

Be selective with

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Government must ensure right ones get the

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FIFTY two year old Baharen was practically singing paeans of the Government after learning about the move to raise the retirement age of civil servants to 56 years

For the lecturer at a government institute the 12 month increase means a lot as he would be able to continue financing his daughter's tertiary education at a private university

It would also give him more flexibility to continue paying for a mortgage he took four years ago as his take home pay would be more compared to the pension or half his last drawn salary which he would receive upon attaining 55 years

In jest he went on to say that another year's salary would also allow him to save more to finance the *mikah* of his two children

The *New Sunday Times* and most other newspapers had front paged the news on March 18 which quoted Cuepacs secretary general Abdul Rahman Manan

To 900 000 other civil servants like Baharen the announcement was God sent

It was reported that the Government had in principle agreed to extend the retirement age to 56 years. However the extension would be on an indefinite trial basis

The Government was initially reluctant to increase the retirement age but following an appeal by Cuepacs in 1999 Prime Minister Datuk Seri Dr Mahathir Mohamad directed the PSD to review the matter

In the appeal submitted to Dr Mahathir Cuepacs had among others reasoned that if the 10 892 public sector employees reaching the age of 55 in the year 2000 were given extensions the Government will save RM493 million in the form of gratuity

In 2001 14 567 public sector employees will retire and a sum of RM660 million had to be spent if

they were to go on mandatory retirement at the age of 55

A government official said a year's extension in service would also save the Government about RM150 million in unpaid pensions

However the gratuity to be paid out would eventually increase as the amount is calculated based on the actual duration of the employee's service

This the official said means civil servants would be paid higher gratuities as they would have put in an additional year

The Government expenditure would also be higher as the gratuity would be based on the last drawn salary

Cuepacs however did not realise the other cost to be borne by the Government if retirement age is extended to 56

With higher gratuities upon retiring at 56 instead of 55 those who opt to stay on will have to be paid higher salaries too. As for pensions there is not much difference as this is limited to 25 years of service

The other bigger problem I can see if an extension is granted are constraints in the labour market. If there are fewer people retiring we will have a situation where there are fewer jobs for new entrants into the labour market the official said

Although this may not immediately lead to a higher unemployment rate it could have a slight effect on the labour market (Malaysia is now enjoying a full employment rate)

Another senior government official said by extending the retirement age it would allow the Government to benefit by utilising the services of those sent abroad on government scholarships

Some of us are given scholarships in our mid 40s. By the time we return we are already nearing 50

As the Government had already spent thousands of ringgit on our education it would be a waste if

they could only use our services for a few years he said

If we look at the number of senior civil servants offered top positions in the private sector it will make you ponder why they were retired early

Many are made chairmen directors advisers etc. Will the private sector employ them if they are useless

Many find it difficult to land jobs due to their age. They are not only seen to be less productive but to some organisations they become a burden as they would also have to be provided with private medical care

The private sector will also have to pay them higher salaries compared with new recruits. That is probably why the reluctance

A company manager said 'Do you think we will pick someone who does not know much about IT? Or a fresh graduate who is very much likely to be computer savvy?'

It is not wrong to say that there is a small percentage of dead wood in the civil service

If the retirement age is extended they will continue to be on the Government's payroll at a time when the authorities are spending millions of ringgit to improve the civil service

The Government has to seriously think before extending the retirement age to all civil servants

The administration cannot afford to have passengers if it wants to have a world class civil service

There had been cases of civil servants being awarded the *melintang* (diagonal) and *menegak* (vertical) salary movements only a year after disciplinary action was taken against them

There were also reports of employees not turning up for work not submitting work on time and abusing funds of the organisation but still get rewarded by their heads of department

Reports of civil servants who were demoted for dereliction of duties being accorded the *melintang*

extension

extra year of service

move are also not uncommon

It had made a mockery of the *Skim Saraan Baru* (New Remuneration Scheme)

Therefore the authorities will have to carefully weigh the pros and cons of its latest plan to extend the retirement age

Will they authorise panels to recommend only those they feel are worthy as recommended or will this be decided by a new system which appraises them over the years? Or will those who have been slapped with a certain number of demerit points forced to retire at 55?

At least this will keep civil servants on their toes at all times and help get rid of those with lackadaisical attitude

In this respect the Government has to ensure the extended retirement age plan is free from any form of abuse

A human resources manager in a private company who deals a lot with the civil service feels not all civil servants should be given automatic extensions

Citing an example he said the situation is just like employees who finish work at 4 30pm but are already getting prepared to leave since 4pm

At the end of the day some of them do nothing All they do is tidy up their desk lock up their files and walk to the loo to ease themselves before rushing out at 4 30pm sharp he said adding that on the other hand there were some who were diligent

He feels the Government should give the discretion to heads of departments or a panel to decide whether a civil servant should be given another year's extension or eventually to 58

Let's be honest Every organisation has dead wood these people do nothing but wait for their salaries at the end of their month he said

Even trade union leaders have said the Government should be allowed to decide that only those who are productive are given the

option to continue their service

The selection of candidates for extension of service should be based on a good service record sound health and ability to discharge their responsibilities effectively and on the recommendation of their respective heads of departments

Other conditions are that they can be asked to retire at any time during the extended period if they are found to be wanting in discharging their responsibilities

On the other hand it cannot be denied that civil servants will enjoy more privileges if their retirement age is extended

An actuary says an extended retirement period would see civil servants getting better insurance coverage higher savings in the Employees Provident Fund and a longer period to repay loans such as for housing

There are more advantages The civil servant will benefit more he said adding that some insurance companies were reluctant to insure individuals above 55 years

A survey by the Malaysian Employers Federation shows that the private sector too has no qualms in providing extensions to their workers beyond the age of 55 years

(The survey said most of those who responded felt that a 60 year limit was better while some even suggested 65 years)

The Government already provides one of the best retirement packages in the world for civil servants The fact that the Government pays RM4 billion annually is testimony to this

The Government has also begun paying full gratuity to those going on optional retirement since the middle of last year

Perhaps it should also consider Cuepacs request for a revision in the pension formula or the minimum pension for civil servants rather than giving automatic extensions to all civil servants

After all how many civil servants are actually still in the pensionable scheme?