

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

**CENTRAL PROVIDENT FUND  
(NEW MINIMUM SUM SCHEME)  
REGULATIONS**

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**CENTRAL PROVIDENT FUND ACT  
(CHAPTER 36, SECTION 77 (1) (o))**

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(NEW MINIMUM SUM SCHEME)  
REGULATIONS**

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[1st July 2004]

PART I  
PRELIMINARY

**Citation**

1. These Regulations may be cited as the Central Provident Fund (New Minimum Sum Scheme) Regulations.

**Application**

2. 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 2004.

**Definitions**

3. In these Regulations, unless the context otherwise requires —

“applicable age”, in relation to a member, means —

(a) in the case of a member who is exempted under paragraph 3 (e), (o) to (s), (w), (x) or (z) of the Retirement Age (Exemption) Notification (Cap. 274A, N 1), the age of 60 years; or

(b) in any other case, the age of 62 years;

“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);

“basic monthly income” means the monthly amount payable to a member under regulation 9 (1), (2) or (3), as the case may be, from the amount he has set aside as minimum sum;

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

## PART II

### MAINTENANCE OF MINIMUM SUM

#### **Minimum sum required of individual**

4. The minimum sum applicable to a member —

(a) shall be the appropriate amount set out in the second column of the First Schedule; and

(b) shall comprise —

(i) an amount in cash; and

(ii) an amount covered by a charge on or a pledge of an immovable property made under section 15 (9), (9A), (10) or (10A), 21, 21A or 21B of the Act, which shall not exceed 50% of the minimum sum applicable to the member.

#### **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 more than 2 times the minimum sum applicable to him, transfer an amount that is equivalent to the minimum sum from the moneys standing to his credit in the Fund (excluding the amount 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 2 times the minimum sum applicable to him or less, 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 more than \$10,000 but less than or equal to 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 more than \$5,000 but less than or equal to \$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 \$5,000 or less, 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 any 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 amount set out in the second column of the Third Schedule, 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 amount set out in the second column of the Third Schedule, 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.

**Maintenance of one and a half times the minimum sum by married couple**

7.—(1) Where —

- (a) the spouse (referred to in this regulation as the spouse) of a member (referred to in this regulation as the member) has already maintained an amount as the minimum sum and is not exempted from maintaining a minimum sum under section 15 (8) of the Act;
- (b) both the member and the spouse desire to maintain jointly one and a half times the minimum sum and have both executed a memorandum each in accordance with section 15 (6A) of the Act; and
- (c) both the member and the spouse agree as a condition precedent to the permission to set aside one and a half times the minimum sum that in the event of the death of either one of them, the amount in cash standing to the credit of the deceased person in the retirement account of the deceased person may be transferred by the Board to the retirement account of the surviving person,

both the member and the spouse may maintain jointly one and a half times the minimum sum in accordance with section 15 (6A) of the Act.

(2) Subject to paragraph (3), the member shall set aside an amount equivalent to 50% of the minimum sum applicable to him under regulation 4.

(3) Where the member and the spouse wish to vary the amount already maintained as the minimum sum by the spouse, the amount referred to in paragraph (2) that the member shall set aside shall be varied accordingly.

(4) No member and his spouse shall jointly maintain one and a half times the minimum sum with any shortfall in such sum.

(5) The amount which the member or the spouse jointly maintains under this regulation shall comprise a proportion in cash that is in direct proportion to that required of the member or the spouse, as the case may be.

(6) Where the amount already maintained as the minimum sum by the spouse does not comprise the proportion in cash required under paragraph (5), the member shall be liable to ensure that their maintenance of one and a half times the minimum sum comprises such required proportion in cash.

(7) Subject to section 15 (6) (b) of the Act, the member may withdraw the whole of the balance of the moneys standing to his credit in the Fund after his contribution required under this regulation has been made.

#### **Topping-up of shortfall in minimum sum during subsequent withdrawals**

8.—(1) A member who does not have sufficient funds to maintain the minimum sum required of him in his retirement account shall, at any withdrawal after he attains the age of 55 years, transfer half 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 the shortfall in the minimum sum except where the amount to be transferred is \$100 or less.

(2) Notwithstanding paragraph (1), a member may transfer the whole or part of the amount in his ordinary or special account to his retirement account to meet the shortfall in the minimum sum subject to such terms and conditions as the Board may impose.

