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Notification No. B 31 — The Home Affairs Uniformed Services Superannuation Bill is hereby published for general information. It was introduced in Parliament on the 25th day of July 2001.

Home Affairs Uniformed Services Superannuation Bill

Bill No. 31/2001.

Read the first time on 25th July 2001.

THE HOME AFFAIRS UNIFORMED SERVICES SUPERANNUATION ACT 2001

(No. of 2001)

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A BILL

i n t i t u l e d

An Act to establish a new occupational superannuation scheme known as the INVEST Plan for officers in the uniformed services under the Ministry of Home Affairs and the INVEST Fund for the purpose of that Plan and for matters connected therewith, and to make a consequential amendment to the Pension Fund Act (Chapter 224A of the 1996 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

PART I

PRELIMINARY

Short title and commencement

1. This Act may be cited as the Home Affairs Uniformed Services Superannuation Act 2001 and shall come into operation on such date 5
as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, unless the context otherwise requires —

“award officer” means any person appointed as an award officer under section 21 (1); 10

“Board” means the Board of Trustees appointed under section 19 for the administration and management of the INVEST Fund;

“civil defence officer” means any public officer appointed to the permanent establishment in the Civil Defence Service but 15
excludes any auxiliary member of the Civil Defence Force and any civil defence officer who is a national serviceman;

“Fund” means the INVEST Fund established under Part III;

“intelligence officer” means any public officer appointed to the permanent establishment in any scheme of service designated 20
by the Minister;

“INVEST Plan” means the INVEST Plan established by regulations made under Part II;

“junior police officer” means a police officer who is below the rank of inspector; 25

“member” means a member of the INVEST Plan;

“narcotics officer” means any public officer appointed to the permanent establishment in the Narcotics Service;

“national serviceman” has the same meaning as in the Enlistment Act (Cap. 93); 30

“police officer” means any public officer appointed to the permanent establishment in the Police (Senior) Service or the Police (Junior) Service but excludes any auxiliary police

officer, any member of the Special Constabulary constituted under Part VIII of the Police Force Act (Cap. 235) and any police officer who is a national serviceman;

5 “prison officer” means any public officer appointed to the permanent establishment in the Prisons Service;

“senior police officer” means any police officer other than a junior police officer;

“service” means regular service (whether part-time or full-time) as a uniformed service officer;

10 “trustee” means a member of the Board appointed under section 19;

“uniformed service officer” means any civil defence officer, intelligence officer, narcotics officer, police officer or prison officer.

15

PART II

INVEST PLAN

Establishment of INVEST Plan

3.—(1) The Minister shall by regulations establish an occupational superannuation scheme to be known as the INVEST Plan for the benefit of —

- (a) all civil defence officers appointed on or after the commencement of the regulations;
- (b) all narcotics officers appointed on or after the commencement of the regulations;
- 25 (c) all police officers appointed on or after the commencement of the regulations;
- (d) all prison officers appointed on or after the commencement of the regulations; and
- 30 (e) all intelligence officers who, immediately before being appointed as an intelligence officer, were members of the scheme,

who will or (as the case may be) continue to be members of the scheme.

(2) The regulations made under subsection (1) shall provide for the payment of —

- (a) any gratuity, allowance, superannuation or other like benefit to members of the INVEST Plan, or to their legal personal representatives or dependants, on the death of the member in service or on the resignation, retirement or discharge of the member from the service; 5
- (b) any pension, gratuity, allowance, compensation or other benefit in respect of the death of or injuries received by any member of the INVEST Plan in and which are attributable to service; and 10
- (c) any allowance, subsidy or other benefit to such former members of the INVEST Plan as may be prescribed after their retirement from the uniformed services.

