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Education Service Incentive Payment Bill

Bill No. 41/2001.

Read the first time on 25th September 2001.

THE EDUCATION SERVICE INCENTIVE PAYMENT 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 scheme known as the CONNECT Plan to encourage long service by teachers under the control or management of the Government and the CONNECT Fund for the purpose of that Plan and for matters connected therewith.

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 Education Service Incentive Payment Act 2001 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint. 5

Interpretation

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

“aided school” means a school which —

(a) is established by any person other than the Government; and 10

(b) is conducted by a committee of management which is in receipt of a grant-in-aid from the Government for the defraying of the expenses incurred for conducting the school, 15

but excludes an independent school;

“CONNECT Plan” means the CONNECT Plan established by regulations made under section 3;

“Fund” means the CONNECT Fund established under section 11;

“Government school” means any school that is established by and under the management of the Government but excludes an independent school; 20

“independent school” means any school that is —

(a) specified in any order made under section 3 (1) of the School Boards (Incorporation) Act (Cap. 284A); or 25

(b) a school which is declared by the Minister by notification in the *Gazette* to be an independent school for the purposes of this Act;

“qualifying service” means teaching service prescribed to be qualifying service; 30

“school” includes a junior college and a centralised institute but excludes any tertiary institute or training institute;

“teaching duties” includes —

- (a) the administration of any school;
- (b) the inspection or supervision of persons engaged in teaching duties in any school; and
- 5 (c) other duties connected with the teaching or other services provided at any school, being duties for the performance of which experience as a teacher is an advantage;

10 “teaching service” means service, whether part-time or whole-time —

- (a) as a public officer in the Education Service; or
- (b) as an employee of an aided school for teaching duties.

PART II

CONNECT PLAN

15 **Establishment of CONNECT Plan**

3.—(1) The Minister shall by regulations establish a scheme to be known as the CONNECT Plan for the benefit of —

- 20 (a) all public officers appointed (whether before or after the commencement of the regulations) to the permanent establishment in the Education Service and who are below Superscale grade; and
- (b) all persons employed other than for a term (whether before or after the commencement of the regulations) by the managers of any aided school for teaching duties, and who
- 25 are remunerated on terms equivalent to any public officer referred to in paragraph (a),

who, on or after the commencement of those regulations, will be members of the scheme.

30 (2) The regulations made under subsection (1) shall provide the payment of an award to a member of the CONNECT Plan or, if the member dies before such payment, to such of his dependants as the Minister thinks fit or, if there are no dependants, to his legal personal representative, on account of the member completing the prescribed period of qualifying service.

- (3) The regulations made under subsection (1) shall provide —
- (a) for the payment of contributions by the Government to the CONNECT Fund in respect of each member, including prescribing different contributions for different classes of members; 5
 - (b) for the circumstances under which such contributions and awards may be withheld or restored; and
 - (c) for the determination of qualifying service.

Awards not as of right

4. No member shall have an absolute right to compensation for 10
past service or to any award under the CONNECT Plan.

Saving for powers of dismissal of employer

5. Nothing in this Act or any regulations made under section 3
shall limit any right of the Public Service Commission, or any of its
delegates, or the managers of any aided school to dismiss without 15
compensation any member from its teaching service.

Non-assignability or attachment, etc., of awards

6. No award payable under the CONNECT Plan, no contribution
by the Government made under the CONNECT Plan and no interest
thereon (if any) shall be assignable or transferable, or liable to be 20
garnished, attached, sequestered or levied upon for or in respect of
any debt or claim, other than —

- (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 25
or minor child (whether legitimate or not) of the member to
whom the award has been granted.

Contributions excluded from bankrupt member's property

7.—(1) No contribution by the Government made under the
CONNECT Plan and no interest thereon (if any) shall be subject to 30
the debts of any member thereof.

(2) No contribution and interest mentioned in subsection (1) shall
pass to the Official Assignee on the bankruptcy of a member, and if

the member is adjudicated a bankrupt, such contribution and interest (if any) shall be deemed excluded from the property of the bankrupt for the purposes of the Bankruptcy Act (Cap. 20).