#### **Payment from minimum sum in retirement account or in approved bank at age of 60 or 62 years and thereafter**

9.—(1) Where the amount maintained as the minimum sum by a member is deposited in his retirement account or in an approved bank, the member may, subject to this regulation and regulation 10, on the date on which he attains the applicable age and at every monthly interval thereafter, be paid from that amount and any interest accruing thereon —

(a) in the case where the balance in the retirement account is less than \$250, the entire balance; or

(b) in any other case —

(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,

whichever is the higher.

(2) Where a member and his spouse have set aside one and a half times the minimum sum in accordance with regulation 7, the amount which each of them may be paid from the amount they have jointly maintained as the minimum sum shall be determined in the following manner:

(a) in the case where the spouse attained the age of 55 years before 1st July 2004 —

(i) the amount which the member may be paid on the date he attains the applicable age, and at every monthly interval thereafter, shall be 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; and

(ii) the amount which the spouse may be paid on the date he attains —

(A) the age of 60 years, if he attained the age of 55 years before 1st January 1999 or is exempted under paragraph 3 (e), (o) to (s), (w), (x) or (z) of the Retirement Age (Exemption) Notification (Cap. 274A, N 1); or

(B) the age of 62 years,

and at every monthly interval thereafter, shall be determined by the Board after taking into consideration the written law relating to the minimum sum to be set aside by him; and



(b) in the case where both the member and his spouse attain the age of 55 years on or after 1st July 2004, the amount which each of them may be paid on the date which each attains the applicable age, and at every monthly interval thereafter, shall be 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.

(3) Where a member and his spouse have jointly set aside one and a half times the minimum sum in accordance with regulation 7 and one of the couple dies or the couple divorces —

(a) in the case where the spouse attained the age of 55 years before 1st July 2004 —

(i) the amount which the surviving or divorced member may be paid from the amount maintained by the member as the minimum sum on the date he attains the applicable age, and at every monthly interval thereafter, shall be 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; and

(ii) the amount which the surviving or divorced spouse may be paid from the amount maintained by the spouse as the minimum sum on the date he attains —

(A) the age of 60 years, if he attained the age of 55 years before 1st January 1999 or is exempted under paragraph 3 (e), (o) to (s), (w), (x) or (z) of the Retirement Age (Exemption) Notification (Cap. 274A, N 1);  
or

(B) the age of 62 years,

and at every monthly interval thereafter, shall be determined by the Board after taking into consideration the written law relating to the minimum sum to be set aside by him; and

(b) in the case where both the member and his spouse attain the age of 55 years on or after 1st July 2004 —

- (i) the amount which the surviving or divorced member may be paid from the amount maintained by the member as the minimum sum on the date he attains the applicable age, and at every monthly interval thereafter, shall be 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; and
- (ii) the amount which the surviving or divorced spouse may be paid from the amount maintained by the spouse as the minimum sum on the date he attains the applicable age, and at every monthly interval thereafter, shall be 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.

(4) For the purposes of this regulation, the basic monthly income shall be payable to a member until the amount maintained as the minimum sum by the member has been exhausted or until his death, whichever is the earlier.

(5) Where any payment in accordance with this regulation results in a balance in the minimum sum of \$100 or less, the Board may permit such balance to be paid together with that payment.

(6) Where the Board is satisfied that a member, or his spouse with whom the member has jointly set aside one and a half times the minimum sum in accordance with regulation 7, has a serious and chronic medical condition, the Board may, subject to such terms and conditions as it may impose, permit the person with the serious and chronic medical condition to be paid a monthly amount exceeding the basic monthly income that would otherwise be payable to that person.

**Payment from minimum sum where member has pension, annuity or other benefit or approved annuity**

**10.** In the case of a member in receipt of any pension, annuity or other benefit, where the income the member receives for the month in which he attains the applicable age (or for any month thereafter) is less than the amount set out in the second column of the Third Schedule, the member shall be paid from the minimum sum maintained by him in an approved bank or a retirement account for that month an amount that is equal to the amount set out in the second column of the Third Schedule less the income received from the pension, annuity or other benefit for that month.

**Computation of balance in minimum sum**

**11.** Any payment from the minimum sum which a member receives in accordance with regulations 9 and 10 shall be out of the amount of cash which he has maintained as the minimum sum and any interest accruing thereon.

