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Windfall for pensioners, too (HL)

M.K. Megan

KUALA LUMPUR, Tues. - About 350,000 pensioners or their beneficiaries will each receive a RM600 special payment from the Government to help them ease their financial problems caused by the economic situation and inflation.

The payment, which will be made in six monthly instalments beginning next month, will cost the Government about RM210 million.

This is in addition to the RM480 million to be paid to more than 800,000 civil servants in a similar payment announced by First Finance Minister Tun Daim Zainuddin early this month.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in a statement released by his office today, said the Government has decided to make the special payment based on the economic situation and inflation "which have affected everyone".

Pensioners do not normally receive any special allowances for specific reasons.

Dr Mahathir said the payment for pensioners did not have anything to do with the pension adjustments under the Pensions Act or the Annual Incentives or the Special Financial Assistance for the serving civil servants.

Daim, while announcing the special payment for civil servants earlier this month, had hinted that pensioners too would receive an additional payment.

Daim had said the Government recognised the need to improve aggregate demand and it was also aware that the people required assistance.

A Public Service Department official said the payment for the pensioners and their beneficiaries would be done in two ways.

"Those who are receiving their current pensions through warrants will continue to receive the special payment through warrants while those whose pensions are credited into their bank accounts will receive the money in the same way," he said.

The officer, who declined to be named, however, said only about 10 per cent of the pensioners still preferred to receive their pensions through warrants.

He said although on paper the pensioners totalled about 350,000, there were some cases where the widows received two pensions including her husband's.

However, the special payment excludes pensioners who were in top management group comprising those in super scale C and above.

Cuepacs president N. Siva Subramaniam, when contacted, said the it was a good move by the Government. "It is a precedent the Government is setting. They have never done this before. The RM600 makes a lot of difference especially to those who are receiving the minimum RM180 a month pension."

According to him almost 50 per cent of pensioners were receiving less than RM200 a month. "The RM600, which is three times their monthly pension, would help them greatly.

"The money is very timely considering the present economic situation and inflation. It is another way of thanking the pensioners for their services," said Siva Subramaniam.

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