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CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND (NEW RETIREMENT SUM SCHEME) (AMENDMENT) REGULATIONS 2019

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 (New Retirement Sum Scheme) (Amendment) Regulations 2019 and come into operation on 10 May 2019.

Amendment of regulation 3

2. Regulation 3 of the Central Provident Fund (New Retirement Sum Scheme) Regulations (Rg 31) (called in these Regulations the principal Regulations) is amended —

(a) by inserting, immediately after the definition of “member’s balance”, the following definition:

““property component” means the amount of the applicable charges specified by the Board under regulation 4B;” and

(b) by inserting, immediately after the definition of “reserved amount”, the following definition:

““shortfall in the retirement sum applicable to the member” means the amount by which the retirement sum applicable to the member exceeds the total of the following amounts:

- (a) the retirement sum that has been set aside by the member determined in accordance with regulation 4(1A) or 4A, as the case may be;
- (b) the property component, if any.”.

Amendment of regulation 4

3. Regulation 4 of the principal Regulations is amended —

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

“(ii) the member’s property component (if any) which must not exceed 50% of the retirement sum applicable to the member.”; and

(b) by deleting the definition of “relevant person” in paragraph (2).

New regulation 4B

4. The principal Regulations are amended by inserting, immediately after regulation 4A, the following regulation:

“Property component

4B.—(1) Subject to paragraphs (2) and (3), the Board must specify which of a member’s applicable charges (whether in whole or in part) constitute the property component in order to compute, for the purposes of these Regulations —

- (a) the retirement sum set aside by the member; or
- (b) the shortfall in the retirement sum applicable to a member.

(2) The Board may specify an applicable charge under paragraph (1) only if —

- (a) the member attained the age of 55 years before 10 May 2019 and the first account date of the applicable charge is before 10 May 2019;

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- (b) where sub-paragraph (a) does not apply, and the applicable charge is in respect of a leasehold estate in an immovable property — the unexpired term of the leasehold estate, on the first account date, is —
- (i) at least $(95 - T_1)$ years, where T_1 is the member's age on the first account date; or
 - (ii) such shorter period as the Board may permit; or
- (c) sub-paragraph (a) does not apply and the applicable charge is in respect of the freehold estate of an immovable property.
- (3) Paragraph (1) —
- (a) does not apply in computing the retirement sum set aside by a member in accordance with regulation 4(1A) or 4A;
 - (b) applies in relation to regulation 5(4), 5A or 7 only if the member requests the Board, in the manner required by the Board, to specify any applicable charge under that regulation; and
 - (c) does not apply in relation to regulation 5B, 5C, 5D or 5E if the member requests the Board, in the manner required by the Board, not to specify any applicable charge under that regulation.
- (4) In this regulation —
- “applicable charge” means —
- (a) in relation to regulation 5B — any charge or undertaking under section 15(9), (9A), (10), (10A), (11D) or (11E), 27C(1)(v), 27D(1)(v) or 27DA(1)(v) of the Act, except the charge or undertaking to which the payment mentioned in regulation 5B(1) relates;
 - (b) in relation to regulation 5C — any charge or undertaking under section 15(9), (9A), (10), (10A), (11D) or (11E), 27C(1)(v), 27D(1)(v) or 27DA(1)(v) of the Act, except any such charge

or undertaking in respect of any immovable property to which the reserved amount mentioned in regulation 5C(4)(b) or (6)(b) relates;

(c) in relation to regulation 5D or 5E — any charge or undertaking under section 15(9), (9A), (10), (10A), (11D) or (11E), 27C(1)(v), 27D(1)(v) or 27DA(1)(v) of the Act; or

(d) in any other case — any relevant property charge, or any charge or undertaking under section 15(9), (9A), (10), (10A), (11D) or (11E), 27C(1)(v), 27D(1)(v) or 27DA(1)(v) of the Act;

“first account date” means the date (whether before, on or after 10 May 2019) when the applicable charge is first taken into account by the Board as part of the retirement sum applicable to the member mentioned in regulation 4.”.

Amendment of regulation 5A

5. Regulation 5A of the principal Regulations is amended —

(a) by inserting, immediately after the word “member” in paragraph (2)(a), the words “on the specified date”; and

(b) by deleting the definition of “shortfall in the retirement sum applicable to the member” in paragraph (3).

Deletion and substitution of regulation 5B

6. Regulation 5B of the principal Regulations is deleted and the following regulation substituted therefor:

“Transfer to retirement account of payment in relation to charge or undertaking in respect of immovable property

5B.—(1) Where any payment in relation to any charge or undertaking in respect of an immovable property is paid into a member’s account in the Fund in accordance with regulation 13A(1) or (2) or the relevant Regulations, the Board must transfer to the member’s retirement account,