(3) The regulations made under subsection (1) may provide — 15

- (a) for the payment of contributions by the Board in respect of each member, and different rates of contributions may be prescribed for different classes of uniformed service officers who are members; and
- (b) for the age or ages at which a member may retire or be retired from the service. 20

Conversion of existing officers to INVEST Plan

4.—(1) Subject to subsection (3), in making regulations under section 3 (1), the Minister shall also provide —

- (a) for every civil defence officer, narcotics officer, police officer or prison officer who is appointed before the commencement of those regulations and who, immediately prior to such commencement, is eligible (whether on retirement or in respect of death or injury in or attributable to service) for any pension, gratuity or other allowance under the Pensions Act (Cap. 225); and 25
- (b) for every officer who is appointed before the commencement of those regulations to the Civil Defence Service, the Narcotics Service, the Police (Senior) Service, the Police (Junior) Service or the Prisons Service on a contract for a term 35

and who, immediately prior to such commencement, is eligible for any gratuity or other like benefit under the contract,

an option to join the INVEST Plan as a member thereof and for the terms and conditions of such an option.

5 (2) Subject to subsection (3), the regulations made under section 3 (1) in relation to the officers referred to in subsection (1) shall provide —

(a) in the case of a uniformed service officer referred to in subsection (1) (a), that any such officer who opts to join the
10 INVEST Plan shall cease to be eligible to benefits under the Pensions Act (Cap. 225) but shall remain eligible under the INVEST Plan to benefits not less in value than the amount of any pension, gratuity or other allowance for which he would have been granted under the Pensions Act if he
15 retired from service, or was injured or died in service, on the date immediately prior to his joining the INVEST Plan; and

(b) in the case of an officer referred to in subsection (1) (b), that any such officer who opts to join the INVEST Plan shall remain eligible to benefits not less in value than the amount
20 of any gratuity or other like benefit for which he would have been granted under his contract if he had completed his term of service under the contract on the date immediately prior to his joining the INVEST Plan.

(3) Any option exercised by any officer before the commencement
25 of the regulations to join or not to join the INVEST Plan shall be deemed to be exercised in accordance with the regulations made under this section.

Benefits not as of right

5. No member shall have an absolute right to compensation for
30 past services or to any pension, gratuity, allowance or other benefit under the INVEST Plan.

Reduction, etc., of benefits

6.—(1) Nothing in this Act shall limit the right of the relevant appointing authority to dismiss any member from the uniformed
35 services without compensation.

(2) Subject to Article 113 of the Constitution, where it is established to the satisfaction of the relevant appointing authority that a member has been guilty of negligence, irregularity or misconduct, it shall be lawful for the relevant appointing authority to reduce or altogether withhold the pension, gratuity, allowance or other benefit for which the member would but for this section have become eligible under the INVEST Plan. 5

(3) In this section, “relevant appointing authority” means —

- (a) in the case of a member who is a junior police officer, the Commissioner of Police; and 10
- (b) in the case of a member who is a civil defence officer, intelligence officer, narcotics officer, prison officer or senior police officer, the Public Service Commission or any of its delegates.

Non-assignability or attachment, etc., of benefits 15

7. No payments, allowance or other benefit payable under the INVEST Plan (whether on death, retirement or resignation of a member or otherwise), and no contribution by the Government made under the INVEST Plan and no interest thereon shall be assignable or transferable, or liable to be garnished, attached, sequestered or levied upon for or in respect of any debt or claim, other than — 20

- (a) a debt due to the Government; or
- (b) an order of court for the payment of periodical sums of money towards the maintenance of the wife or former wife or minor child (whether legitimate or not) of the member to whom the payment, allowance or other benefit has been granted. 25

Effect of bankruptcy on benefits

8.—(1) No contribution by the Government made under the INVEST Plan and no interest thereon shall be subject to the debts of any member thereof, nor shall such contributions and interest pass to the Official Assignee on the bankruptcy of the member, and if the member is adjudicated a bankrupt or is declared insolvent by a court of law, such contributions and interest shall be deemed excluded from the property of the bankrupt for the purposes of the Bankruptcy Act (Cap. 20). 30 35

(2) If, at the date of his retirement or resignation from the uniformed services, any member has been adjudged a bankrupt by judgment of a court of competent jurisdiction, whether in Singapore or elsewhere, and he has not obtained his discharge from such adjudication or declaration, it shall be lawful for an award officer to refuse to grant any pension, gratuity or other allowance which would, if not for this subsection, be granted.

