

Govt gives go-ahead for retirement at 56

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KUALA LUMPUR The Government has agreed in principle to increase the retirement age for civil servants from 55 to 56

Cuepacs secretary general Abdul Rahman Manan said the decision was conveyed to the congress during a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad on Wednesday

The PM told us that the Government has finished studying our

proposal to increase the retirement from 55 to 58

However he said this may give rise to administrative problems and unemployment in young graduates who will be unable to join the service

He explained that the additional year agreed to will allow the Government to study the impact of the increase in the retirement age he said at a press conference here yesterday

● TURN TO PAGE THREE

Matter to be brought up at meeting for feedback

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● FROM PAGE ONE

The age for mandatory retirement is 55 for civil servants which means that they work to the last day of their 54th year

Abdul Rahman said the Government recognised that at 55 many civil servants were still young and healthy and retirement at that age would mean a loss

Asked if the congress was satisfied with the proposal Abdul Rahman said This is the transition period If all goes well the Government can start considering our proposal for the retirement age to be extended to 58

We hope it will be done as soon as possible

Abdul Rahman said that Dr Mahathir had given an assurance that the new retirement age was in the process of being implemented

He hopes civil servants will be patient he said adding it could take some time be

cause a paper would have to be presented to the Cabinet and the Pension Act 1980 would have to be amended

He said the matter would be brought up when the congress meets on March 25 for members feedback

Abdul Rahman said Dr Mahathir had also said the Government would agree to review the matrix salary scale under the New Remuneration System

The wage committee of the congress is coming up with a formula as a counter proposal he said

In an immediate response the Malaysian Employers Federation (MEF) welcomed the government's plan to increase the retirement age saying it would benefit those capable of continuing to contribute to the public service

MEF executive director Shamsuddin Bardan said the move would be good for government servants especially with the improving life expect

tancy of the elderly

He said the nature of work of civil servants stressed on mental requirements unlike the manufacturing sector which emphasised on physical requirements

However Shamsuddin said there should be an in depth study to determine the consequences of the move

It has to take into consideration aspects such as the amount of pension and wages that have to be paid

Another consequence is that employees will have to wait longer for promotions as senior civil servants will have additional years of service

As for the private sector he said there was no mandatory retirement age decided by contract

Extensions of the retirement age are made on a voluntary basis If a company feels an employee can still contribute it may offer an extension and it is up to the employee to accept he said