

# **CENTRAL PROVIDENT FUND ACT**

## **(CHAPTER 36)**

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

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Amended by	Amended by	Amended by	Amended by
S 111/89	S 121/92	S 77/93	S 350/98
S 228/90		S 111/94	S 299/99
S 296/91		S 304/95	S 574/2003
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		S 323/97	S 759/2005
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CENTRAL PROVIDENT FUND ACT  
(CHAPTER 36, SECTION 77 (1) (n))

CENTRAL PROVIDENT FUND  
(MINIMUM SUM SCHEME)  
REGULATIONS

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[1st January 1987]

PART I  
PRELIMINARY

**Citation**

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

**Application**

2.—(1) These Regulations shall apply to all members of the Fund who have attained the age of 55 years on or after 1st January 1987 but before 1st July 1995.

(2) Notwithstanding paragraph (1), regulations 4 (2) and 12 (2) and (3) shall apply to a married couple only if each spouse is a member of the Fund and has attained the age of 55 years on or after 1st January 1987 but before 1st July 1995.

(3) Notwithstanding paragraphs (1) and (2), a member of the Fund to whom section 15 (2A), (7B) or (8A) of the Act applies, and who has complied with that provision, need not comply with these Regulations.

**Definitions**

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

“approved annuity” means an annuity purchased by a member from an insurer with the minimum sum which he is required to set aside under section 15 (6) of the Act, and which has been approved by the Board;

“approved bank” means any bank approved by the Board to be a bank for the purposes of regulation 9;

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

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

“minimum sum” means the sum which a member is required to set aside under section 15 (6) of the Act as calculated in accordance with regulation 4;

“monthly income” means the income which a member is entitled to withdraw monthly from the minimum sum deposited by the member with an approved bank or in his retirement account or is entitled to be paid monthly under an approved annuity after the member has attained the age of 60 years.

(2) The amount which a member shall be entitled to withdraw each month under section 15 (7) of the Act, and the amount prescribed by the Minister for the purposes of section 15 (8) (e) of the Act, shall be as specified in regulation 14 (1).

## PART II

### PROVISIONS RELATING TO MINIMUM SUM

#### **Maintenance of minimum sum**

**4.—**(1) The minimum sum which a member is required to set aside for any of the purposes mentioned in section 15 (6C) of the Act shall be calculated in accordance with the First Schedule.

(2) In the case of a married couple, if one spouse (referred to in this regulation as the first spouse) has already set aside a minimum sum calculated in accordance with the First Schedule, the other spouse shall only be required to set aside an amount calculated in accordance with the First Schedule or an amount equal to the difference between \$53,100\* and the minimum sum set aside by the first spouse, whichever is the less.

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\*With effect from 1st April 1994 to 30th June 1995 (S 304/95).

(3) Nothing in these Regulations shall be construed to prevent any married couple from being treated as separate individuals for the purposes of section 15 (6) of the Act.

(4) Where a member is in receipt of a pension, annuity or other benefit which provides him with a monthly income of less than \$272\* on attaining the age of 60 years, the minimum sum which the member is required to set aside shall be calculated in accordance with the Second Schedule.

(5) Where a member withdraws the sum standing to his credit in the Fund under section 15 (2) (a) of the Act at any time after he has attained the age of 55 years, the minimum sum which he is required to set aside under section 15 (6) of the Act shall be computed as if the withdrawal had been made by him at the age of 55 years.

### **Calculation of minimum sum**

**5.** In calculating the minimum sum which a member is required to set aside under section 15 (6) of the Act, the Board shall take into account the following matters at the time the member attains the age of 55 years:

- (a) the sum standing to the member's credit in the Fund (excluding the balance in his medisave account);
- (b) the amount withdrawn by the member pursuant to regulations made under section 77 (1) (h) of the Act (relating to the purchase of immovable properties) or the net value of the immovable property, whichever is the less;
- (c) the amount withdrawn by the member pursuant to regulations made under section 77 (1) (n) of the Act (relating to the making of investments).

### **Transfer of moneys from approved employee's scheme**

**6.** [*Deleted by S 370/2006*]

### **Value of charge or pledge**

**7.—**(1) Subject to paragraph (2), where a charge has been created over any immovable property owned by a member or his spouse or both of them jointly under section 21, 21A or 21B of the Act, the

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\*With effect from 1st April 1994 to 30th June 1995 (S 304/95).

value of the charge for the purposes of section 15 (6) of the Act shall be equal to the minimum sum applicable to that member.