(3) If any person to whom a pension or other allowance has been granted under this Act is adjudicated a bankrupt by judgment of a court of competent jurisdiction, whether in Singapore or elsewhere, the Minister may direct that such pension or allowance shall forthwith cease, and thereupon such pension or allowance shall cease accordingly.

(4) In any case where, by reason of bankruptcy of the former member, a pension, gratuity or allowance is not granted or where a pension or allowance ceases by virtue of a direction under subsection (3), it shall be lawful for the Minister, from time to time, during the remainder of the member's or former member's life, or during such shorter period or periods, either continuous or discontinuous, as the Minister thinks fit, to cause all or any part of the moneys to which such person would have been entitled by way of pension, gratuity or allowance, had he not become a bankrupt, to be paid to, or applied for the maintenance and personal support or benefit of, all or any (to the exclusion of the others) of the following persons in such proportions and manner as the Minister thinks proper:

- (a) the member or former member himself; and
- (b) any wife, child or children of his.

(5) When a person to whom a pension or allowance has not been granted or whose pension or allowance has ceased under this section obtains a full and proper discharge from his bankruptcy, his pension or allowance shall be restored to him with effect from the date of such discharge.

(6) For the purposes of subsection (4), moneys applied for the discharge of the debts of the member or former member, as the case may be, shall be regarded as applied for his benefit.

Benefits to cease on conviction

9.—(1) If any person to whom a pension or other allowance has been granted under this Act is sentenced to death or penal servitude or any term of imprisonment, by any court of competent jurisdiction, whether in Singapore or elsewhere, for any crime or offence, the Minister may direct that such pension or allowance shall forthwith cease, and thereupon such pension or allowance shall cease accordingly. 5

(2) Notwithstanding subsection (1), any pension or allowance that has ceased by virtue of a direction under subsection (1) shall be restored with retrospective effect in the case of a person who, after conviction, at any time receives a free pardon. 10

(3) Where a pension or allowance ceases by virtue of a direction under subsection (1), it shall be lawful for the Minister to cause all or any part of moneys to which the person would have been entitled by way of pension or allowance to be paid to or applied for the benefit of his wife, child or children, or after the expiration of his sentence, also for the benefit of himself, in the same manner precisely and subject to the same qualifications and restrictions as in the case of bankruptcy provided in section 8. 15 20

Benefits not part of member's estate

10. Subject to the provisions of any regulations made under this Part, all moneys paid or payable under the INVEST Plan on the death of a member thereof shall be deemed to be subject to a trust in favour of the persons entitled thereto under the will or intestacy of such deceased member and shall not be deemed to form part of his estate or be subject to the payment of his debts but shall be deemed to be property passing on his death for the purposes of the Estate Duty Act (Cap. 96). 25

Recovery of benefits granted in ignorance of disqualifying facts 30

11. It shall be a condition of the grant of every pension, gratuity, allowance or other benefit under the INVEST Plan that the Government may recover, cancel or reduce the grant if it be shown to have been obtained by the wilful suppression of material facts or to have been granted in ignorance of facts which, had they been known before the retirement or resignation of the member, would have justified his dismissal or a reduction of his salary. 35

PART III
INVEST FUND

Establishment of INVEST Fund

12.—(1) There shall be established a fund to be called the INVEST
5 Fund into which shall be paid all the following moneys:

- (a) such sums appropriated from the Consolidated Fund and authorised to be paid into the Fund by or under any written law to enable the Fund to meet its liabilities under this Act or any other written law;
- 10 (b) all revenues of Singapore allocated by written law to the Fund; and
- (c) the net income from investments of moneys in the Fund authorised to be made by this Act or any other written law.

