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**CENTRAL PROVIDENT FUND ACT
(CHAPTER 36)**

**CENTRAL PROVIDENT FUND
(NEW MINIMUM SUM SCHEME) (AMENDMENT NO. 2)
REGULATIONS 2009**

In exercise of the powers conferred by section 77(1)(o) 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 (New Minimum Sum Scheme) (Amendment No. 2) Regulations 2009 and shall come into operation on 1st September 2009.

Amendment of regulation 3

2. Regulation 3 of the Central Provident Fund (New Minimum Sum Scheme) Regulations (Rg 31) (referred to in these Regulations as the principal Regulations) is amended —

(a) by inserting, immediately before the definition of “applicable age”, the following definition:

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

(b) by deleting the words “regulation 9(1), (2) or (3)” in the definition of “basic monthly income” and substituting the words “regulation 8A(1), (2) or (3) or 9(2) or (3)”; and

(c) by deleting the full-stop at the end of the definition of “relevant age” and substituting a semi-colon, and by inserting immediately thereafter the following definitions:

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

Amendment of regulation 7

3. Regulation 7 of the principal Regulations is amended —

(a) by inserting, immediately after the word “marriage” in paragraphs (1)(a) and (2)(a), the words “, and neither member is a relevant member”; and

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

“(ii) is not exempted under section 15(8) of the Act from complying with section 15(6)(a) of the Act;”.

New regulation 8A

4. The principal Regulations are amended by inserting, immediately after regulation 8, the following regulation:

“Payment from amount deposited with approved bank or in retirement account, in general

8A.—(1) Where a member is not a relevant member, and any amount of his minimum sum is deposited with an approved bank or in his retirement account under section 15(6C)(b)(i) of the Act, he may, subject to paragraphs (2), (3), (4) and (5) and regulations 9 and 10, on the date on which he attains the applicable age and at every monthly interval thereafter, be paid from the amount so deposited and any interest accruing thereon —

(a) in any case where the balance of the amount so deposited and any interest accruing thereon is less than \$250, the entire balance; or

(b) in any other case, the higher of the following:

(i) the amount computed in accordance with the formula set out in the second or third column of the Second Schedule, or the amount set out in the

second column of the Third Schedule, as the case may be; or

(ii) \$250.

(2) Where a member is or becomes a relevant member, and any amount of his minimum sum is deposited with an approved bank or in his retirement account under section 15(6C)(b)(i) of the Act, he may, subject to paragraphs (3), (4) and (5), in either the month in which he attains the applicable age or the month after he becomes a relevant member, whichever month is later, and at every monthly interval thereafter, be paid from the amount so deposited and any interest accruing thereon, an amount (in dollars) computed in accordance with the formula “ $(A \div N) + D$ ”, where —

(a) “A” is the difference between —

(i) the balance (in dollars) of the amount so deposited and any interest accruing thereon at the first time when an annuity plan is issued to the member; and

(ii) the aggregate amount (in dollars) of —

(A) all payments received by the member under this paragraph prior to the payment the amount of which is being computed; and

(B) any other withdrawals from the amount so deposited and any interest accruing thereon that are made after the annuity plan referred to in sub-paragraph (i) is issued to the member;

(b) “N” is the larger of 60 or the total number of months in the period —

(i) beginning with (and including) either the month in which the member attains the applicable age or the month after the annuity plan referred to in sub-paragraph (a)(i) is issued to him, whichever month is later; and

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- (ii) ending with (and including) the month in which the member will attain the age of 90 years; and
 - (c) “D” is an additional amount (in dollars) which is payable at the discretion of the Board, taking into account —
 - (i) the balance of the amount so deposited and any interest accruing thereon;
 - (ii) any additional amount which may be credited to the member’s account with the approved bank or retirement account after the annuity plan referred to in sub-paragraph (a)(i) is issued to him; and
 - (iii) any interest which may accrue on the additional amount referred to in sub-paragraph (ii).

(3) Where, prior to becoming a relevant member, a member has deposited any amount of his minimum sum with an approved bank under section 15(6C)(b)(i) of the Act, upon becoming a relevant member, the member may, subject to paragraphs (4) and (5), on the date on which he attains the applicable age and at every monthly interval thereafter, be paid from the amount so deposited and any interest accruing thereon —

- (a) in any case where the balance of the amount so deposited and any interest accruing thereon is less than \$250, the entire balance; or
- (b) in any other case, the higher of the following:
 - (i) the amount computed in accordance with the formula set out in the second or third column of the Second Schedule, or the amount set out in the second column of the Third Schedule, as the case may be; or
 - (ii) \$250.

(4) For the purposes of this regulation, the basic monthly income shall be payable to a member until 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

(including any interest accruing thereon) has been exhausted or until his death, whichever is the earlier.

(5) Where any payment in accordance with this regulation results in a balance of \$100 or less in the amount of the member's minimum sum deposited with the approved bank or in his retirement account under section 15(6C)(b)(i) of the Act and any interest accruing thereon, the Board may permit such balance to be paid together with the payment.”.

Amendment of regulation 9

5. Regulation 9 of the principal Regulations is amended —

(a) by deleting paragraph (1) and substituting the following paragraph:

“(1) This regulation applies 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 7, and that amount is deposited under section 15(6C)(b)(i) of the Act —

(a) with an approved bank; or

(b) in either or both of their respective retirement accounts.”;

(b) by deleting the words “as the minimum sum” in paragraph (3)(a)(ii) and (b);

(c) by deleting the words “maintained as the minimum sum by the member” in paragraph (4) and substituting the words “set aside by him (including any interest accruing thereon)”; and

(d) by deleting the regulation heading and substituting the following regulation heading:

“Payment from amount deposited with approved bank or in retirement account, where 2 members have set aside jointly 1.5 times the minimum sum”.