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EPF-Option

EPF CONTRIBUTIONS: WORKERS GIVEN THE OPTION

KUALA LUMPUR, April 17 (Bernama) -- The government has decided to give workers the option of whether to reduce or maintain their 11 per cent Employees Provident Fund (EPF) contributions, the Prime Minister's Department said today.

It said in a statement issued here that the decision is in line with the provision of the Employees Provident Fund Act.

"The government is confident that workers nationwide will welcome the decision to give them the option to make their respective contributions," it said.

Section 43(4) of the Act says that workers can at any time opt to contribute more than the stipulated rate.

On March 27, Prime Minister Datuk Seri Dr Mahathir Mohamad had 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 the preliminary measures to further intensify economic activities of the local business following the economic slowdown in the United States, a major trading partner to Malaysia.

Meanwhile, the Malaysian Trades Union Congress (MTUC) welcomed the decision of the government to give workers the option.

Its president, Zainal Rampak said the MTUC executive committee had at its meeting on April 6 advised the workers to continue to contribute 11 per cent of their pay to the EPF since it would be more profitable for them in the long term.

"We welcome the government's decision to give workers the option...is in line with the wishes of the MTUC that workers be allowed to continue to make 11 per cent contribution to the EPF," he said when contacted by Bernama.

He hoped employers would also be responsive to the decision.

"If the workers want to continue to make 11 per cent contribution to the EPF, the employers should it and not to force them to reduce their contributions," he said.

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