15 (2) There shall also be paid into the Fund such sum from the Pension Fund established by the Pension Fund Act (Cap. 224A) as the Minister for Finance may determine as the value of that part of the Pension Fund relating to all those officers in the uniformed services referred to in section 4 (1) (a) who exercise an option in
20 favour of joining the INVEST Plan in accordance with the regulations.

(3) The Fund shall be deemed to be a Government fund for the purposes of any other written law, but shall be administered separately from all other Government funds.

25 (4) Except as otherwise expressly provided in this Act or regulations made under section 24, the Financial Procedure Act (Cap. 109) shall apply to the Fund.

(5) For the purposes of subsection (1) (c), the net income from investments shall be the amount ascertained by adding to, or
30 deducting from, the income received from investments of moneys in the Fund any profit derived or loss sustained, as the case may be, from the realisation of such investments.

Purposes of Fund

13. The moneys in the Fund shall only be withdrawn and applied to meet any one or more of the following purposes:

- (a) the payment of any pension, gratuity, allowance, compensation or other like benefit granted under the INVEST Plan; 5
- (b) all expenses incidental to or arising from the administration, investment and management of moneys in the Fund; and
- (c) such other expenses relating to the granting of any pension, gratuity, allowance, compensation or other like benefit 10 under the INVEST Plan and expressly provided by written law to be met out of the Fund.

Administration of Fund

14.—(1) The Fund shall be managed and administered by the Board appointed under section 19 subject to the direction and control of the Minister. 15

(2) The Board shall furnish to the Minister such information relating to the general management and administration of the Fund as the Minister may, from time to time, require.

Investment

20

15.—(1) Notwithstanding section 7 (3) of the Financial Procedure Act (Cap. 109), moneys standing to the credit of the Fund which are, in the opinion of the Board, moneys that are not for the time being required for the purpose of making payments out of the Fund under this Act and the INVEST Plan may, so far as is practicable, be invested by the Board in such stocks, funds, securities and investments as the Board thinks fit (but not any stock, bond or security issued by the Government) and in any manner, but the Board shall manage the Fund so that moneys that are from time to time required to pay benefits that are payable out of the Fund are available for that purpose. 25 30

(2) The Board may invest moneys standing to the credit of the Fund that are available for investment through an investment manager or managers who undertake to invest, and manage the investment of those moneys on behalf of the Board. 35

(3) If any investment manager is engaged by the Board under subsection (2), the Board shall ensure that the investment manager —

- (a) operates within the investment powers of the Board and the investment strategy and policy as determined for the time being by the Board; and
- (b) reports to the Board on the state of its investments and the investment market at such times and in such manner as the Board determines.

Deficiencies

10 **16.**—(1) Subject to subsection (2), where the moneys in the Fund are insufficient to pay any pension, gratuity, allowance, compensation or other like benefit at the time when such payment becomes due under the INVEST Plan, the deficiency shall be charged on and payable out of the Consolidated Fund.

15 (2) Subsection (1) shall apply only to any pension, gratuity, allowance, compensation or other like benefit —

- (a) in respect of any uniformed service officer referred to in section 4 (1) (a) who opts to join the INVEST Plan; or
- (b) prescribed under any written law enacted on or after the commencement of the regulations made under section 3.

Fund surpluses

25 **17.** The Minister may, by warrant under his hand, authorise the transfer to the Consolidated Fund any moneys in the Fund which, in the opinion of the Minister and the Minister for Finance, are not immediately required to meet the liabilities or the purposes of the Fund.

Withdrawals

30 **18.**—(1) No moneys shall be withdrawn from the Fund unless they are charged upon the Fund or are authorised or directed to be withdrawn or transferred under this Act.

(2) No payment shall be made out of the Fund unless such payment is authorised by the Minister.

