

SEAFARERS' PROVIDENT FUND

SCHEME OF ADMINISTRATION

[SECOND EDITION]

Updated: 23 August 2017

Seafarers' Provident Fund

Scheme of Administration

Introduction

The Seafarers' Provident Fund - Scheme of Administration ("SPF Scheme") is approved by the Executive Committee in the exercise of the power conferred by Rule 14(o) of the Constitution of the SMOU pursuant to a resolution passed at the General Council Meeting of SMOU on the 16th January 2013.

The SPF Scheme shall govern the administration and distribution of the Seafarers' Provident Fund moneys collected pursuant to the Collective Agreements between the Employer of the Participants and SMOU at the relevant time.

1. Interpretation

(1) In this Scheme, unless the context otherwise requires:

"Advisory Committee" means the Committee appointed by the Executive Committee of the SMOU to oversee the dissolution of the SPF Scheme and the administration and distribution of the SPF moneys pursuant this Scheme. This Advisory Committee shall consist of the following members: -

- (a) Three (3) from the Shipping Companies,
- (b) One (1) independent member, and
- (c) One (1) from SMOU.

[amended pursuant to Clause 13 on 23 August 2017]

"Costs of administration and/or distribution of SPF moneys" mean the costs incurred from the administration and distribution of the SPF moneys;

"Costs of foreign transaction and/or payment of SPF moneys" mean the costs incurred from making the foreign transaction and/or payment of SPF moneys to the Participants outside Singapore;

“Employer” means the employer of the Participant;

“Executive Committee” means the Executive Committee of the SMOU;

“General Fund Account” means SMOU’s existing or new fund or such fund used for administration and operation expenses, charity, training and education of the members of SMOU as decided in the absolute discretion of SMOU;

“Manager” means the manager of the Scheme, being WTPL;

“Participant” means a ship officer who is or has been employed by shipping companies that have entered and signed the Collective Bargaining Agreement with SMOU and is working or has worked on board CBA vessels.

“Participant’s Account” means the individual account of the Participant with TLC for the contribution by the Employer under the SPF Scheme transferred to the Manager;

“Payable amount of the SPF moneys” means the amount of SPF moneys due to the Participants after the deduction of: -

- a) Costs of dissolution of the SPF Scheme;
- b) Costs of foreign transaction and/or payment of the SPF moneys;
- c) Costs of administration and/or distribution of the SPF moneys to the Participants; and
- d) Cost incurred for recovery of the outstanding contributions from the Employers, if applicable.

“Proper claimant” means the Participant, the duly authorised nominee of the Participant, his assign or successor in title or such legal representative duly recognised in law applicable to the Participant;

“Scheme” means this scheme of administration approved by the SMOU for the distribution of the SPF moneys to the Participants upon the dissolution of the SPF Scheme;

“SMOU” means the Singapore Maritime Officers’ Union and its successors and assigns.

“SPF contribution” means the contribution made by the Employer to the SPF for the benefit of the Participant;

“SPF moneys” means the moneys standing to the credit of the Participant transferred by TLC to WTPL upon dissolution of the SPF Scheme;

“SPF Scheme” means the SMOU Seafarers’ Provident Fund now dissolved and administered under this Scheme;

“TLC” means the NTUC Thrift and Loan Co-operative Limited and its successors and permitted assigns;

“Wavelink Thrift Pte Ltd – Trust A/C for SPF” means an account opened by Wavelink with a reputable bank for the purpose of safekeeping of the SPF moneys only;

“Withdrawal form” means the withdrawal form at Schedule 1.

“WTPL” means Wavelink Thrift Pte Ltd

- (2) In this Scheme, unless the context otherwise requires:
- a) words importing the singular includes the plural and vice versa;
 - b) words importing the masculine gender include the feminine and neuter gender;
 - c) a reference to any party to this Scheme includes that party’s executors, administrators, substitutes, successors and permitted assigns;
 - d) headings appearing in this Scheme are inserted only as a matter of convenience and in no way define limit or describe the scope or intent of the clauses in this Scheme nor in any way affect the terms therein; and
 - e) all the money terms are in Singapore dollars;
- (3) Unless otherwise provided in this Scheme, the definitions provided in Section 1, Interpretation, SMOU Seafarers’ Provident Fund Regulations shall apply.

