement account**

11.—(1) Where a member elects to use the amount referred to in section 15(6C)(a) of the Act to purchase an approved annuity from an insurer, the Board must, at the request of the member, forward to the insurer in payment for such purchase —

- (a) the whole or any part of that amount and any top-up made to meet the shortfall under the Central Provident Fund (Retirement Sum Topping-Up Scheme) Regulations (Rg 3); and
- (b) where the purchase price of the approved annuity exceeds the amount mentioned in sub-paragraph (a), any interest accrued on that amount.

(2) Any payment from the approved annuity is to be determined in accordance with the terms and conditions of the approved annuity.”.

### **Amendment of regulation 11A**

16. Regulation 11A of the principal Regulations is amended —

(a) by deleting sub-paragraphs (a) and (b) of paragraph (1) and substituting the following sub-paragraphs:

“(a) the whole or part of the amount referred to in section 15(6C)(a) of the Act and any top-up made to meet the shortfall under the Central Provident Fund (Retirement Sum Topping-Up Scheme) Regulations; and

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- (b) where the premium for the annuity plan exceeds the amount mentioned in sub-paragraph (a), any interest accrued on that amount.”; and
  - (b) by deleting sub-paragraphs (a) and (b) of paragraph (2) and substituting the following sub-paragraphs:
    - “(a) the whole or part of the amount referred to in section 15(6C)(a) of the Act and any top-up made to meet the shortfall under the Central Provident Fund (Retirement Sum Topping-Up Scheme) Regulations; and
    - (b) where the premium for the additional annuity plan exceeds the amount mentioned in sub-paragraph (a), any interest accrued on that amount.”.

### **Amendment of regulation 12**

**17.** Regulation 12 of the principal Regulations is amended —

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

“(1) Subject to paragraphs (2), (3) and (4) and regulations 12A, 13, 13C and 13D, a member (not being a relevant member) may be paid an income from the member’s balance —

- (a) on the date on which the member attains the age of 60 years; and
- (b) at every monthly interval after that date.

(1A) The amount of the income mentioned in paragraph (1) —

- (a) where the member’s balance is less than the specified amount in regulation 14(1), is the whole of the member’s balance; or
- (b) in any other case, is the specified amount in regulation 14(1).

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(2) Subject to paragraphs (3) and (4), a member (being a relevant member) may be paid an income from the member's balance in either the month in which the member attains the age of 60 years or the month after the member becomes a relevant member, whichever month is later, and at every monthly interval after that payment.

(2A) The amount of the income mentioned in paragraph (2) is an amount computed in accordance with the formula  $(A \div N) + D$ , where —

(a) A is the difference between —

(i) the member's balance (in dollars) at the first time when an annuity plan is issued to the member; and

(ii) the total of the following amounts (in dollars):

(A) all payments received by the member under this paragraph before the payment of the amount which is being computed;

(B) any other withdrawals or transfers from the member's balance that are made after the annuity plan mentioned in sub-paragraph (i) is issued to the member;

(b) N is the larger of 60 or the total number of months in the period —

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- (i) beginning with (and including) either the month in which the member attains the age of 60 years or the month after the annuity plan mentioned in sub-paragraph (a)(i) is issued to the member, whichever month is later; and
  - (ii) ending with (and including) the month in which the member will attain the age of 90 years; and
- (c) D is an additional amount (in dollars) which is payable at the discretion of the Board, taking into account —
- (i) the member’s balance;
  - (ii) any additional amount which may be credited to the member’s account with the approved bank or retirement account after the annuity plan mentioned in sub-paragraph (a)(i) is issued to the member; and
  - (iii) any interest which may accrue on the additional amount mentioned in sub-paragraph (ii).”;
- (b) by deleting the words “section 15(6C)(b)(i)” in paragraph (3) and substituting the words “the former section 15(6C)(b)”;
- (c) by deleting paragraph (4) and substituting the following paragraph:
- “(4) Subject to regulation 13D, the monthly income that a member may be paid under paragraph (1), (2) or (3) is payable to the member until the member’s balance has been exhausted or until the member’s death, whichever is the earlier.”.

