

Central Provident Fund (Amendment) Bill

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Bill No: 34/2002

Read the first time: 1st October 2002

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Expenditure of Public Money

Central Provident Fund (Amendment) Bill

Bill No. 34/2002

Read the first time on 1st October 2002.

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 2002 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 3

2. Section 3 of the Central Provident Fund Act (referred to in this Act as the principal Act) is amended by deleting subsection (3) and substituting the following subsections:

“(3) All deeds, documents and other instruments requiring the common seal of the Board shall be sealed with the common seal of the Board.

(3A) All instruments to which the common seal is affixed shall be signed by any 2 officers of the Board generally or specially authorised by the Board for the purpose.”.

Amendment of section 4A

3. Section 4A of the principal Act is amended by deleting subsection (1) and substituting the following subsections:

“(1) The Board shall, with the President’s concurrence under Article 22A(1)(b) of the Constitution, appoint a chief executive officer on such terms and conditions as the Board may determine.

(1A) The chief executive officer shall be —

- (a) known by such designation as the Board may determine; and
- (b) responsible to the Board for the proper administration and management of its functions and affairs in accordance with all policies laid down by the Board.”.

Amendment of section 13B

4. Section 13B of the principal Act is amended —

- (a) by inserting, immediately after the word “person” in paragraph (a), the words “who is a citizen or permanent resident of Singapore”; and
- (b) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsections:

“(2) The amount which a person may contribute voluntarily under subsection (1) or section 7(4) shall not exceed the sum of \$28,800 in any year or such other sum as the Minister may, from time to time, prescribe by notification in the *Gazette*.

(3) For the purpose of computing the sum referred to in subsection (2) in any year, the amount contributed by the person which is obligatory under this Act and any voluntary contribution paid by his employer under section 7(4)(c) in that year shall be included, and any contribution made in that year under sections 73 and 79 shall not be included.”.

Amendment of section 15

5. Section 15 of the principal Act is amended —

- (a) by deleting the words “third anniversary of his date of birth after he has attained the age of 55 years” in the penultimate and last lines of subsection (3) and substituting the words “first anniversary of his date of birth after he has attained the age of 55 years or such other period as the Minister may direct”; and
- (b) by inserting, immediately after the word “claim” in the last line of subsection (12), the words “, or be subject to any right of set-off by the approved bank for any debt owing by the member to the approved bank”.

Amendment of section 21

6. Section 21(12) of the principal Act is amended by deleting the words “and 21A” in the 1st line and substituting the words “, 21A and 21B”.

New section 21B

7. The principal Act is amended by inserting, immediately after section 21A, the following section:

“Charge on HDB flats to secure repayment of withdrawals from Fund

21B.—(1) Where in accordance with any regulations made under section 77, a member of the Fund had or has before, on or after 1st January 2003 withdrawn any money standing to his credit in the Fund —

- (a) to make full or partial payment towards the purchase of an HDB flat;
- (b) to repay or to make periodic payments towards the repayment of any loan taken by the member to finance or re-finance the purchase of an HDB flat;
- (c) to pay any improvement contribution due to the Housing and Development Board in respect of upgrading works carried out on an HDB flat under Part IVA of the Housing and Development Act (Cap. 129) including the payment of costs, fees or other incidental expenses arising from such works; or
- (d) to pay any costs, fees or other expenses incurred —
 - (i) for the purchase of an HDB flat;
 - (ii) for obtaining a loan to finance or re-finance such purchase; and
 - (iii) in connection with withdrawals of any money from the Fund,

there shall, immediately upon any such withdrawal, be a charge constituted on that HDB flat to secure the repayment of the money withdrawn from the Fund including the interest that would have accrued thereto if the withdrawal had not been made and to secure the payment of the minimum sum into the member's retirement account.

(2) Upon the constitution of the charge on an HDB flat under subsection (1), the Board shall have the power of sale and all other powers relating or incidental thereto to sell and effectually transfer the title to the HDB flat to any purchaser as if the Board were a registered mortgagee notwithstanding that the charge is not registered under the Land Titles Act (Cap. 157).

(3) Any charge constituted on an HDB flat under subsection (1) shall be —

- (a) subject to all statutory rights and charges of any public authority over the HDB flat;
- (b) subject to any resale levy imposed by the Housing and Development Board in respect of the HDB flat except where the person on whom the resale levy is imposed has obtained a loan, whether redeemed or