

'Increasing retirement age may have financial impact'

SUN - 5 MAY 2007

KUALA LUMPUR, Fri: The proposal to increase the retirement age of civil servants from 56 years to 58 will create a lot of financial implications and deprive others from getting jobs, said Prime Minister Datuk Seri Dr Mahathir.Mohamad.

He said the Public Services Department has indicated that any sudden change in the retirement age will bring about additional costs that the government is unable to bear.

"In fact, the Treasury has to be very careful because if we delay the retirement age,

we will end up not being able to pay," he said at a press conference after a working visit to Tenaga Nasional Bhd.

The prime minister had earlier, through video-conferences, launched Tenaga's university campus in Muadzam Shah in Pahang, its Prosper Shop in Kepong, housing project under Tenaga Properties in Johor Baru and the new Sultan Salahuddin Abdul Aziz power plant in Kapar, Klang.

Pahang Menteri Besar Datuk Adnan Yaacob and Johor Menteri Besar Datuk Ghani Othman were present in the video conferences held in

Kuantan and Johor Baru, respectively.

Mahathir later had a dialogue session with some of the Tenaga staff where he was asked as to why the government did not want to increase the retirement age.

He said the government on its part, wants to increase the retirement age but after finding out there would be a financial implication, had decided to reconsider the proposal.

"Malaysians' expectations are very high now in wanting to work. I know of a person who is 76 years old and still wants to work," he said in

jest, indirectly referring to himself.

He said increasing the retirement age will deprive fresh graduates of jobs.

To another question, he said the government's proposal to reduce employees' EPF contribution from 11% to 9% is to stimulate the economy in the retail sector for a year due to US economic slowdown.

It is not to create damage to the people, he said, adding that by taking up offers from EPF to buy computers and house, employees were also in a way reducing their contribution.