

Some firms have raised retirement age, says MEF

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KUALA LUMPUR, Tues: Some private sector companies have **already** extended the retirement **age** of employees based **on** their performance and the **organisations'** needs.

Malaysian Employers Federation (MEF) president Datuk Dr Mokhzani Abdul Rahim said the federation's members are free to look at their own situation **before** adopting the move.

He said that many companies are of the view that employees **deemed useful** and able to contribute to the company's progress be re-employed.

Mokhzani was speaking after an informal meeting with Human Resources Minister Datuk Fong Chan **Onn** at his ministry here today.

He was responding to questions on extending the retirement age of private sector employees, such as proposed by Cuepacs for civil servants.

The government had recently rejected Cuepacs' request for civil servants' retirement age to be raised **from 55 to 58.**

Prime Minister Datuk Seri Dr Mahathir Mohamad said the government had **fixed** 55 for specific reasons.

However, Cuepacs is expected to meet **Mahathir** to present him with additional points to consider.

"We cannot issue a **directive** to our members on this, we know our economy is changing and we need a **workforce** to meet the challenges," said Mokhzani.

Meanwhile, at the same press conference, Fong said the ministry will be holding discussion with the MEF on a productivity-linked wage system.

He said the implementation of the system is being studied seriously **as it** will be beneficial and also necessary to make Malaysia more competitive against other rivals like Hongkong or Singapore.

The federation first **proposed** this system in the **mid-80s** when the country was hit by an economic slowdown.

However, disagreements over certain **policies** between the federation and MTUC scuffled the initiative.

Mokhzani said the current wage system in the country was based on the tin and rubber sectors.

"Rather than having **additions** here and there, let's build a new house that will fit the modern situation," he said.