PART IV
BOARD OF TRUSTEES AND
AWARD OFFICERS

Appointment of Board

19.—(1) There shall be a Board of Trustees consisting of not less 5
than 5 and not more than 15 persons, all of whom shall be appointed
by the Minister.

(2) The trustees shall be appointed for such period, not exceeding
3 years, as the Minister may specify in the instrument of appointment,
and shall be eligible for re-appointment. 10

(3) A trustee shall hold office on such terms and conditions as are
determined by the Minister.

(4) If at any time it appears to the Minister that removal from
office of any of the trustees is necessary in the interests of the
effective and economical performance of the functions of the Board 15
under this Act, the Minister may remove from office so many of those
trustees as he considers necessary in those interests.

(5) All trustees shall be deemed to be public servants within the
meaning of the Penal Code (Cap. 224).

(6) All trustees shall be deemed to be public officers for the 20
purposes of the Financial Procedure Act (Cap. 109) and section 20 of
that Act shall apply to such persons notwithstanding that they are not
or were not in the employment of the Government.

Functions and powers of Board

20.—(1) The functions of the Board are to manage and invest the 25
Fund in accordance with the provisions of this Act including, without
limiting the generality of the foregoing, the following functions:

- (a) to advise the Minister on the interest rates for the purposes
of the INVEST Plan;
- (b) to advise the Minister on proposed changes to any 30
regulations made under Part II in relation to the INVEST
Plan; and
- (c) to exercise any other functions and duties conferred on the
Board by or under any other written law.

(2) The Board shall have power to do all things necessary or convenient to be done for, or in connection with, the performance of its functions and, in particular, may —

(a) appoint agents and attorneys;

5 (b) engage consultants and investment managers; and

(c) take action to control or manage, or to enhance or protect, the value of, any investment made out of the Fund, or to enhance or protect, the return on any such investment.

(3) In exercising its functions and powers, the Board shall have
10 regard to —

(a) the interests of members; and

(b) any directions of the Minister on any matter that is relevant to the performance of its functions, duties and powers.

(4) The trustees shall not, by reason only of their having made
15 such appointment or engagement under subsection (2) (a) or (b), be responsible for any default of the agent, attorney, consultant or investment manager if appointed or engaged in good faith.

Award officers and appeal authority

21.—(1) The Minister —

20 (a) may appoint one or more public officers as award officers to assess, award or pay pensions, gratuities, allowances and other like benefits under the INVEST Plan; and

(b) may give such directions as he thinks fit to any such award officer in the discharge of his duties.

25 (2) The INVEST Plan shall be administered by award officers appointed under subsection (1) subject to the direction and control of the Minister and, except as otherwise provided by any regulations made under Part II in relation to the INVEST Plan, no award of benefits under the INVEST Plan shall be subject to appeal to any
30 court.

(3) The Minister, or any person appointed by him for this purpose, may, on appeal, review any award of benefits by any award officer, and for this purpose may vary any award made by an award officer, whether by increasing or decreasing such award, and the decision of
35 the Minister or such person so appointed shall be final and conclusive and shall not be subject to appeal to any court.

(4) Every appeal against any award of benefits under the INVEST Plan shall be brought within 12 months of the date the appellant is notified of the decision of an award officer, or such longer period as the Minister or person appointed under subsection (3) may allow in any particular case.

5

PART V

AUDIT AND ACCOUNTING

Accounts, financial statements and audit

22.—(1) The Board shall cause to be kept proper accounts and records of all transactions and affairs relating to the Fund and shall ensure that payments out of the Fund are correctly made and properly authorised and that adequate control is maintained over the assets and receipts of the Fund.

10

(2) The Minister shall, as soon as practicable after the close of each financial year, cause to be prepared and submitted financial statements in respect of that year to the auditor referred to in subsection (3).

15

(3) The accounts and annual financial statements of the Fund shall be audited by the Auditor-General or such other auditor as may be appointed annually by the Minister in consultation with the Auditor-General.

