

# **Central Provident Fund (Minimum Sum Scheme) (Amendment) Regulations 2009**

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CENTRAL PROVIDENT FUND ACT  
(CHAPTER 36)

CENTRAL PROVIDENT FUND (MINIMUM SUM SCHEME) (AMENDMENT)  
REGULATIONS 2009

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, hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Central Provident Fund (Minimum Sum Scheme) (Amendment) Regulations 2009 and shall come into operation on 1st September 2009.

**Amendment of regulation 3**

2. Regulation 3(1) of the Central Provident Fund (Minimum Sum Scheme) Regulations (Rg 16) (referred to in these Regulations as the principal Regulations) is amended —

- (a) by deleting the definitions of “approved annuity” and “approved bank” and substituting the following definitions:

““annuity plan” has the same meaning as in section 27J of the Act;

“approved annuity” means an annuity, purchased from an insurer, which is approved by the Board;

“approved bank” means any bank approved by the Board;” and

- (b) by deleting the definitions of “minimum sum” and “monthly income” and substituting the following definitions:

““monthly income” means the income which a member is entitled —

- (a) to withdraw monthly from the amount of his minimum sum deposited with an approved bank or in his retirement account under section 15(6C)(b)(i) of the Act; or

(b) to be paid monthly under an approved annuity purchased under section 15(6C)(b)(ii) of the Act,

after the member has attained the age of 60 years;

“relevant member” and “Scheme” have the same meanings as in section 27J of the Act.”.

#### **Amendment of regulation 4**

3. Regulation 4(2) of the principal Regulations is amended by deleting the words “In the case of a married couple” and substituting the words “Where 2 members of the Fund are parties to a marriage and neither spouse is a relevant member”.

#### **Amendment of regulation 7**

4. Regulation 7 of the principal Regulations is amended by inserting, immediately after the words “regulation 12” in paragraphs (2) and (2A)(ii), the words “, 12A or 13, as the case may be”.

#### **Deletion and substitution of regulation 9 and new regulation 9A**

5. Regulation 9 of the principal Regulations is deleted and the following regulations substituted therefor:

##### **“Approved bank or approved annuity**

9.—(1) The Board may, from time to time, approve —

- (a) any bank with which a member may deposit the amount referred to in section 15(6C)(b) of the Act; or
- (b) any annuity which a member may purchase from an insurer using the amount referred to in section 15(6C)(b) of the Act.

(2) Any bank approved by the Board or any insurer whose annuity has been approved by the Board under paragraph (1) shall comply with the provisions of the Act, these Regulations and the terms, conditions and directions imposed or given by the Board relating to the minimum sum scheme.

##### **Use of amount referred to in section 15(6C)(b) of Act**

9A.—(1) A member shall, if he desires to deposit the amount referred to in section 15(6C)(b) of the Act with an approved bank, use the whole of that amount

at that time for such deposit.

(2) A member may, if he desires to use the amount referred to in section 15(6C)(b) of the Act to purchase an approved annuity from an insurer, use the whole or any part of that amount at that time for such purchase.

(3) A member referred to in section 27K(3) of the Act may, if the Board permits him to join the Scheme, withdraw the whole or any part of any amount referred to in section 15(6C)(b) of the Act which is deposited in his retirement account at that time to pay a premium under section 27L(1) of the Act for an annuity plan under the Scheme.

(4) A relevant member may, if he desires to be issued with an additional annuity plan under the Scheme, withdraw the whole or any part of any amount referred to in section 15(6C)(b) of the Act which is deposited in his retirement account at that time to pay a premium under section 27L(1) of the Act for an additional annuity plan under the Scheme.”.

### **Deletion and substitution of regulations 10 and 11 and new regulation 11A**

6. Regulations 10 and 11 of the principal Regulations are deleted and the following regulations substituted therefor:

#### **“Depositing amount referred to in section 15(6C)(b) of Act with approved bank**

**10.**—(1) A member who wishes to deposit the amount referred to in section 15(6C)(b) of the Act with an approved bank shall first open an account with that bank.

(2) If the Board is satisfied that the member has opened an account with an approved bank, the Board shall transfer the amount referred to in section 15(6C)(b) of the Act and any top-up made to meet the shortfall under regulation 13A or under the Central Provident Fund (Minimum Sum Topping-Up Scheme) Regulations (Rg 3) to the member’s account in that bank.

(3) The moneys standing to the credit of the account of the member in the approved bank shall bear interest at such rate as may be determined by the bank from time to time.

(4) No member shall be entitled to deposit the amount referred to in section 15(6C)(b) of the Act in more than one account with any approved bank or banks at any one time unless approved by the Board.

#### **Purchase of approved annuity with amount referred to in section 15(6C)(b) of**

## Act

**11.**—(1) Where a member elects to use the amount referred to in section 15(6C)(b) of the Act to purchase an approved annuity from an insurer, the Board shall, 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 regulation 8 or under the Central Provident Fund (Minimum Sum Topping-Up Scheme) Regulations (Rg 3); and
- (b) where the purchase price of the approved annuity exceeds that amount, any interest accrued on that amount.

(2) Subject to paragraphs (3), (4), (5) and (6), a member who has used the amount of his minimum sum referred to in section 15(6C)(b) of the Act to purchase an approved annuity from an insurer shall, on attaining the age of 60 years, be entitled to be paid monthly a sum not exceeding the amount specified in regulation 14(1) from the approved annuity, until the moneys payable under the approved annuity are exhausted or until his death, whichever is the earlier.

(3) The Board may —

- (a) permit an insurer to pay a member referred to in paragraph (2) a monthly sum exceeding the amount specified in regulation 14(1), if the Board is satisfied that the total amount payable under the approved annuity is sufficient to support the payment of such a sum for the lifetime of the member; or
- (b) in its discretion and subject to such terms and conditions as it may impose, authorise an insurer to pay a member referred to in paragraph (2) a monthly sum which is less than the amount specified in regulation 14(1).

(4) Where 2 members of the Fund who are parties to a marriage have set aside jointly an amount which is 1.5 times the minimum sum in accordance with regulation 4(2), the total amount which they may be paid monthly under any approved annuities purchased using the amount they have set aside jointly shall not exceed the amount specified in regulation 14(2), unless approved by the Board in any particular case.

(5) Where 2 members of the Fund who are parties to a marriage have set aside jointly an amount which is 1.5 times the minimum sum in accordance with regulation 4(2), and either member dies or the members are divorced, the amount