Effect on conviction, dismissal, etc., on awards and contributions

5 **8.**—(1) It shall be lawful for the Minister to withhold or refuse to pay (in whole or in part) any award which would under this Act or the regulations made under section 3 be paid to a member if, at the date of the payment of the award, the member —

10 (a) has been convicted and 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 and has not received a free pardon; or

15 (b) has been dismissed, reduced in rank or charged with any disciplinary charge for any negligence, irregularity or misconduct in the teaching service.

(2) It shall also be lawful for the Minister to withhold or refuse (in whole or in part) any contribution which is required by this Act or the regulations made under section 3 to be made by the Government on
20 account of a member under the CONNECT Plan if, at the date the contribution is due, the member —

25 (a) has been convicted and 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 and has not received a free pardon; or

 (b) has been dismissed, reduced in rank or charged with any disciplinary charge for any negligence, irregularity or misconduct in the teaching service.

30 **Awards not part of member's estate**

9. Subject to the provisions of any regulations made under section 3, all moneys paid or payable under the CONNECT Plan in respect of a deceased member shall not be deemed to form part of his estate or be subject to the payment of his debts but shall be deemed
35 to be property passing on his death for the purposes of the Estate Duty Act (Cap. 96).

Recovery of awards paid in ignorance of disqualifying facts

10. It shall be a condition of the payment of every award under the CONNECT Plan that the Government may recover, cancel or reduce it if it be shown to have been obtained by the wilful suppression of material facts or to have been paid in ignorance of facts which, had they been known before the payment of that award to the member, would have justified his dismissal from the teaching service or a reduction of his salary. 5

PART III

CONNECT FUND

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Establishment of CONNECT Fund

11.—(1) There shall be established a fund to be called the CONNECT 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 as contributions under the CONNECT Plan or to enable the Fund to meet its liabilities under this Act or any other written law; 15
- (b) all revenues of Singapore allocated by written law to the Fund; and 20
- (c) the net income from investments of moneys in the Fund authorised to be made by this Act or any other written law.

(2) The Fund shall be regarded as a Government fund and as comprising public moneys for the purposes of any other written law.

(3) For the purposes of subsection (1) (c), the net income from investments shall be the amount ascertained by adding to, or 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. 25

Purposes of Fund

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12. 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 award under the CONNECT Plan;

(b) all expenses incidental to or arising from the administration, investment and management of the Fund, including the cost of auditing the accounts of the Fund; and

5 (c) such other purposes related to aided schools or Government schools as may be prescribed by the Minister by notification in the *Gazette*.

Fund surpluses

13. The Minister may, by warrant under his hand, authorise the transfer to the Consolidated Fund any moneys in the Fund which, in
10 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

14.—(1) No moneys shall be withdrawn from the Fund unless
15 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

AUDIT AND ACCOUNTING

Accounts, financial statements and audit

15.—(1) The Minister shall be responsible for the administration of the Fund.

(2) The Minister shall cause to be kept proper accounts and
25 records of all transactions and affairs relating to the Fund and shall do all things necessary to 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.

(3) The Minister shall, as soon as practicable after the close of each
30 financial year, cause to be prepared and submitted financial statements in respect of that year to the auditor referred to in section 16.

(4) 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 the commencement of section 11 of this Act and end on 31st March of the succeeding year.

Appointment, powers and duties of auditor

16.—(1) 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. 5

(2) A person shall not be qualified for appointment as an auditor under subsection (1) unless he is an approved company auditor within the meaning of the Companies Act (Cap. 50). 10

(3) The remuneration of the auditor shall be charged upon the Fund.

(4) The auditor or any person authorised by him is entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Fund and may make copies of, or extracts from, any such accounting and other records. 15

(5) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of his functions under this Act. 20

(6) Any person who fails, without reasonable excuse, to comply with any requirement of the auditor under subsection (1) or who otherwise hinders, obstructs or delays the auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000. 25

(7) The auditor shall in his report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Fund; 30
- (b) whether proper accounting and other records have been kept, including records of all assets of the Fund;
- (c) whether receipts, expenditure, and investment of moneys and the acquisition and disposal of assets on account of the Fund during the financial year were in accordance with the provisions of this Act; and 35

(d) such other matters arising from the audit as he considers necessary.

(8) The auditor shall —

5 (a) as soon as practicable after the accounts have been submitted for audit, send a report of his audit to the Minister; and

(b) submit such periodical and special reports to the Minister as may appear to him to be necessary or as the Minister may require.