**PART III****GENERAL PROVISIONS****Assessing value of immovable property**

**12.** For the purposes of these Regulations, in assessing the value of any immovable property in respect of which a charge is created under section 15 (9) or (9A), 21, 21A or 21B of the Act or a pledge is given under section 15 (10) or (10A) of the Act, the Board may appoint a Government valuer or a licensed valuer to value the immovable property and the expenses of such valuation shall be borne by the member concerned.

**Restriction on mortgage of property**

**13.** Where a charge or a pledge subsists over any immovable property belonging to a member or his spouse or both of them jointly under section 15 (9), (9A), (10) or (10A), 21, 21A or 21B of the Act to secure the payment of the minimum sum into the member's retirement account, the member or his spouse or both of them shall

not mortgage, charge or otherwise encumber the immovable property unless with the prior written consent of the Board.

### **Approved bank or approved annuity**

**14.—**(1) The Board may, from time to time, approve any bank with whom a member may deposit the minimum sum or an annuity which a member may purchase from the insurer of that annuity with the minimum sum which he is required to set aside under section 15 (6) (a) of the Act.

(2) Any bank approved by the Board or any insurer whose annuity has been approved by the Board under paragraph (1) shall comply with the provisions of the Act, these Regulations and the terms, conditions and directions imposed or given by the Board relating to the minimum sum scheme.

### **Use of minimum sum**

**15.—**(1) A member shall, if he desires to deposit in an approved bank the amount maintained by him as the minimum sum, use the whole amount maintained by him as the minimum sum at that time for such deposit.

(2) A member shall, if he desires to purchase an approved annuity with the amount maintained by him as the minimum sum, use the whole or part of the amount maintained by him as the minimum sum at that time for such purchase.

### **Depositing minimum sum with approved bank**

**16.—**(1) A member who wishes to deposit the minimum sum with an approved bank shall first open an account with that bank.

(2) If the Board is satisfied that the member has opened an account with an approved bank, the Board shall transfer the amount deposited as the minimum sum and any top-up made to meet the shortfall under regulation 8 or under the Central Provident Fund (Minimum Sum Topping-Up Scheme) Regulations (Rg 3) to the member's account in that bank.

(3) The moneys standing to the credit of the account of the member in the approved bank shall bear interest at such rate as may be determined by the bank from time to time.

(4) No member shall be entitled to deposit the minimum sum in more than one account with any approved bank or banks at any one time unless approved by the Board.

### **Purchase of approved annuity with minimum sum**

**17.**—(1) Where a member elects to use the amount deposited as the minimum sum to purchase an approved annuity from an insurer, the Board shall, at the request of the member, forward to the insurer in payment for such purchase —

- (a) the whole or part of the amount maintained as the minimum sum and any top-up made to meet the shortfall under regulation 8 or under the Central Provident Fund (Minimum Sum Topping-Up Scheme) Regulations (Rg 3); and
- (b) where the purchase price of the approved annuity exceeds the amount referred to in paragraph (a), any interest accrued on such amount.

(2) Any payment from the approved annuity shall be determined in accordance with the terms and conditions of the approved annuity.

### **Termination of account with approved bank or surrender of approved annuity**

**18.**—(1) Where a member, who has deposited the amount maintained as the minimum sum in an account with an approved bank, closes the account and does not open another account with another approved bank or does not purchase an approved annuity from an insurer, the approved bank in which the account was opened shall immediately transfer all the moneys in that account to the member's retirement account.

(2) Where a member surrenders his approved annuity and does not purchase another approved annuity or does not open an account with an approved bank, the insurer from whom the approved annuity was purchased shall immediately transfer all the moneys representing the surrender value of the approved annuity to the member's retirement account.

(3) Where a member who has been exempted under section 15 (8) (b) of the Act from setting aside the minimum sum surrenders the pension, annuity or other benefit and does not

purchase another approved annuity or does not open an account with an approved bank, the member shall transfer all the moneys representing the surrender value of the pension, annuity or other benefit or, where the surrender value of the pension, annuity or other benefit is more than the minimum sum applicable to him, an amount equal to the value of the minimum sum to his retirement account.

