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CPF-withdrawal

CPF WITHDRAWAL ISSUE BASED ON HISTORICAL LINKS AND PROXIMITY

KUALA LUMPUR, Jan 21 (BERNAMA) -- Close historical links and geographic proximity were the reasons for the difference in withdrawal conditions of the Singapore's Central Provident Fund (CPF) for workers from Peninsular Malaysia who worked in Singapore compared to those from Sabah and Sarawak and other countries.

The Singapore High Commission here said in a statement today that many workers shuttle frequently between Peninsular Malaysia and Singapore and unlike other foreigners, workers from the peninsula often return to Singapore to work after a period of absence.

"This is seldom the case with workers from Sabah and Sarawak as well as from other countries," the statement said adding that it is not a form of discrimination against workers from the peninsula.

The statement said according to Singapore law, existing Peninsular Malaysia CPF account holders could only withdraw their savings upon reaching the age of 50 if they have not worked in the republic for the preceding two years.

Workers from Sabah and Sarawak and from other countries instead could make their withdrawal upon leaving the country.

The statement said all Malaysian workers who started work in Singapore before Aug 1 1995 (when the law on compulsory contribution by foreign workers to CPF was lifted) were aware of the conditions for the withdrawal of their CPF contributions.

Yesterday, Malaysian Trades Union Congress president Zainal Rampak handed a letter to the acting Singapore High Commissioner here Chin Hock Seng requesting speedier initiatives in solving the issue and excluding it from the package of bilateral issues being discussed by both countries.

The letter addressed to Singapore Prime Minister Goh Chok Tong was delivered at the High Commission here.

The statement said Chin had explained to Zainal that because the previous approach of treating these issues separately had not produced results that Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamed had proposed, and accepted by Goh, the issues should be discussed as a package by senior officials of both countries.

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