



ST. CHRISTOPHER AND NEVIS

CHAPTER 21.13

NATIONAL SAVINGS SCHEME ACT

Revised Edition

showing the law as at 31 December 2017

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NATIONAL SAVINGS SCHEME ACT

Act 13 of 1970 ... in force 11th June 1970

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CHAPTER 21.13

NATIONAL SAVINGS SCHEME ACT

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CHAPTER 21.13**NATIONAL SAVINGS SCHEME ACT**

AN ACT TO PROVIDE FOR A NATIONAL SAVINGS SCHEME; AND TO PROVIDE FOR RELATED OR INCIDENTAL MATTERS.

Short title.

1. This Act may be cited as the National Savings Scheme Act.

Interpretation.

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

“bonus” means a premium or dividend paid *pro rata* to a contributor on account of his or her contributions in accordance with the provisions of this Act;

“bonus date” means the period corresponding to the third anniversary of the starting date of a contributor’s Savings Contract;

“Contract” or “Savings Contract” means an agreement by a contributor to contribute to the National Savings Scheme;

“contributor” means a contributor to the National Savings Scheme, and “contribution” shall be construed accordingly;

“Minister of Finance” means the Minister of Government for the time being responsible for the subject of finance;

“month” means a calendar month, and “monthly” shall be construed accordingly;

“Scheme” means the National Savings Scheme established under and by virtue of the provisions of this Act;

“starting date”, in relation to a Savings Contract, means the first day of the month following the month in which the first monthly contribution is paid by the contributor.

Establishment and control of Savings Scheme.

3. (1) There shall be established a National Savings Scheme for the State of Saint Christopher and Nevis to which members of the public may contribute in accordance with the provisions of this Act.

(2) The National Savings Scheme shall be under the control of the Accountant General to whom contributions shall be paid and by whom repayments of contributions together with bonuses or interest as the case may be shall be made in accordance with the provisions of this Act.

Consolidated Fund.

4. (1) All contributions paid to the Accountant General under the Scheme shall be paid by him or her into and shall form part of the Consolidated Fund of the State.

(2) All repayments of contributions and all payments of bonuses or interest shall be paid out of and shall form a charge upon the Consolidated Fund of the State.

Who may participate in Scheme.

5. (1) Any person of sixteen years or over may, on his or her own behalf, enter into a Savings Contract under this Act.

(2) Parents and guardians of persons under sixteen years may enter into Savings Contract on behalf of such persons.

Monthly contributions to Scheme.

6. (1) Under a Savings Contract a contributor shall pay monthly to the Accountant General an amount not less than the sum of five dollars nor more than the sum of two hundred dollars as his or her monthly contribution to the Scheme:

Provided that a contributor may, if he or she so desires, pay all of his or her monthly contributions, or any number of such contributions, before the date when such contributions would ordinarily become due and payable.

(Amended by Act 10 of 1974)

(2) Where a contributor authorises payment by weekly deductions from his or her pay, four such weekly deductions of the amount specified in the authority shall be treated, for the purposes of the Scheme, as one monthly contribution, and such deductions shall be paid by the contributor's employer to the Accountant General on or before the last day of the month in which such deductions have been made.

(3) Subject to the foregoing provisions of this section each monthly contribution shall be paid on the last working day of every month following the month in which the first monthly contribution of the contributor was made.

Repayment of contributions.

7. (1) After the due completion of 36 monthly contributions, a contributor shall be entitled, upon application to the Accountant General to receive, in relation to his or her Savings Contract, repayment of the total amount of his or her contributions together with interest on such contributions amounting to two per centum thereof.

(Substituted by Act 12 of 2016)

(2) The Minister of Finance may by Order, vary the interest rate set out in this section or may make provision for the payment of a bonus on such terms as he or she may determine.

(Amended by Act 12 of 2016)

(3) An Order made by the Minister of Finance under subsection (2) of this section shall not take effect until the expiration of two months from the date of its first publication in the *Gazette*.

Repayment where contributions stopped.

8. (1) Where a contributor who has not completed the payment of 36 monthly contributions to the Scheme, gives written notice to the Accountant General that he or she intends to stop paying contributions, no further contributions shall be payable by that contributor after the expiration of thirty days from the date of his or her notice.