2. Dissolution of SPF Scheme

- (1) The SPF Scheme shall terminate with effect from 30th June 2012 and the Employers’ obligation to contribute to the SPF Scheme shall be suspended with effect from 30th June 2012 after the contribution for the 2nd quarter of the year 2012;
- (2) TLC shall continue to collect the contribution from the Employers up to 31st December 2012 for the contribution due up to the 2nd quarter of 2012 due and payable by 30th June 2012.
- (3) The collection of SPF contributions from the Employers will be up to the 2nd quarter of 2012 including such outstanding contributions as at 30th June 2012.
- (4) All the SPF moneys standing in the Participants’ Accounts with TLC shall be transferred to a Wavelink Thrift Pte Ltd - Trust A/C for SPF opened by the Manager for the purpose of safekeeping of the SPF moneys.
- (5) TLC shall transfer all accounts of the Participants to the Manager for its administration of the distribution of the payable amount of the SPF moneys due to the Participants.

3. Intention of the Scheme of Administration

- (1) This Scheme takes effect from 1st October 2012.
- (2) The purpose of this Scheme is to regulate the distribution of the SPF moneys upon the dissolution of the SPF Scheme, it sets out the responsibilities and obligations of the parties including but not limited to, the Manager and the Advisory Committee.
- (3) The aim of this Scheme is to protect the interests of the SPF Scheme Participants in respect of their SPF moneys.
- (4) This Scheme shall be deemed applicable from the 1st July 2012 in place of the SPF Scheme.

4. Notification of dissolution of the SPF Scheme and the distribution of SPF moneys

- (1) The Manager shall on behalf of SMOU serve notice in respect of the dissolution of the SPF Scheme and the distribution of the SPF moneys to the Employers and the SPF Scheme Participants (where addresses and contacts information are available), in SMOU's bi-monthly magazine of SMOU and counterpart unions at the various jurisdictions of the Participants.
- (2) The Manager shall provide update of this Scheme, where applicable, on its official website at www.ispf.org.sg.
- (3) Where practicable, the Manager shall also effect a publication of the dissolution notice and the administration of this Scheme in the local Singapore daily English newspaper and in a well-known local newspaper in China, Philippines and India.
- (4) Methods of notification

The notice of dissolution of the SPF Scheme and the administration of this Scheme shall be deemed to have been duly served on a SPF Scheme Participant under any of the following circumstances:

- a) if by emails to the last known e-mail address of the Participant and deemed served on the date and at the time stated in the electronic acknowledgement of receipt by the Participant;
- b) if by post within Singapore, within 2 clear working days ;
- c) if by post outside Singapore, within 5 clear working days ;

- d) upon the publication of the dissolution notice and administration of this Scheme on the official web-site of SMOU;
- e) upon the publication of the dissolution notice and administration of this Scheme in the bi-monthly magazine of SMOU; or
- f) in the local Singapore daily English newspaper and well-known local newspaper in China, Philippines and India.

The method of notification shall be subject to the sole discretion of the Manager depending on the effectiveness of the method.

5. Distribution of SPF Scheme Fund

- (1) TLC had terminated its services as co-Administrator of the SPF Scheme on 30th June 2012. The SPF moneys including accrued interest have been transferred to the Manager. TLC shall cease all collection services with effect from 31st December 2012 and transfer the SPF moneys received from the Employers to the Manager from time to time upon collection of the contributions until 31st December 2012.
- (2) The Manager shall as soon as practicable upon receipt of the SPF Scheme funds from TLC deposit the same into a Wavelink Thrift Pte Ltd - Trust A/C for SPF.
- (3) The SPF moneys due to the Participants shall be deemed crystallized both principal (including contribution from Employers for outstanding received by TLC) and interest as at 30th June 2012.
- (4) Subject to verifications of Participants' accounts and money due to the Participants, the Manager shall commence the distribution of the Payable amount of the SPF moneys to the Participants on 2nd January 2013.
- (5) The Participants shall complete the Withdrawal Form with the required information, including but not limited to, identification, occupation, the method of withdrawal or any supporting documents as may be required at the sole discretion of the Manager duly verified to the Manager to establish the proper claimant.
- (6) The Participants may submit their completed Withdrawal Form to the Manager with effect from the date of notifications provided in Clause 4. Within 60 days from the date of the receipt of the forms in good order, the Manager will assess the forms verifying the information such as identification and the Payable amount of the SPF moneys due to the Participant. Once the application is approved by the Advisory Committee, the Manager shall pay out the Payable amount of the SPF moneys to the Participant.

