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Mahathir-Retirement

CIVIL SERVANTS' RETIREMENT AGE MAY BE RAISED TO 56

KUALA LUMPUR, May 4 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said the government is confident that the retirement age for civil servants can be extended to 56 because the financial implications of such a move will not be too burdensome.

The government would use the same interpretation in statutory requirements to enable the mandatory retirement age to be raised from 55 to 56 years old, the prime minister said today.

He said that based on this interpretation, a civil servant would retire on reaching 56.

"Now those who are 55 may get (to serve) one more year. This is our hope and we are confident of doing it because the financial implications are not very heavy.

"We (government) are working on the matter and will make a decision as soon as possible," he said when replying to a question at a dialogue with Tenaga Nasional Berhad (TNB) staff at the TNB headquarters here.

It would be a loss for the people to retire at 55 because the life expectancy of Malaysians had increased to 70 for men and 72 for women, said Dr Mahathir who was visiting TNB.

"Useful life is no longer limited to 55 years; it has increased to 60. In fact, I know of a person who is 76 years old and is still working, he said.

Therefore, it would be a waste if a person who was still fit to work had to retire merely to satisfy statutory requirements, he said.

Under the existing provisions, a civil servant had to retire on reaching 55 and this was not appropriate, he said.

However, if the interpretation of 55 was changed to mean the full 55 years and not on reaching 55, those who had retired earlier would ask for an additional 12 months' pay on grounds that they were retired early, he said.

"In view of this problem, we think we will use the same interpretation and say that retirement is at 56, meaning on reaching 56 or on completion of the full 55 years. This way it will have nothing to do with people who have already retired," he said.

Dr Mahathir said the government wished to increase retirement age to 58 or even 60 but because this would have major financial implications it could not be implemented immediately.

Instead, the government would gradually raise the retirement age, he said.

Dr Mahathir said the government also needed to take in new workers to ensure that the younger generation could get work.

-- BERNAMA

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