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Dr M: I'm puzzled over Singapore CPF rules

KULIM, Thurs. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today he was puzzled why the Singapore Government appeared to treat Sabah and Sarawak as separate from Malaysia.

Commenting on the Singapore Government's refusal to allow Malaysians from the peninsula to withdraw their Central Provident Fund contributions but allow Sabah and Sarawak workers to do so, Dr Mahathir said:

"It is most puzzling. Workers from Sabah and Sarawak who return home after working in Singapore are allowed to withdraw their CPF contributions, but workers from Peninsular Malaysia returning home cannot do so.

"I don't know if Sabah and Sarawak are separate nations. Anyway, we will negotiate with the Singapore Government," he said after opening AIC Semiconductor Sdn Bhd.

Dr Mahathir was asked to comment on a statement by Human Resources Minister Datuk Lim Ah Lek yesterday that the Cabinet urged the Singapore Government to allow Malaysians from the peninsula, who no longer worked in the republic or were retrenched, to withdraw their savings from the CPF.

Lim said he would be writing to his Singapore counterpart to convey the Cabinet's request.

The matter was discussed by Lim and Singapore Manpower Minister Lee Boon Yang unofficially in May during the Asean Labour Minister's meeting in Hanoi.

Dr Mahathir also discussed the matter with his Singapore counterpart Goh Chok Tong in late May.

Malaysians from the peninsula who no longer work in Singapore have savings of some RM2.4 billion in the CPF. Malaysians from the peninsula are only allowed to withdraw their CPF savings in full upon reaching age 55.

However, they can withdraw the savings at 50 if they have not worked in Singapore for two years prior to making the application.

Workers from Sabah or Sarawak and any other country can withdraw their savings if they no longer work in the republic.

In Kuala Lumpur, the Malaysian Trades Union Congress urged Singapore to respond positively to the request by the Malaysian Government.

Its president Zainal Rampak said the matter should be resolved early in the interest of workers from the peninsula as some of them had been retrenched following the regional economic slowdown.

"The matter has been raised many times previously but there has been no response from the Singapore government," he said when contacted.

"We hope the Singapore Government will amend their CPF rules fast so that these workers will not have to wait until they are 55 to withdraw their money.

Social activist Datuk Lee Lam Thye said the practice by Singapore was a long standing issue.

"This issue should now be resolved in the spirit of good neighbourliness and as a gesture of good relationship between Malaysia and Singapore," he said in a statement.

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