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**Amendment of regulation 12A**

**18.** Regulation 12A of the principal Regulations is amended —

- (a) by deleting the words “minimum sum” wherever they appear in paragraphs (1), (2) and (3) and in the regulation heading and substituting in each case the words “retirement sum”; and
- (b) by deleting the words “section 15(6C)(b)(i)” in paragraphs (1), (3) and (4) and substituting in each case the words “section 15(6C)(a)”.

**New regulation 12B**

**19.** The principal Regulations are amended by inserting, immediately after regulation 12A, the following regulation:

**“Payment from amount retained in retirement account where there is relevant property charge**

**12B.—**(1) This regulation applies if, at the time the Board considers a member’s application under this regulation —

- (a) the member has a relevant property charge;
  - (b) the amount secured by the relevant property charge is more than or equal to the amount to be withdrawn if the member were to make a withdrawal under this regulation; and
  - (c) the member satisfies such terms and conditions as the Board may impose.
- (2) The Board may, on the application of a member, allow the member to withdraw the whole or part of the amount retained in the member’s retirement account under section 15(6C)(a) of the Act.
- (3) The Board may approve an application under paragraph (2) on such terms and conditions as the Board may impose.”.

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**Amendment of regulation 13**

**20.** Regulation 13 of the principal Act is amended by deleting the words “section 15(6C)(b)(i)” in paragraphs (1) and (2) and substituting in each case the words “section 15(6C)(a)”.

**Deletion of regulation 13A**

**21.** Regulation 13A of the principal Regulations is deleted.

**Amendment of regulation 13B**

**22.** Regulation 13B of the principal Regulations is amended —

- (a) by deleting the words “any amount standing to his credit in his retirement account that is deposited with an approved bank or retained in that account under section 15(6C)(b)(i) of the Act” in paragraph (1) and substituting the words “the amount referred to in section 15(6C)(a) of the Act standing to the credit of the member, if any,”;
- (b) by deleting the words “at the time of” in paragraph (1)(b) and substituting the words “at the time the Board approves”;
- (c) by deleting the words “so deposited or retained” in paragraph (1)(b)(ii) and substituting the words “referred to in section 15(6C)(a) of the Act standing to the credit of the member”; and
- (d) by deleting the words “balance of the amount deposited with the approved bank or retained in the member’s retirement account” in paragraph (3) and substituting the words “amount referred to in section 15(6C)(a) of the Act standing to the credit of the member”.

**Amendment of regulation 13D**

**23.** Regulation 13D of the principal Regulations is amended by deleting the words “section 15(6C)(b)(i)” in paragraphs (1) and (2) and substituting in each case the words “section 15(6C)(a)”.

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**Amendment of regulation 13E**

**24.** Regulation 13E of the principal Regulations is amended —

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

“(1) Paragraph (1A) applies to the payment of —

(a) any monthly income or amount due to a member, not being a relevant member, under regulation 12, 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; and

(b) any amount due to the member under regulation 12B.

(1A) Subject to paragraph (2), the Board is to make the payments mentioned in paragraph (1) —

(a) into the member’s bank account, where 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 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.”;

(b) by deleting the words “paragraph (1)(b)” in paragraph (2) and substituting the words “paragraph (1A)(b)”;

(c) by deleting the words “referred to” in paragraph (2) and substituting the word “mentioned”;

(d) by deleting the words “section 15(6C)(b)(i)” in paragraph (3) and substituting the words “section 15(6C)(a)”; and

(e) by deleting the words “the member has applied, and” in paragraph (3)(a) and (b).

#### **Amendment of regulation 14**

**25.** Regulation 14(1) of the principal Regulations is amended by deleting the words “regulations 3(2), 12(1) and (3), 12A(3) and 13(1)” and substituting the words “regulations 3(2), 6(1), (2) and (3), 12(1A) and (3), 12A(3) and 13(1) and (3)”.

#### **Deletion and substitution of regulations 15 and 16**

**26.** Regulations 15 and 16 of the principal Regulations are deleted and the following regulations substituted therefor:

##### **“Closure of account with approved bank, surrender of approved annuity, etc.**

**15.—**(1) Where an amount standing to the credit of a member in the member’s retirement account has, before 1 January 2014, been deposited in a bank account with an approved bank under the former section 15(6C)(b) of the Act —

(a) if the bank account is closed, the approved bank must pay all moneys in the bank account to the member’s retirement account on such closure; or

(b) if the Board (being satisfied that the member satisfies the requirements of section 15(7A) or (8C) of the Act) approves the member’s request to withdraw the amount from the bank account, the member may withdraw that amount, or such part of that amount, as the Board may determine.

