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Cuepacs on need for higher pensions

KUALA LUMPUR, Fri. - Cuepacs's call to the Government to increase pensions for civil servants is aimed at providing them a "manageable income".

Its president, N. Siva Subramaniam, said a pension of RM450 a month would be the minimum requirement to support a family.

"If you talk about the amount of money needed for food, housing and child support in Malaysia, the minimum wage should be RM900," he said.

He said many retired civil servants were receiving only between RM200 and RM300 a month.

"For example, a civil servant earning RM700 at retirement will get only RM350 per month.

"Manual workers receive even less, particularly if they join the civil service at a late age."

(The formula used to calculate the pension is: 1/600 multiplied by the last drawn salary and the number of months in service.

(In addition to this, the pension must not exceed half of the last drawn salary and calculation will only take into consideration a maximum of 25 years of service).

"At present those who have served the Government for 35 years are not being rewarded (for the extra 10 years)," Siva said.

Cuepacs, in a memorandum to be presented to Prime Minister Datuk Seri Dr Mahathir Mohamad this month, has recommended that the government servants' pension be increased to 75 per cent of their last drawn salary.

The memorandum also mentions certain elements of the New Remuneration System 1992.

Siva said that Cuepacs preferred the single line salary as opposed to the present three-tier matrix system.

He added that the three-tier matrix system encouraged individual work performance.

"Current issues have made this concept outdated," he said. "For example there is now an emphasis on teamwork in the work place to encourage unity."

The matrix system has been a long-standing issue between Cuepacs and the Government.

It consists of three levels for each grade, with a higher salary increase and maximum salaries at each level.

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