### **Death of member**

**19.** Where a member has deposited his minimum sum with an approved bank or has purchased an approved annuity with an insurer, upon the death of the member, the minimum sum set aside by him or any balance thereof or the amount representing the residual value of his approved annuity purchased with the minimum sum shall be transferred to his account in the Fund to be dealt with in accordance with law.

### **Notional date of birth**

**20.** For the purposes of these Regulations, where the date of birth of a member cannot be ascertained or is doubtful, his date of birth shall be deemed to be 1st January of the year in which he was born.

### **Procedure for withdrawal of minimum sum**

**21.** Every application by any person —

- (a) for the withdrawal of the minimum sum for deposit in a retirement account with an approved bank;
- (b) for the withdrawal of the minimum sum to purchase an approved annuity from an insurer;
- (c) for exemption under section 15 (8) of the Act; or
- (d) for any purpose in connection with these Regulations,

shall be made in such form and supported by such evidence as the Board may require.

### **Breach of Regulations**

**22.** If a member commits a breach of any of the provisions of these Regulations or for any purpose connected with these Regulations makes a false representation or furnishes any false information, the Board may require the member —

- (a) to refund to his retirement account the payment from the minimum sum together with interest that would have accrued thereto if the payment had not been given; or
- (b) to surrender the approved annuity purchased with the minimum sum and refund all the moneys representing the surrender value of the approved annuity to his retirement account together with interest that would have accrued thereto if the withdrawal had not been made.

## FIRST SCHEDULE

Regulation 4 (a)

## MINIMUM SUM APPLICABLE

In this Schedule —

“inflation rate” means the inflation rate as determined by the Department of Statistics;

“R<sub>n</sub>” means the inflation rate for the calendar year n.

<i>First column</i>	<i>Second column</i>
<i>Date on which a member attains the age of 55 years</i>	<i>Formula for minimum sum</i>
(a) On or after 1st July 2004 but before 1st July 2005	$\$84,000 \times (1+R_{2003})$
(b) On or after 1st July 2005 but before 1st July 2006	$\$88,000 \times (1+R_{2004}) \times (1+R_{2003})$
(c) On or after 1st July 2006 but before 1st July 2007	$\$92,000 \times (1+R_{2005}) \times (1+R_{2004}) \times (1+R_{2003})$
(d) On or after 1st July 2007 but before 1st July 2008	$\$96,000 \times (1+R_{2006}) \times (1+R_{2005}) \times (1+R_{2004}) \times (1+R_{2003})$
(e) On or after 1st July 2008 but before 1st January 2009	$\$100,000 \times (1+R_{2007}) \times (1+R_{2006}) \times (1+R_{2005}) \times (1+R_{2004}) \times (1+R_{2003})$

## SECOND SCHEDULE

Regulation 9 (1), (2) and (3)

Monthly amount payable to members with less than 100% of the minimum sum applicable to them in cash

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
	<i>Basic monthly income payable</i>	
<i>Date on which a member attains the age of 55 years</i>	<i>Members with less than 50% of the minimum sum applicable to them in cash</i>	<i>Members with 50% or more of the minimum sum applicable to them in cash</i>
(a) On or after 1st July 2004 but before 1st July 2005	$X \div 50\% \times \$500$	$\$500 + [(X - 50\%) \div 50\% \times (Y - \$500)]$
(b) On or after 1st July 2005 but before 1st January 2009	$X \div 50\% \times \$450$	$\$450 + [(X - 50\%) \div 50\% \times (Y - \$450)]$

In the above table —

X is the percentage of the minimum sum applicable to a member set aside by him in cash in the retirement account;

Y is the amount determined under the second column of the Third Schedule, which amount is derived on the basis of —

- (a) the minimum sum applicable to a member being set aside, in full, in cash in the retirement account;
- (b) the interest rate for the retirement account applicable on 1st July of a year for members who attain the age of 55 years between 1st July of that year and 30th June of the following year (both dates inclusive); and
- (c) distributing the monthly payouts over 240 months, wherever possible.

## THIRD SCHEDULE

Regulations 6 (1), 9 (1), (2) and (3), 10 and Second Schedule

Monthly amount payable to members with 100% of the minimum sum applicable to them in cash

<i>First column</i>	<i>Second column</i>
<i>Date on which a member attains the age of 55 years</i>	<i>Basic monthly income payable</i>
On or after 1st July 2004 but before 1st July 2005	\$668. [G.N. No. S 386/2004]