

Central Provident Fund (Amendment) Bill

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Bill No: 17/2010

Read the first time: 19th July 2010

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Expenditure of Public Money

Central Provident Fund (Amendment) Bill

Bill No. 17/2010

Read the first time on 19th July 2010.

An Act to amend the Central Provident Fund Act (Chapter 36 of the 2001 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Central Provident Fund (Amendment) Act 2010 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2 of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended —

- (a) by inserting, immediately after the definition of “additional interest” in subsection (1), the following definition:

“ “approved corporation” means any company which —

- (a) is incorporated in Singapore;
- (b) is —
 - (i) wholly or partly owned by the Government;
 - (ii) a subsidiary of a company wholly or partly owned by the Government; or
 - (iii) a subsidiary of a statutory board; and
- (c) is approved by the Minister;”;

- (b) by inserting, immediately after the definition of “Fund” in subsection (1), the following definition:

“ “general moneys of the Fund” means the moneys of the Fund (whether or not standing to the credit of any member in the Fund) that are not accounted for in any subsidiary account maintained for a member in respect of the money standing to his credit in the Fund;”;

- (c) by inserting, immediately after the definition of “retirement account” in subsection (1), the following definitions:

“ “securities account” means a securities account with the Central Depository (Pte) Limited;

“shares” includes warrants, transferable subscription rights, options to subscribe for shares, convertibles and other security interests arising from or accruing or attaching to the shares;”;

- (d) by inserting, immediately after subsection (1A), the following subsections:

“(1B) For the purposes of this Act, a member’s accounts in the Fund shall be deemed to be dormant if, and with effect from the date on which, all of the following requirements are satisfied:

- (a) the member has attained, or is deemed to have

attained, such age as may be prescribed in any regulations made under section 77(1) for the purposes of this subsection (referred to in this subsection as the relevant regulations);

- (b) there exist such circumstances as may be prescribed in the relevant regulations;
- (c) the Board has notified the member, in such manner as may be prescribed in the relevant regulations, that he is required to satisfy the Board that he is still alive; and
- (d) the member fails to do so in accordance with the relevant regulations.

(1C) When calculating the age of a member for the purposes of subsection (1B), the following provisions shall apply:

- (a) where the day of the month on which the member was born cannot be ascertained, he shall be deemed to be born on the first day of the month in which he was born;
- (b) where the month in which the member was born cannot be ascertained, he shall be deemed to be born in January; and
- (c) where the year in which the member was born cannot be ascertained, he shall be deemed to have attained the age of 20 years —
 - (i) on the date of his last known contribution to the Fund; or
 - (ii) if that date cannot be readily ascertained, on 1st January 1970.”;

- (e) by deleting the words “2008 (Act 22 of 2008)” in subsection (3) and substituting the words “(Cap. 177A)”;
- (f) by deleting “2008” in subsections (3)(a) and (b) and (4)(d)(i) and (ii); and
- (g) by inserting, immediately after subsection (4), the following subsection:

“(5) For the purposes of this Act, a reference to the Board being satisfied that a person lacks capacity within the meaning of section 4 of the Mental Capacity Act (Cap. 177A) shall be construed as including a reference to the Board being satisfied that the person’s

lack of capacity is likely to be permanent.”.

Amendment of section 6

3. Section 6 of the principal Act is amended —

(a) by deleting the word “The” in subsection (4) and substituting the words “Subject to subsections (4C) to (4I), the”; and

(b) by inserting, immediately after subsection (4B), the following subsections:

“(4C) Where a member of the Fund died before 1st January 2004, the Board may cease to pay interest on any amount standing to the credit of the deceased member in the Fund —

(a) in any case where that amount is transferred to the general moneys of the Fund on or before 31st December 2010, after 31st December 2010;

(b) in any case where that amount is transferred to the general moneys of the Fund after 31st December 2010, with effect from the date of the transfer; or

(c) in any case where that amount has not been transferred to the general moneys of the Fund, after the later of the following dates:

(i) 31st December 2010; or

(ii) the date on which the Board is notified, in such manner as may be prescribed in any regulations made under section 77(1), of the member’s death.

(4D) Where a member of the Fund dies on or after 1st January 2004, the Board may cease to pay interest on any amount standing to the credit of the deceased member in the Fund —

(a) in any case where that amount is transferred to the general moneys of the Fund on or before the 7th anniversary of the day of the member’s death, after the 7th anniversary of the day of the member’s death;

(b) in any case where that amount is transferred to the general moneys of the Fund after the 7th anniversary of the day of the member’s death, with effect from the date of the transfer; or