- (7) The Advisory Committee may at its sole discretion approve or reject any application for pay out with or without conditions as the Advisory Committee deems fit.
- (8) The Payable amount of the SPF moneys as approved by the Advisory Committee shall be final and conclusive as to the amount due to the Participant upon dissolution of the SPF Scheme.
- (9) The Participants shall have no claim whatsoever against SMOU, the Advisory Committee of this Scheme or the SPF Scheme, the Manager or TLC upon payment of the Payable amount of SPF moneys to the Participants.

6. Responsibilities and obligations of the Manager

- (1) The Manager is appointed by SMOU to assist in the administration of the Scheme. The terms of the appointment of the Manager are provided in the service agreement dated 22 Nov 2012.
- (2) Responsibilities of the Manager:
 - a) The Manager shall prepare such notices as required under Clause 4 on behalf of SMOU;
 - b) The Manager shall promptly review and exercise due diligence in performance of its duty to ensure that the Participants or the proper claimants of the Participants are verified and referred to the Advisory Committee for approval to pay out the Payable amount of SPF moneys due to the Participants; and
 - c) The Manager shall pay out the Payable amount of SPF moneys due to the Participants immediately upon approval by the Advisory Committee.
- (3) Obligations of the Manager:
 - a) The Manager shall ensure that upon receipt of the SPF moneys from TLC, the said funds are deposited into a Wavelink Thrift Pte Ltd - Trust A/C for SPF with a reputable bank;
 - b) The Manager shall not at any time co-mingle its own funds with the SPF moneys held in a Wavelink Thrift Pte Ltd – Trust A/C for SPF;
 - c) The Manager shall keep separate financial account for the Wavelink Thrift Pte Ltd - Trust A/C for SPF including such pay out as approved by the Advisory Committee as well as cost and expenses incurred in the administration of this Scheme;
 - d) The Manager shall allow the appointed auditor of SMOU access to all financial account and documents with regard to the administration of the Scheme at all times;

- e) The Manager shall not in any event withdraw or pay out any funds from the Wavelink Thrift Pte Ltd - Trust A/C for SPF of the SPF moneys without the approval of the Advisory Committee;
- f) The Manager shall on a monthly basis update the Advisory Committee of the administration of this Scheme including but not limited to the number of Participants who have made claims for pay out, the balance SPF moneys in the Wavelink Thrift Pte Ltd - Trust A/C for SPF and the issues arising from the administration of this Scheme; and
- g) Where required by the Advisory Committee, to provide any information required by the Advisory Committee.

7. Responsibilities and obligations of Advisory Committee

- (1) The Advisory Committee is constituted by the SMOU to ensure that the interest of the Participants in the SPF moneys is protected at all time and the administration of this Scheme is subject to due compliance by the Manager.
- (2) Responsibilities of the Advisory Committee
 - a) The Advisory Committee shall meet at least quarterly to consider and approve the payout application submitted by the Manager; and
 - b) The Advisory Committee shall ensure that the Manager acts promptly upon receipt of the Withdrawal form from the Participants; and
 - c) Refer any matters which cannot be resolved by the Advisory Committee with regard to this Scheme to the Executive Committee for resolutions. In this regard, the decision of the Executive Committee shall be final and binding.
- (3) Obligations of the Advisory Committee
 - a) The Advisory Committee shall use its best endeavor to verify and confirm all requests for pay out submitted by the Manager;
 - b) Where any issues arise with regard to the administration of the Scheme by the Manager, to deal with the issues promptly and at all time in the interest of the Participants;
 - c) To do the necessary audit of the administrative process of the Scheme from time to time including request for confirmation with documentary support to ensure that the SPF moneys are held in Wavelink Thrift Pte Ltd - Trust A/C for SPF and are not mingled with the Manager's funds; and

- d) The Advisory Committee shall update the Executive Committee from time to time as to the status of the administration of the Scheme.