(2) Where an amount standing to the credit of a member in the member’s retirement account has been used to purchase an approved annuity from an insurer and the approved annuity is surrendered or terminated —

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- (a) subject to sub-paragraph (b), the insurer must pay the surrender value of the approved annuity to the member's retirement account on such surrender or termination; or
- (b) if the Board (being satisfied that the member satisfies the requirements of section 15(7A) or (8C) of the Act) approves the member's request to withdraw the whole or part of the surrender value of the approved annuity (called in this regulation the approved withdrawal), the approved insurer may pay the amount of the approved withdrawal to the member directly, instead of to the member's retirement account.
- (3) Where —
- (a) a member is exempt from complying with section 15(6)(a) of the Act in respect of the withdrawal of an amount mentioned in section 15(6C)(a) of the Act by reason of the member's pension, annuity or other benefit mentioned in section 15(8)(e) of the Act; and
- (b) the member's pension, annuity or other benefit mentioned in section 15(8)(e) of the Act is surrendered or terminated,
- the member, or any person that is under an obligation (contractual or otherwise) to pay any moneys to the member in respect of the surrender or termination, must pay to the member's retirement account such amounts, as the Board may require, which must not exceed in total an amount determined in accordance with the formula  $A - B$ , where —
- (i) A is the amount of the withdrawal mentioned in sub-paragraph (a), including the interest payable on the amount withdrawn during the withdrawal period as if that amount had not been withdrawn; and

- (ii) B is the total of all payments that the member would have received under regulation 12(1) or (3), 13 or 13B, if the withdrawal mentioned in sub-paragraph (a) had not been made.

### **Death of member**

**16.**—(1) Where a member deposited an amount before 1 January 2014 in a bank account with an approved bank under the former section 15(6C)(b) of the Act, the amount standing to the credit of the member in the bank account (if any) at the time of the member's death must be transferred to the member's account in the Fund to be dealt with in accordance with the Act.

(2) Where a member purchased an approved annuity from an insurer under section 15(6C)(b) of the Act or the former section 15(6C)(b) of the Act, the amount representing the residual value of the approved annuity (if any) at the time of the member's death must be transferred to the member's account in the Fund to be dealt with in accordance with the Act.

(3) Paragraphs (1) and (2) do not apply if, before the member's death, the Board (being satisfied that the member satisfies the requirements of section 15(7) or (8C) of the Act) approved member's request to withdraw the amount mentioned in paragraph (1) or (2), as the case may be.”.

### **Deletion and substitution of regulations 18 and 19**

**27.** Regulations 18 and 19 of the principal Regulations are deleted and the following regulations substituted therefor:

#### **“Applications**

**18.** An application —

- (a) to use, transfer or withdraw any amount standing to the credit of a member in the member's retirement account under section 15(6C) of the Act;
- (b) for exemption under section 15(8) of the Act; or

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(c) for any purpose in connection with these Regulations, must be in such form and supported by such evidence as the Board may require.

### **Breach of Regulations**

19. Where a member —

- (a) breaches any provision of the Act or these Regulations; or
- (b) makes a false representation or furnishes any false information,

in connection with the use, transfer or withdrawal of any amount standing to the credit of the member in the member's retirement account under section 15(6C) of the Act, the member must do all or any of the following, as the Board may require:

- (i) refund that amount to the member's retirement account;
- (ii) surrender any approved annuity purchased with the whole or part of that amount and refund the amount representing the surrender value of the approved annuity to the member's retirement account;
- (iii) pay to the member's retirement account the whole or such part, as the Board may determine, of the interest that would have been payable on that amount if the amount had not been so used, transferred or withdrawn.”.

### **Amendment of First Schedule**

28. The First Schedule to the principal Regulations is amended by deleting the words “Minimum sum” and substituting the words “Retirement sum”.

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**Amendment of Second Schedule**

**29.** The Second Schedule to the principal Regulations is amended by deleting the words “minimum sum” wherever they appear and substituting in each case the words “retirement sum”.

*[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; S 34/2015; S 851/2015;  
S 192/2016]*

Made on 30 December 2016.

AUBECK KAM  
*Permanent Secretary,  
Ministry of Manpower,  
Singapore.*

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