

24 APR 2001

MTUC-contribution

EPF CONTRIBUTION ISSUE SHOULD NOT EXPAND INTO TRADE DISPUTE

KUALA LUMPUR, April 24 (Bernama) -- Employers should take careful note of the legal requirements regarding percentage contributions of workers to the Employees Provident Fund (EPF) and should not enlarge the trivial issue into a full-blown trade dispute, the Malaysian Trades Union Congress said today.

Its President Senator Zainal Rampak said trade disputes should be avoided in the interest of maintaining and sustaining industrial harmony in the country.

"However, trade unions should not be blamed later on by any party in the event this matter eventually develops into a dispute," he said in a statement.

Zainal reiterated the MTUC stand that there was no legal requirement for workers to submit Form 17A to reinstate their two per cent EPF contributions from nine to 11 per cent.

He said Section 74 of the EPF Act clearly stated that unless the third schedule to the Act which contained the table of employer's and worker's monthly contributions were amended and gazetted, the prevailing respective employer-employee contribution rates of 12 and 11 per cent shall continue to be binding.

"In the absence of gazette notification, there is no legal requirement for workers to submit Form 17A to reinstate their two per cent contributions from nine to 11 per cent," he added.

Zainal said workers were only required to complete and submit Form 17A in the event they wished to contribute more than the prescribed and duly gazetted rate.

On March 27, Prime Minister Datuk Seri Dr Mahathir Mohamad announced in the Dewan Rakyat the government's intention to reduce workers EPF contributions from 11 per cent to nine per cent.

It was one of preliminary measures to further intensify local economic activities following the economic slowdown in the United States, a major trading partner of Malaysia.

On April 17, the government decided to give workers the option of whether to reduce or maintain their 11 per cent EPF contributions and those who wished to contribute more than nine per cent must fill in the consent form Borang KWSP 17A (Pekerja).

Zainal said the MTUC understood that until now more than 30,000 Forms 17A were submitted and this had put more administrative work load on the EPF staff which was already burdened with applications for withdrawal upon retirement, insurance, medical and health care, computer and house purchases and various other schemes.

He said MTUC had written a letter to EPF Chairman Tan Sri Abdul Halim Ali asking the EPF to direct all employers to automatically reinstate employees contributions without unnecessary documentation such as Form 17A.

-- BERNAMA

AKT AHH AAM