

Central Provident Fund (Revised Minimum Sum Scheme) Regulations 1995

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No. S 305

CENTRAL PROVIDENT FUND ACT
(CHAPTER 36)

CENTRAL PROVIDENT FUND (REVISED MINIMUM SUM SCHEME)
REGULATIONS 1995

In exercise of the powers conferred by section 77(1) of the Central Provident Fund Act, the Minister for Labour hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Central Provident Fund (Revised Minimum Sum Scheme) Regulations 1995 and shall be deemed to have come into operation on 1st July 1995.

Application

2.—(1) Unless otherwise provided, these Regulations shall apply to all members of the Fund who have attained or will attain the age of 55 years on or after 1st July 1995.

(2) Where a provision in these Regulations applies to a member who has attained the age of 55 years before 1st July 1995, the minimum sum applicable to that member shall be the minimum sum specified in the First Schedule.

(3) Where a provision in these Regulations applies to a member who has attained or will attain the age of 55 years on or after 1st July 1995, the minimum sum applicable to that member shall be the minimum sum specified in the Second Schedule.

Definitions

3. In these Regulations —

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

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

“bank” has the same meaning as in the Banking Act (Cap. 19);

“insurer” means any person registered under the Insurance Act (Cap. 142) to carry on insurance business in Singapore;

“retirement account” means an account maintained by a member with the Board with the minimum sum which he is required to set aside under section 15(6) of the Act.

PART II

MAINTENANCE OF MINIMUM SUM

Minimum sum required of individual

4. The minimum sum applicable to a member shall —

- (a) be the appropriate amount set out in the second column of the Second Schedule; and
- (b) comprise an amount in cash which is at least that specified in the third column of the Second Schedule and an amount covered by a charge on or pledge of an immovable property made under section 15 (9) or (10) or 21 of the Act which does not exceed that specified in the fourth column of that Schedule.

Withdrawal at age of 55 years and maintenance of minimum sum by individual

5.—(1) A member shall on attaining the age of 55 years, where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is 2 times the minimum sum applicable to him or more, transfer an amount that is equivalent to the minimum sum from the moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) to his retirement account as maintenance of the minimum sum.

(2) Where the amount of moneys standing to the credit of a member in the Fund (excluding the amount to be retained in the medisave account) at that time is less than 2 times the minimum sum applicable to him, the member shall transfer any amount in excess of that which he may withdraw under paragraph (3) to his retirement account as maintenance of the minimum sum.

(3) The amount which a member, falling within paragraph (2), may withdraw from the moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) is —

- (a) where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is \$10,000 or more but less than 2 times the minimum sum applicable to him, half the

amount of moneys standing to his credit in the Fund;

- (b) where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is \$5,000 or more but less than \$10,000, an amount of \$5,000; or
- (c) where the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) at that time is less than \$5,000, the whole amount standing to his credit in the Fund.

(4) Notwithstanding this regulation, a member may transfer the whole or part of the amount of moneys standing to his credit in the Fund (excluding the amount to be retained in the medisave account) to his retirement account to meet any shortfall in the minimum sum but such transfer shall be subject to the terms and conditions imposed by the Board.

Exemption from depositing of minimum sum

6.—(1) Where a member is at any period of time in receipt of a pension, annuity or other benefit which provides him with a monthly income for life —

- (a) if the monthly income from the pension, annuity or other benefit at that time is equal to or more than the basic monthly income, the member shall be exempted for that period of time from depositing a minimum sum under section 15(8) of the Act; and
- (b) if the monthly income from the pension, annuity or other benefit at that time is less than the basic monthly income, the member shall be required to retain an amount of moneys as the minimum sum that is not less than the required retention amount.

(2) The exemption given to such a member shall cease to apply if the member is no longer in receipt of the pension, annuity or other benefit.

(3) For the purposes of this regulation —

- (a) the basic monthly income for a member shall be computed in accordance with the formula $\frac{230M}{30,000}$

where M is the minimum sum applicable to the member; and

- (b) the required retention amount for a member shall be computed in

$$\frac{M(I - P)}{I}$$

accordance with the formula