

Unions back **EPF** plan for seniors

> MTUC hopes employers will maintain contribution up to new retirement age

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PETALING JAYA: The Malaysian Trades Union Congress (MTUC) welcomed a proposal to raise the Employees Provident Fund (EPF) contribution by workers above 55 years of age to 11% for employees and 13% for employers, in tandem with the new retirement age of 60.

Currently, contributions for workers above 55 are only half the proposed percentage.

“The change in retirement age is a result of

the government’s transformational plans and it must be supported by all quarters, including employers,” said MTUC chairman Khalid Atan, who was responding to the proposal announced by EPF CEO Datuk Shahril Ridza Ridzuan on Monday.

Asked whether MTUC expects to face resistance from employers for the additional contributions incurred, Khalid said the matter should not arise.

“Everybody now understands why the new retirement age was implemented. I hope employers will cooperate with this proposal to maintain EPF contributions up to the age of 60,” he said.

Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan,

however, urged the government to consider implementing the move in stages, stressing that any sudden change may disrupt operations in some companies.

He also raised concerns over employers having to adopt “alternative” cost-cutting measures, including downsizing its operations due to any increased costs incurred without enough time to adjust.

When contacted, Congress of Unions of Employees in the Public and Civil Services (Cuepacs) secretary-general Loke Yim Pheng also expressed full support for the proposal, as it would benefit the lower-income groups.

“These workers, particularly in the private sectors, will have more savings to support them in their old age,” she said.

Loke noted that the move will help ease the burden of lower-income groups in tackling rising costs of living, particularly for medical-related expenses.

“It is not cheap to get medical treatment, especially without insurance or some form of protection.

“So I think it is good for workers to save more money in the form of increased contributions until retirement age,” said Loke.

EPF had on Monday also said implementation of the proposal would require changes to the EPF Act 1991.

On average, about RM3 billion is withdrawn from the EPF monthly while contributions from some 6.44 million active contributors totalled RM4.5 billion.