

Redundancy Payments Fund Bill

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Bill No: 40/1967

Read the first time: 21st December 1967

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Redundancy Payments Fund Bill

Bill No. 40/1967

Read the first time on 21st December 1967.

An Act to establish a Redundancy Payments Fund and for matters connected therewith.

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

Short title, commencement and application

1.—(1) This Act may be cited as the Redundancy Payments Fund Act, 1967, and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

(2) This Act shall apply to any contract, agreement or arrangement entered into before the date of the coming into operation of this Act whereby an employer has agreed or arranged to pay a redundancy payment to his employee but it shall not apply if such redundancy payment has already pursuant to such contract, agreement or arrangement been paid to the employee before the date of the coming into operation of this Act.

Interpretation

2. In this Act, unless the context otherwise requires —

“Director” means the Director of the Fund appointed by the Minister under section 3 of this Act;

“employee” means an individual who has worked under a contract of employment with an employer, and in respect of whom that employer has agreed or arranged to pay a redundancy payment, whether such contract was for manual labour, clerical work or otherwise, was express or implied, oral or in writing and whether it was a contract of service or apprenticeship; and any reference to “employment” shall be construed accordingly;

“employer” means —

- (a) any person, company or association or body of persons, corporate or unincorporate;
- (b) the Government; and
- (c) any Commonwealth or foreign government and any agency or instrumentality thereof, including the armed forces thereof,

who, or which, has employed an employee in Singapore;

“member of the Fund” means any person to whose credit any amount is standing in the Fund;

“relevant date” means the date on which an employee ceases to be employed by an employer;

“redundancy payment” means any sum of money that an employer has agreed or arranged to pay to an employee —

- (a) whose employment is terminated by reason of redundancy;
- (b) who is not a citizen of Singapore, upon completion of a contract of employment for a fixed term; or
- (c) who is not a citizen of Singapore, in a lump sum on retirement or by way of commutation of pension;

“the Fund” means the Redundancy Payments Fund established under section 4 of this Act;

“wages” means all the remuneration in money due to a person and payable on a monthly, weekly or daily basis in respect of his employment as an employee on the relevant date.

Appointment of Director and Assistant Directors

3.—(1) The Minister may appoint a person to be styled the “Director of the Fund” and may appoint such number of Assistant Directors as he may think fit.

(2) The Director shall have superintendence of all matters relating to this Act, subject to the direction and control of the Minister.

(3) Any Assistant Director may perform all the duties imposed and exercise all the powers conferred on the Director by this Act.

(4) The Director and the Assistant Directors shall be deemed to be public servants within the meaning of the Penal Code (Cap. 119).

(5) All appointments made under this section shall be published in the *Gazette*.

Establishment of the Redundancy Payments Fund

4.—(1) For the purposes of this Act, there shall be established a fund to be called the “Redundancy Payments Fund” into which shall be paid all redundancy payments required to be paid under the provisions of section 6 of this Act, and out of which shall be met all payments to be paid under this Act.

(2) The Fund shall be administered and controlled by the Director.

(3) Interest shall be payable on amounts standing to the credit of a member of the Fund at a rate per annum of five-and-a-quarter *per centum* after and in respect of each year ending on the 31st day of December.

(4) If in any year the revenue of the Fund shall be insufficient to defray the interest due to members of the Fund, such deficiency shall be charged on and paid out of the Consolidated Fund.

Register of Members

5. The Director shall keep, in such form as he may think fit, a Register of Members of the Fund.

Redundancy payments to be paid to the Fund

6.—(1) Notwithstanding the provisions of any written law, rule of law or any contract or agreement to the contrary, any redundancy payment that would, apart from this section, be payable to an employee on his ceasing to be employed by his employer, shall, upon the employee authorising his employer in that regard in the prescribed form, within seven days of the relevant date, be paid to the Fund to be credited to an account for the employee in the Fund; and the receipt of the Director shall be a proper discharge to the employer of the sum so paid.

(2) Upon a redundancy payment being paid to the Fund and credited to the account of an employee the employee shall thereupon, without further act or formality, become a member of the Fund.

(3) With every such payment, so authorised, the employer shall furnish such particulars to the employee as the Director may require.

(4) If an employer is unable to comply with the provisions of subsection (1) of this section by reason of the neglect, failure or refusal of his employee to give the authorisation referred to in that subsection it shall be lawful for that employer to retain the redundancy payment in respect of that employee until such time as the employee authorises the employer to pay the redundancy payment into the Fund, notwithstanding any contract, agreement or arrangement to the contrary.

(5) If an employee has not, for whatever reason, within three months of the relevant date, given the authorisation referred to in subsection (1) of this section the employer shall, under the authority conferred by this subsection and notwithstanding any contract, agreement or arrangement to the contrary, pay into the Fund to the credit of such employee the redundancy payment in respect of such employee as if that employee had given an authorisation under subsection (1) of this section.

Protection against action, suit, etc

7.—(1) No action, suit or other proceeding shall be brought in any court, and no claim, demand or liability shall lie against the Government, or any public officer, or the Director, or the employer, in respect of the payment of a redundancy payment to the Fund made pursuant to subsection (1) of section 6 or in respect of the retention of a redundancy payment under subsection (4) of section 6 of this Act.

(2) When any payment is made or act done by the Director or any person acting under his authority in accordance with this Act, and the regulations for the time being in force made thereunder, the Government, the Director and such person shall not be liable in respect of any claim on the part of any member of the Fund in connection with such payment or act, but such member may nevertheless recover any sum lawfully due to him from the person to whom the Director has paid the same.

(3) Nothing in this section contained shall be construed as exempting the Director or any person acting under his authority from liability for damage or loss caused to any member of the Fund by reason of fraud on the part of such Director or person in relation to his official duties.

Director to make periodic payments out of the Fund

8.—(1) Subject to this Act, the Director shall, at the end of each month, beginning with the month next following the relevant date, pay out of the Fund a sum equal to such