20

(4) A person shall not be qualified for appointment as an auditor under subsection (3) unless he is an approved company auditor within the meaning of the Companies Act (Cap. 50).

(5) The remuneration of the auditor shall be paid out of the Fund.

25

(6) As soon as the financial statements have been audited, the auditor shall send to the Minister a copy of the audited financial statements together with a copy of any report made by the auditor.

(7) Where the Auditor-General is not the auditor of the Fund, a copy of the audited financial statements and any report made by the auditor shall be forwarded to the Auditor-General when they are submitted to the Minister.

30

(8) The Minister shall as soon as practicable cause a copy of the audited financial statements and of the report of the auditor to be presented to Parliament.

(9) The financial year of the Fund shall begin on 1st April of each year and end on 31st March of the succeeding year, except that the first financial year of the Fund shall begin on the date of commencement of this Act and end on 31st March of the succeeding year.

Periodic examination of Fund

10 **23.**—(1) For successive periods of such duration, not exceeding 5 years, as the Minister may determine in each case, an examination of the Fund shall be made by a person appointed by the Minister with a view to determining the state of the Fund having regard to its prospective liabilities and the probable annual provisions required by
15 the Fund to meet those liabilities.

(2) Notwithstanding subsection (1), where an amendment is made to the INVEST Plan, and the amendment affects the cost of benefits payable under the INVEST Plan or creates an initial unfunded liability, the Minister may, for the purposes of section 12 (1) (a),
20 appoint a person to make an examination and report on the state of the Fund.

(3) The person appointed under subsection (1) or (2) shall, at the end of his examination, report to the Minister for Finance and the Minister the state of the Fund having regard to its prospective
25 liabilities and the probable annual provisions required by the Fund to meet those liabilities.

(4) The Minister shall cause a copy of every such report to be presented to Parliament forthwith after receipt thereof.

Regulations for administration of Fund

30 **24.** The Minister may make regulations for the proper control and management of the Fund and, in particular, regulations —

- (a) providing for the remuneration of the trustees;
- (b) prescribing the procedure to be followed by the Board in the exercise of its functions; and
- 35 (c) relating to the accounting, reporting, auditing and periodic examination of the Fund.

PART VI

CONSEQUENTIAL AMENDMENT

Consequential amendment to Pension Fund Act

25. Section 9 of the Pension Fund Act (Cap. 224A) is amended by inserting, immediately after subsection (2), the following subsection: 5

“(3) The Minister may by warrant under his hand authorise the transfer to the INVEST Fund established under section 12 of the Home Affairs Uniformed Services Superannuation Act 2001 such moneys in the Pension Fund as the Minister may determine as the value of that part of the Pension Fund relating to all those 10 public officers who opted in favour of joining the INVEST Plan established under that Act.”.

EXPLANATORY STATEMENT

This Bill seeks to establish the INVEST Plan and the INVEST Fund for the purpose of the superannuation scheme and for matters connected therewith, and to make a consequential amendment to the Pension Fund Act (Cap. 224A).

PART I

PRELIMINARY

Clause 1 relates to the short title and commencement.

Clause 2 defines various terms used in the Bill. The terms “civil defence officer” and “police officer” exclude any such officer who is a national serviceman. Also excluded from the definitions are auxiliary police officers and members of the Special Constabulary. The term “uniformed service officer” refers to a civil defence officer, intelligence officer, narcotics officer, police officer or prison officer.

PART II

INVEST PLAN

Clause 3 empowers the Minister to make regulations establishing an occupational superannuation scheme known as the INVEST Plan providing for payments of any gratuity, allowance or other like benefits to members of the INVEST Plan or to their legal personal representatives or dependants, on the death of the member in the service of or on the resignation, retirement or discharge of the person from any of the uniformed services. The INVEST Plan will also provide for compensation or other benefits in respect of the death of or injuries received by any member and post-retirement benefits for former members. The members of the

INVEST Plan are civil defence officers, narcotics officers, police officers and prison officers who are appointed to the permanent establishment on or after the commencement of the regulations, and intelligence officers who were members of the INVEST Plan before becoming intelligence officers.