10 (9) 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.

15 (10) 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.

Periodic examination of Fund

17.—(1) For successive periods of such duration, not exceeding 5 years, as the Minister may determine in each case, an examination of
20 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 the Fund to meet those liabilities.

25 (2) Notwithstanding subsection (1), where an amendment is made to the CONNECT Plan, and the amendment affects the cost of benefits payable under the CONNECT Plan or creates an initial unfunded liability, the Minister may, for the purposes of section 11 (1) (a), appoint a person to make an examination and report on the state of the Fund.

30 (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 liabilities and the probable annual provisions required by the Fund to meet those liabilities.

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

Rules for administration of Fund

18. The Minister may make rules for the proper control and management of the Fund.

EXPLANATORY STATEMENT

This Bill seeks to establish an incentive payment scheme known as the CONNECT Plan to encourage long service by teachers under the control or management of the Government and a new Government Fund called the CONNECT Fund for the purpose of that scheme and for matters connected therewith.

PART I**PRELIMINARY**

Clause 1 relates to the short title and commencement.

Clause 2 defines various terms used in the Bill.

PART II**CONNECT PLAN**

Clause 3 empowers the Minister to make regulations establishing a scheme known as the CONNECT Plan providing for payments of awards to members of the CONNECT Plan or to their legal personal representatives or dependants, on account of the member completing a prescribed period of qualifying service. The members of the CONNECT Plan are all serving and future public officers in the Education Service who are below Superscale grade, and all permanent employees of aided schools who are employed on teaching duties on terms equivalent to that of Education Service officers below Superscale grade. The Minister, in making regulations, shall provide for contributions to be paid by the Government into the CONNECT Fund in respect of the members for the purposes of the CONNECT Plan.

Clause 4 states that no member of the CONNECT Plan is entitled to any compensation for past services or to any award under the CONNECT Plan.

Clause 5 makes it clear that the Bill and regulations establishing the CONNECT Plan do not limit any right of the Public Service Commission or, in the case of an aided school employee, the manager to dismiss a member without compensation.

Clause 6 provides that any award payable under the CONNECT Plan, any contribution by the Government made under the CONNECT Plan and any 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 of the member.

Clause 7 states that the contributions by the Government under the CONNECT Plan will be excluded property from the bankrupt member's estate.

Clause 8 deals with the effect of bankruptcy, conviction, dismissal, reduction in rank and disciplinary charges on contribution and awards under the CONNECT Plan. Contributions may be withheld and awards refused if the member is a bankrupt, sentenced to certain penalties due to conviction, is dismissed, reduced in rank or subject to disciplinary charges at the time the contribution is due or (as the case may be) the award is payable.

Clause 9 provides that moneys paid or payable under the CONNECT Plan in respect of a deceased member 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 10 states that it is a condition of the payment of every award under the CONNECT Plan that the Government may recover, cancel or reduce the award if it be shown to have been obtained by the wilful suppression of material facts or to have been paid in ignorance of facts which, had they been known would have justified his dismissal or a reduction of his salary.

PART III CONNECT FUND

Clause 11 establishes the new Government fund to be called the CONNECT Fund (the Fund) which is to comprise the following moneys:

- (a) such sums appropriated from the Consolidated Fund and authorised by or under any written law to be paid into the Fund as contributions to members of the CONNECT Plan or to meet the liabilities of the Fund;
- (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 Bill or any other written law.

Clause 12 states that the moneys in the Fund can only be withdrawn and applied to meet the payment of any award under the CONNECT Plan and such other purposes relating to aided schools or Government schools as may be prescribed.

Clause 13 empowers the Minister by warrant under his hand to 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.

Clause 14 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 Bill. All withdrawals must also be under the hand of the Minister.

PART IV

AUDIT AND ACCOUNTING

Clause 15 deals with the keeping of proper accounts and the preparation of the annual financial statements for the Fund at the end of each financial year.

Clause 16 provides for the audit of the accounts of the Fund by the Auditor-General or an approved company auditor appointed annually by the Minister in consultation with the Auditor-General.

Clause 17 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 CONNECT Plan, and the amendment affects the cost of benefits payable under the CONNECT 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 CONNECT Plan.

Clause 18 confers power on the Minister to make rules for the administration of the Fund.

EXPENDITURE OF PUBLIC MONEY

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