(2) The value of —

- (a) the charge referred to in paragraph (1); or
- (b) a charge or pledge created over or given in relation to any immovable property owned by a member or his spouse or both of them jointly under section 15 (9), (9A), (10) or (10A) of the Act,

at any time after the member has attained the age of 55 years, shall be the sum of the minimum sum applicable to that member and the interest that would have accrued thereto, less the amount the member is entitled to withdraw under regulation 12.

(3) For the purposes of assessing the value of any immovable property in respect of which a charge or pledge has been created or given under section 15 (9), (9A), (10) or (10A), 21, 21A or 21B 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.

(4) Where a member is required to pay the expenses of any valuation under paragraph (3), the Board may, on application being made by the member, and subject to such terms and conditions as it may impose, permit the member to withdraw the whole or part of the amount standing to his credit in the Fund for the payment of such expenses.

### **Restriction on mortgage of property**

**8.** As long as a charge or pledge subsists over any immovable property belonging to the member, 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, without the prior written consent of the Board.

### **Approved bank or insurer**

**9.—(1)** The Board may, from time to time, appoint any bank with whom a member may deposit the minimum sum or an insurer from

whom a member may purchase an approved annuity with the minimum sum which he is required to set aside under section 15 (6) of the Act.

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

### **Opening of account**

**10.**—(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 minimum sum to his account in that bank.

(3) 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 from time to time by the bank.

(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.

### **Payment of minimum sum to insurer**

**11.** Where a member elects to use 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
- (b) where the purchase price of the approved annuity exceeds the amount referred to in paragraph (a), any interest accrued on such amount.

### **Withdrawal from minimum sum and payment from approved annuity**

**12.**—(1) A member shall, on attaining the age of 60 years, be entitled —

- (a) to withdraw monthly, from the minimum sum which he has deposited in an approved bank or in his retirement account,

the amount specified in regulation 14 (1), until the minimum sum has been exhausted or until his death, whichever is the earlier; or

- (b) to be paid monthly, an amount not exceeding the amount specified in regulation 14 (1) or (3), as the case may be, from the approved annuity purchased by him from an insurer, until the moneys payable under the annuity are exhausted or until his death, whichever is the earlier, except that the Board may permit an insurer to pay the member under an approved annuity a monthly sum exceeding the amount specified in regulation 14 (1) or (3), as the case may be, if the Board is satisfied that the total amount payable under the approved annuity is sufficient to support payment of such a sum for the lifetime of the member.

(2) Where a married couple has set aside minimum sums in accordance with regulation 4 (2), the total monthly income which may be withdrawn from their minimum sums deposited in an approved bank or banks or in their retirement accounts or which may be paid under any approved annuities shall not exceed the amount specified in regulation 14 (2) unless approved by the Board in the circumstances of any particular case.

(3) Where one spouse has died, the surviving spouse shall thereafter be entitled to withdraw from his or her minimum sum a monthly income not exceeding the amount specified in regulation 14 (1) or be paid a sum not exceeding the amount specified in that regulation from any approved annuity unless approved by the Board in the circumstances of any particular case.

(4) Where the amount of the last monthly income of a member withdrawn by him from the minimum sum deposited in an approved bank or in a retirement account or where the last payment made to the member under an approved annuity exceeds the amount specified in regulation 14 (1), the Board may permit the whole of that amount (including the excess) to be withdrawn or paid provided the sum in excess does not exceed \$100.



**Withdrawal when pension, annuity or benefit is less than minimum sum**

**13.** Where the pension, annuity or other benefit which a member receives on his retirement per month is less than the amount specified in regulation 14 (1), the member shall on attaining the age of 60 years be entitled monthly —

- (a) to withdraw from the minimum sum deposited in an approved bank or in his retirement account, an amount equal to the difference between the amount specified in regulation 14 (1) and the amount of such pension, annuity or other benefit, as the case may be; or
- (b) to be paid from his approved annuity an amount equal to the difference between the amount specified in regulation 14 (1) and the amount of such pension, annuity or other benefit, as the case may be, except that the Board may permit an insurer to pay the member a sum exceeding such difference if the Board is satisfied that the total amount payable under the pension, annuity or other benefit is sufficient to support payment of such a sum for the lifetime of the member.

**Topping-up of shortfall in minimum sum at subsequent withdrawal**

**13A.—**(1) Where a member —

- (a) has withdrawn any money from the Fund under section 15 (10) of the Act in respect of a studio apartment sold by the Housing and Development Board or under section 14A (4) of the Act; and
- (b) does not have sufficient funds to maintain the minimum sum required of him in his retirement account,

the member 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 less than \$100.

(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.