Clause 4 empowers the Minister, in making regulations, to allow existing civil defence officers, narcotics officers, police officers and prison officers who are eligible to benefits under the Pensions Act (Cap. 225), and for officers in these uniformed services who are appointed on contract an option to convert and join the INVEST Plan as members. The regulations, however, must provide that a converting officer must remain eligible under the INVEST Plan to benefits not less in value than the amount of benefits for which he would have been granted under the Pensions Act or (as the case may be) his contract if he retired from the service on the date or completed his contract on the eve of his joining the INVEST Plan, as the case may be.

Clause 5 states that no member of the INVEST Plan is entitled to any compensation for past services or to any pension, gratuity, allowance or other benefit under the INVEST Plan.

Clause 6 allows the relevant appointing authority of a member, if it is established to its satisfaction that the member has been guilty of negligence, irregularity or misconduct, to reduce or altogether withhold the pension, gratuity, allowance or other benefit for which the member would but for this provision have become eligible under the INVEST Plan. The appointing authority for a police officer below the rank of inspector is the Commissioner of Police. For all other members, the appointing authority is the Public Service Commission or any of its delegates. The clause is subject to Article 113 of the Constitution, which requires the relevant appointing authority to obtain the concurrence of the Public Service Commission before reducing or withholding the benefits.

Clause 7 provides that the benefits payable under the INVEST Plan (whether on death, retirement or resignation of a member or otherwise), and any contribution by the Government made under the INVEST Plan and interest thereon, cannot be assigned or transferred, or be liable to be garnished, attached, sequestered or levied upon for or in respect of any debt or claim, except a debt due to the Government, or an order of court for the payment of maintenance of the wife or former wife or minor child (whether legitimate or not) of the member.

Clause 8 deals with the effect of bankruptcy. The contributions by the Government under the INVEST Plan will be excluded from the bankrupt member's estate. Benefits under the INVEST Plan may be refused if the member is a bankrupt at the time of his retirement or resignation. If the former member or member becomes bankrupt after having been granted any pension or other allowance, those payments may be directed by the Minister to cease except that the Minister has the discretion to direct payments to continue to the former member's or member's family or dependants or to the former member or member, as the case may be, to help discharge his bankruptcy.

Clause 9 deals with the consequences of a conviction on benefits granted. If a member is convicted after having been granted any pension or allowance, those payments may be directed by the Minister to cease except that the Minister has the discretion to direct payments to continue to the member's family or dependants.

Clause 10 provides that moneys paid or payable under the INVEST Plan on the death of a member thereof shall be deemed to be subject to a trust in favour of the persons entitled thereto under the will or intestacy of such deceased member and shall not be deemed to form part of his estate or be subject to the payment of his debts but shall be deemed to be property passing on his death for the purposes of the Estate Duty Act (Cap. 96).

Clause 11 states that it is a condition of the grant of every pension, gratuity, allowance or other benefit under the INVEST Plan that the Government may recover, cancel or reduce the grant if it be shown to have been obtained by the wilful suppression of material facts or to have been granted in ignorance of facts which, had they been known before the retirement or resignation of the member, would have justified his dismissal or a reduction of his salary.

PART III INVEST FUND

Clause 12 establishes the new Government fund to be called the INVEST Fund (the Fund) which is to be managed separately from all other Government funds. The Fund is to comprise the following moneys:

- (a) such sums appropriated from the Consolidated Fund and authorised to be paid into the Fund by or under any written law to enable the Fund to meet the liabilities of the Fund under the Act or any other written law;
- (b) all revenues of Singapore allocated by written law to the Fund; and
- (c) the net income from investments of moneys in the Fund authorised to be made by the Act or any other written law.

There shall also be paid into the Fund such sum from the Pension Fund established by the Pension Fund Act (Cap. 224A) as the Minister for Finance may determine as the value of that part of the Pension Fund relating to all those serving officers in the uniformed services who convert in favour of joining the INVEST Plan.

