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Retire-Age

DECISION ON RETIREMENT AGE EXPECTED THIS YEAR, SAYS CUEPACS

By: E. Sivabalan

KUALA LUMPUR, Jan 16 (Bernama) -- Each year, hundreds, if not thousands of Malaysians are "out of work" upon reaching the age of 55, forcing some to warm their rocking chairs at an early age in the name of retirement.

In the United States, a couple in their early sixties sponsored a contest in their own newsletter to do away with "retirement", asking their 1,500 subscribers to come up with a word to describe life after a certain age.

One entrant proposed "graduation" and another "refined".

If one looks up the word "retire" in the dictionary, it says withdraw, retreat or move away from the world, of course not too many people want to do that.

There has got to be another way, says Cuepacs president N.Siva Subramaniam.

One way, said Siva, is to give the option to civil servants on reaching the age of 55 whether to retire or continue to serve until 58. The compulsory retirement age in the Malaysian civil service is 55.

He said people are now living longer, healthier lives, and what used to be called retirement, a time to sit and fish, is increasingly an opportunity to grow and explore.

"The life expectancy of Malaysians had increased to 70 or 72 from 60 following better living condition and it is only proper that the knowledge and experience of those under 60 be exploited," he said in an interview with Bernama today.

He said many civil servants are being retired at a young age. In most developed countries such as Japan and Britain, a retirement age of 60 is being implemented while in Southeast Asia, Singapore had already implemented it.

Siva said civil servants actually retire at the end of their 54 years of age which is a low age and the government will have to fork out a huge amount of money to pay them pensions for as long as they live.

By increasing the retirement age, the government could save "a lot of money" in terms of gratuity and pensions, he said.

A study by Cuepacs showed that there would be a surplus in allocation if civil servants are allowed the option to retire upon reaching 58 as requested by Cuepacs.

As an example, 10,892 civil servants would have reached the mandatory retirement age in the year 2000 while another 14,567 would be retiring in the year 2001, according to the proposed appeal made by Cuepacs to the government in 1999 to extend the optional retirement age for public servants.

According to the appeal memorandum, if the 10,892 public sector employees reaching the age of 55 in the year 2000 were to extend their service, a sum of RM493,381,054.00 could be "saved" by the government which would otherwise have to be paid out in the form of gratuity and could then be channelled for development projects etc.

For the year 2001, 14,567 public sector employees would go on retirement and a sum of RM660,847,749.50 must be spent if they were to go on mandatory retirement at the age of 55.

He said with the era of globalisation, the government needs more workers.

"In fact, we are short of staff in many government departments," he

said. Currently, there are about 800,000 civil servants.

In 1998, Cuepacs had proposed to the government to increase the compulsory retirement age from 55 to 60 but it was rejected.

On April 30, 1999, Cuepacs handed a memorandum to the Chief Secretary to the Government Tan Sri Halim Ali regarding its proposal to increase the retirement age for civil servants from 55 to 58.

Almost a year later, Prime Minister Datuk Seri Dr Mahathir Mohamad was quoted as saying that the government was prepared to consider Cuepacs' proposal.

Halim was quoted as saying in November last year that the advantages and disadvantages must be weighed in terms of the economic situation, manpower and cost to the government before a decision was made.

A random survey carried out by Bernama showed that most pensioners spent their time without doing anything worthwhile although they might be professionals with wide experience.

Some of those interviewed said that the private sector is reluctant to take them in because of the age factor.

Union leaders argued that it will be "uneconomical" to maintain the retirement age of 55 because of various factors, among others, the fact that they are still young and many of them have family responsibilities such as school- or university-going children.

"People are getting married late, and as such even when they are in their 50s, they still have children going to school," said one union leader.

Besides that, many of the government officers, especially those in the professional fields such as medical and teaching professions, have the experience and skills which are in great demand now.

Trade union leaders feel that if the Cuepacs' proposal is rejected, then the government can ascertain that only those public sector employees who are interested, of good quality and productive are given the option to continue their service.

The selection of candidates for extension of service should be based on 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.

Siva said Cuepacs has "negotiated" with the Public Service Department on increasing the retirement age and a decision is expected this year.

He said Dr Mahathir had indicated that the government needed some time to study the proposal.

"We do not know if the retirement age will be extended but we are hopeful," he added.

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