**Specified amount**

**14.**—(1) For the purposes of regulations 3 (2), 12 (1), (3) and (4) and 13, the specified amount shall be as follows:

<i>Specified amount</i>	<i>Operative date</i>
(a) \$230	from 1st January 1987 to 31st March 1994.
(b) \$237	from 1st April 1994 to 31st March 1995.
(c) \$243	from 1st April 1995 to 31st March 1996.
(d) \$251	from 1st April 1996 to 31st March 1997.
(e) \$260	from 1st April 1997 to 31st March 1998.
(f) \$266	from 1st April 1998 to 31st March 1999.
(g) \$272	from 1st April 1999 to 30th June 2000.
(h) \$282	from 1st July 2000 to 30th June 2001.
(i) \$287	from 1st July 2001 to 30th June 2002.
(j) \$291	From 1st July 2002 to 30th June 2003.
(k) \$297	From 1st July 2003.

(2) For the purposes of regulation 12 (2), the specified amount shall be as follows:

<i>Specified amount</i>	<i>Operative date</i>
(a) \$345	from 1st January 1987 to 31st March 1994.
(b) \$355	from 1st April 1994 to 31st March 1995.
(c) \$365	from 1st April 1995 to 31st March 1996.
(d) \$377	from 1st April 1996 to 31st March 1997.
(e) \$390	from 1st April 1997 to 31st March 1998.
(f) \$399	from 1st April 1998 to 31st March 1999.
(g) \$408	from 1st April 1999 to 30th June 2000.
(h) \$423	from 1st July 2000 to 30th June 2001.
(i) \$431	from 1st July 2001 to 30th June 2002.
(j) \$437	from 1st July 2002 to 30th June 2003.
(k) \$446	from 1st July 2003.

(3) Notwithstanding paragraph (1), where a member has purchased an approved annuity with the minimum sum which he is required to set aside under section 15 (6) of the Act, the Board may, in its discretion and subject to such terms and conditions as it may impose, authorise the insurer to pay to the member a monthly income which is less than the amount specified in paragraph (1).

### PART III

#### GENERAL PROVISIONS

##### **Termination of account**

**15.**—(1) Where a member terminates the account which he has opened with the minimum sum with an approved bank and does not intend to open another account with another approved bank or 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 has surrendered his approved annuity and does not intend to purchase another approved annuity or 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) (e) of the Act from setting aside the minimum sum surrenders his approved annuity and does not intend to purchase another approved annuity or open an account with an approved bank, the member shall transfer all the moneys representing the surrender value of the approved annuity or an amount equal to the value of the minimum sum as determined by the Board, whichever is the less, to his retirement account.

##### **Death of member**

**16.** 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**

**17.** 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**

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

- (a) for the withdrawal of the minimum sum to be deposited in a retirement account or 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 forms and supported by such evidence as the Board may require.

**Breach of Regulations**

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

- (a) require the member to refund to his retirement account the minimum sum withdrawn by him together with interest that would have accrued thereto if the withdrawal had not been made; or
- (b) require the member 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 (1) and (2)

*(From 1st April 1994 to 30th June 1995)*

Minimum sum which a member is required to set aside under section 15 (6) of the Act at the time the member withdraws the sum standing to his credit in the Fund under section 15 (2) (a) of the Act.

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>CPF balance as at age of 55 years (excluding amount to be retained in medisave account)</i>	<i>Amount entitled to be withdrawn</i>	<i>Amount to be deposited or used in accordance with section 15 (6C) of the Act</i>
(1) \$11,900 or less	All	Nil
(2) More than \$11,900 but not more than \$23,800	\$11,900	The remainder
(3) More than \$23,800 but not more than \$70,800	Half	Half
(4) More than \$70,800	All except \$35,400	\$35,400.

## SECOND SCHEDULE

Regulation 4 (4)

*(From 1st April 1994 to 30th June 1995)*

Where a member is in receipt of a pension, annuity or other benefit which provides him with a monthly income of less than \$272 on attaining the age of 60 years, the minimum sum to be set aside by the member at the age of 55 years shall be calculated using the following formula:

$$\frac{(\$272 - \text{amount from pension, annuity or other benefit})}{\$272} \times \$35,400$$

OR

the minimum sum specified in accordance with the Table set out in the First Schedule, whichever is the less.

*[G.N. Nos. S 11/88; S 111/89; S 228/90; S 296/91; S 121/92; S 77/93;  
S 111/94; S 304/95; S 282/96; S 323/97; S 350/98; S 299/99;  
S 574/2003; S 389/2004; S 759/2005; S 370/2006]*