Clause 13 states that the moneys in the Fund can only be withdrawn and applied to meet any one or more of the following purposes:

- (a) the payment of any pension, gratuity, allowance, compensation or other like benefit granted under the INVEST Plan;
- (b) all expenses incidental to or arising from the administration, investment and management of moneys in the Fund; and
- (c) such other expenses relating to the granting of any pension, gratuity, allowance, compensation or other like benefit under the INVEST Plan and expressly provided by written law to be met out of the Fund.

Clause 14 states that the Fund shall be managed and administered by the Board of Trustees (the Board) appointed under section 19 subject to the direction and control of the Minister.

Clause 15 overrides section 7 (3) of the Financial Procedure Act (Cap. 109) expressly allowing moneys standing to the credit of the Fund which are not for the time being required for the purpose of making payments out of the Fund to be invested by the Board in such stocks, funds, securities and investments as the Board thinks fit (but not any stock, bond or security issued by the Government). The Board is required to manage the Fund so that moneys that are from time to time required to pay benefits that are payable out of the Fund are available for that purpose. The Board is also allowed to appoint investment managers for this purpose.

Clause 16 provides that where the moneys in the Fund are insufficient to pay any benefit at the time when such payment becomes due under the INVEST Plan, the deficiency shall be charged on and payable out of the Consolidated Fund. This fall-back provision applies to benefits payable to officers who opted to convert to the INVEST Plan. The provision may be extended in future by written law to other officers.

Clause 17 empowers the Minister, by warrant under his hand, to authorise the transfer to the Consolidated Fund any surplus moneys in the Fund which, in the opinion of the Minister and the Minister for Finance, are not immediately required to meet the liabilities or the purposes of the Fund.

Clause 18 provides that no moneys can be withdrawn from the Fund unless they are charged upon the Fund or are authorised or directed to be withdrawn or transferred under the Act. All withdrawals must be authorised by the Minister.

PART IV

BOARD OF TRUSTEES AND AWARD OFFICERS

Clause 19 provides for the appointment of the Board comprising not less than 5 and not more than 15 persons, all of whom are to be appointed by the Minister.

Clause 20 deals with the functions and powers of the Board.

Clause 21 provides for the appointment by the Minister of award officers to administer the INVEST Plan. An award officer's decision may be appealed against to the Minister, or a person appointed by the Minister for the purpose, whose decision on appeal is final.

PART V

AUDIT AND ACCOUNTING

Clause 22 deals with the preparation of the annual financial statements for the Fund at the end of each financial year, and for the audit thereof by the

Auditor-General or a company auditor appointed annually by the Minister in consultation with the Auditor-General.

Clause 23 provides for periodic examination of the Fund with a view to determining the state of the Fund having regard to its prospective liabilities and the probable annual provisions required by the Fund to meet those liabilities. The examination must be carried out for successive periods of such duration, not exceeding 5 years, as the Minister may determine in each case. The examination is to be made by a person appointed by the Minister. The clause also provides for an ad-hoc examination of the Fund at the request of the Minister, where an amendment is made to the INVEST Plan, and the amendment affects the cost of benefits payable under the INVEST Plan or creates an initial unfunded liability. This examination is done to determine the amount to be appropriated from the Consolidated Fund for the purposes of the INVEST Plan.

Clause 24 confers power on the Minister to make regulations prescribing the procedure to be followed by the Board in the exercise of its functions, and relating to the accounting, reporting, auditing and periodic examination of the Fund.

PART VI

CONSEQUENTIAL AMENDMENT

Clause 25 makes a consequential amendment to section 9 of the Pension Fund Act (Cap. 224A) to enable the Minister for Finance to transfer such part of the Pension Fund to the INVEST Fund which he determines as relating to those serving uniformed service officers who opt to join the INVEST Plan.

EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.
