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S'pore: Package of bilateral issues includes Malaysians' CPF savings

THE Singapore High Commission said the issue of Peninsular Malaysians' Central Provident Fund (CPF) savings was included in the package of bilateral issues being discussed by Singapore and Malaysia because the previous approach of treating them separately failed to produce results.

It was proposed by Prime Minister Datuk Seri Dr Mahathir Mohamad and accepted by Singapore Prime Minister Goh Chok Tong that the matters be discussed as a package by senior officials from both countries, it said.

"Goh and Dr Mahathir had agreed during the meeting in Hanoi on December 17 1998 to include the issue of Peninsular Malaysians' CPF savings as part of a package of bilateral issues that would be resolved together.

"The two prime ministers also agreed that the package should include the long-term supply of water to Singapore, the Points of Agreement, the Royal Singapore Air Force's use of Malaysian airspace, the location of Malaysia's Customs, Immigration and Quarantine facilities and the CLOB securities," it said in a statement released in Kuala Lumpur yesterday.

In confirming that Singapore's Acting High Commissioner Mr Chin Hock Seng had met Malaysian Trades Union Congress (MTUC) president Datuk Zainal Rampak on Thursday, it said that the MTUC had submitted a written request to the Singapore Prime Minister urging the Singapore Government to permit Peninsular Malaysian workers returning home upon completing their employment contracts to withdraw in full their CPF savings.

Chin noted that the issues in the package had been negotiated separately for some time prior to the two prime ministers' meeting in Hanoi, according to the statement.

Senior officials of both countries had subsequently held three meetings - March 11 1999 in Singapore, April 21-22 1999 in Kuala Lumpur and May 27-28 1999 in Singapore - to discuss the package of issues.

The CPF issue was discussed on all three occasions and it is Malaysia's turn to host the next meeting.

Since August 1 1995, all foreigners working in Singapore, including Malaysians, are no longer required to contribute to the CPF. In addition, existing Peninsular Malaysian CPF account holders enjoy a more liberal withdrawal regime than their Singaporean counterparts, Chin said.

Peninsular Malaysian workers may withdraw their entire CPF savings upon reaching the age of 50 if they have not worked in Singapore for the preceding two years, unlike Singaporeans who can only withdraw their savings at age 55, after setting aside the minimum sum, according to Chin.

The Acting High Commissioner also said the CPF withdrawal conditions for Peninsular Malaysians are different from those for Malaysians from Sabah and Sarawak and other foreigners because of the close historical links and geographical proximity between the peninsula and Singapore.

Many workers shuttle frequently between Peninsular Malaysia and Singapore. "Unlike other foreigners, workers from Peninsular Malaysia often return to Singapore to work after a period of absence. This is seldom the case with those from Sabah and Sarawak and other foreigners.

"Hence for practical reasons, the withdrawal conditions were relaxed for this group and constitute a privilege conferred on them. It is not a form of discrimination against Peninsular Malaysians.

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