8. Costs of Administration due to the Manager

- (1) The Manager shall have the discretion to place the SPF moneys in a Wavelink Thrift Pte Ltd - Trust A/C for SPF whether current or fixed deposit in part or whole. In the event the SPF moneys are placed in fixed deposits, the Manager shall ensure that such fixed deposits are on a mix of short term and mid-term basis to enable the pay out to the Participants within 60 days from the approval by the Advisory Committee of payment to the Participants or the proper claimants of the Participants.
- (2) The accrued interest earning on the Wavelink Thrift Pte Ltd - Trust A/C for SPF shall be used to pay the administrative cost incurred by the Manager in the administration of the Scheme.
- (3) An administrative fee of 2.8% or such other amount as may be approved by the Advisory Committee shall be deducted from the SPF moneys received from TLC due to each Participant's account before the pay out of the Payable amount of the SPF moneys to the Participant or the proper claimant of the Participant.
- (4) Such accrued interest earning and administrative fee referred to in Clauses 8(2) and (3) shall be duly transferred to the Manager's administrative account for the purpose of payment of administrative cost to the Manager.
- (5) The administrative cost due to the Manager shall be on a reimbursement basis. The Manager shall submit its monthly expenses claims to the Advisory Committee for approval prior to any payment of reimbursement.
- (6) The administrative cost due to the Manager includes but is not limited to staff cost, office or ancillary expenses related to the administration of the Scheme, legal and accounting cost.
- (7) Upon expiry of the terms of this Scheme as provided in Clause 9, the Manager shall present a final account to the Advisory Committee for verification and approval. Any excess of accrued interest earning and administrative fee remaining in account shall be transferred by the Manager to the General Fund Account.

9. Period of Scheme

- (1) This Scheme to effect the distribution of the SPF moneys to the Participants or the proper claimant of the Participants shall terminate on 31st December 2021. *[amended pursuant to Clause 13 on 23 August 2017]*
- (2) All claims for withdrawal by the Participants must be made at least 30 days prior to the termination of this Scheme.
- (3) Upon termination of this Scheme, the Participants shall not be entitled to any claims whatsoever for the SPF moneys.
- (4) The SPF moneys remaining in the Wavelink Thrift Pte Ltd - Trust A/C for SPF held by the Manager shall be transferred to the General Fund Account for the purpose of the said fund and benefits of members of SMOU.

10. Audit

- (1) The Manager shall subject the Wavelink Thrift Pte Ltd - Trust A/C for SPF and the administration of this Scheme by the Manager to an audit on an annual basis by an auditor approved by the Advisory Committee.
- (2) A final audit shall be conducted by the said approved auditor prior to the transfer of the remaining SPF moneys in the Wavelink Thrift Pte Ltd - Trust A/C for SPF to the General Fund Account.

11. Exclusion of Liability

- (1) The SMOU, Executive Committee, Advisory Committee or the Manager shall not be liable to the Participants or any other persons for any loss or damage arising out of or in connection with the administration of this Scheme and no Participant or any other person may make any claims against the SMOU, Executive Committee, Advisory Committee or the Manager for any cause whatsoever, save in the case of fraud.

12. Notice

- (1) Any notice to be given under this Scheme shall be made in writing.

- (2) Any notice or document required to be served, delivered or given with regard to this Scheme shall be deemed sufficiently served on SMOU if forwarded by post or facsimile to the Manager.

13. Amendments to Scheme

The Advisory Committee shall have the power to review and amend this Scheme with the approval of the Executive Committee from time to time and any such amendments will take effect on the date specified by the Advisory Committee provided always such review and amendments are in the interest of the Participants and for the efficacy of the administration of this Scheme.

14. Applicable law

This Scheme is governed by the Laws in force in Singapore.

15. Jurisdiction

In relation to any legal action or proceedings arising out of or in connection with this Scheme, all relevant parties including the Participants shall irrevocably submit to the non-exclusive jurisdiction of the courts in Singapore.