(2) The contributor referred to in subsection (1) shall, at the expiration of the notice, be entitled on application, to repayment of all contributions made by him or her but shall not be entitled to any bonus in respect of those contributions

(3) Subject to subsection (1), where a contributor receives repayment of his or her contributions pursuant to subsection (2), then the contributor shall also be entitled

to receive payment at an interest rate of two per cent per annum or such other rate as the Minister may by Order prescribe, in respect of those contributions.

(Substituted by Act 12 of 2016)

Repayment in case of death before completing of contributions.

9. (1) In the event of the death of a contributor before completing the payment of 36 monthly contributions, no further contribution in respect of his or her Savings Contract shall be payable but the total amount of the contributions paid by him or her shall be repayable to his or her personal representatives.

(2) If repayment is made to the personal representatives of a deceased contributor not more than thirty days before the first anniversary of the deceased contributor's starting date, interest on his or her contributions shall be payable at the rate of two per cent per annum.

(Substituted by Act 12 of 2016)

Income Tax Relief.

10. Notwithstanding the provisions of the Income Tax Act, Cap. 20.22, in ascertaining the chargeable income of an individual who proves to the satisfaction of the Comptroller of Inland Revenue that he or she has, during the basic year, paid contributions to the National Savings Scheme, the following provisions of this section shall have effect as though enacted in that Act:

- (a) there shall be allowed a deduction of the amount of such contributions as aforesaid:

Provided that no such deduction shall be allowed in respect of any such contributions beyond an amount equal to one-tenth part of the chargeable income of such individual estimated in accordance with the provisions of the Income Tax Act, Cap. 20.22 or the sum of five hundred and four dollars, whichever shall be the less;

- (b) there shall be allowed a deduction of the amount of any bonuses received by such individual under the Scheme; and
- (c) there shall be allowed a deduction of the amount of any interest received by such individual in respect of his or her contributions under the Scheme.

(Amended by Act 10 of 1974)

Savings Contracts not transferable.

11. No contributor shall assign a Savings Contract or the benefit thereof to any other person and any such purported assignment shall be of no legal force or effect:

Provided however that upon the death of a contributor his or her rights under a Savings Contract shall accrue to his or her personal representatives.

Effect on bonus and interest of postponement of contributions.

12. (1) Failure by a contributor to pay any monthly contribution on the due date shall have the following effects:

- (a) postponement of the bonus date and, accordingly, the anniversaries thereof, at the rate of one month for each month of such failure;
- (b) postponement by one month, for each month of such failure, of the third, fourth and fifth anniversaries of the starting date in determining

and calculating the rate of interest to be paid in accordance with section 8 of this Act.

(2) The foregoing provisions of this section shall apply on not more than four occasions on which a contributor fails to pay a monthly contribution as aforesaid.

(3) If any contributor shall on a fifth occasion fail to pay his or her contribution on or before the due date of such payment, he or she shall be deemed to have given notice of his or her intention to cease paying contributions and in consequence thereof the provisions of section 8 of this Act shall apply to his or her case.

Restrictions on new Contracts.

13. (1) No person shall enter into a new Savings Contract if the aggregate of each monthly contribution which would be payable under such new Contract and of each monthly contribution payable under any other Savings Contracts under which he or she is making payments would exceed two hundred dollars or such greater sum as the Minister of Finance may from time to time determine by an Order published in the *Gazette*.

(Amended by Act 10 of 1974)

(2) Any sums paid by a person under a Contract entered into in breach of the provisions of subsection (1) of this section shall be repaid to him or her without any bonus or interest thereon.

(3) An Order made by the Minister of Finance under this section shall not take effect until the expiration of two months from the date of its first publication in the *Gazette*.

Accounts and Audit.

14. (1) The Accountant General shall keep a register of all contributors to the Scheme and an account of all contributions received by him or her, as well as of all contributions repaid by him or her together with all sums paid out by him or her as bonus or as interest.

(2) The accounts referred to in subsection (1) shall form part of the Public Accounts of the State and shall be audited in the same manner by the Director of Audit as any other Public Account of the State.

Power to make regulations.

15. The Minister of Finance may make regulations for the efficient discharge of the provisions set forth in the Act, and such regulations may provide for the construction, compilation, issue and use of all forms, documents and certificates as may be required.

(Act 12 of 2016)
