

Redundancy Payments Fund Act (CHAPTER 266)

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REDUNDANCY PAYMENTS FUND ACT

(CHAPTER 266)

(Original Enactment: Act 2 of 1968)

REVISED EDITION 1985

(30th March 1987)

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

[1st March 1968]

Short title

1.—(1) This Act may be cited as the Redundancy Payments Fund Act.

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

“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 the 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;

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

“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 or by reason of the employer ceasing to carry on business for whatever reason or transferring the whole or part of his undertaking or property, as the case may be;
- (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;

“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.

[20/71]

Appointment of Director and Assistant Directors

3.—(1) The Minister may appoint a person to be styled the Director of the Redundancy Payments 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. 224].

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

Establishment of 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 section 6, 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 5 $\frac{1}{4}$ % after and in respect of each year ending on 31st December.

(4) If in any year the revenue of the Fund is 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 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 7 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 for 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 subsection (1) 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 3 months of the relevant date, given the authorisation referred to in subsection (1) 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 that employee the redundancy payment in respect of that employee as if that employee had given an authorisation under subsection (1).

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 section 6(1) or (5) or in respect of the retention of a redundancy payment under section 6(4).

(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 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 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 the Director or person in relation to his official duties.

Director to make periodic payments out of 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 proportion of wages (not exceeding 60% thereof) as the Minister may, by notification in the *Gazette*, declare and such payments shall continue —

(a) in the case of a member of the Fund who is a citizen of Singapore, until the