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MTUC wants public debate

Sarban Singh

KUALA LUMPUR, Wed. - The Malaysian Trades Union Congress today challenged the six insurance companies managing the Employees' Provident Fund's annuity scheme to a public debate.

This is to enable contributors to decide for themselves whether the scheme benefits them or not.

MTUC secretary-general G. Rajasekaran said a public debate would allow the parties to present their viewpoints on the matter, thus allowing the EPF contributors to weigh the options before them.

"We want them to make their choice based on facts and figures and no one should be misled," he said.

Rajasekaran was commenting on the move by a group of 500 contributors who formed the "Save Annuity Scheme" task force yesterday with the slogan "My Money, My Choice" to send a memorandum to the Prime Minister next Tuesday urging him to reinstate the annuity scheme.

"The MTUC has the responsibility to inform contributors about the weaknesses of the scheme.

"We can understand the grumbling of insurance companies and the thousands of agents because they stand to lose a substantial sum," he said.

Rajasekaran said 30 MTUC representatives who attended the gathering found that most of those present were insurance agents.

Quoting a report from a leading financial weekly published in August last year, Rajasekaran said with the inflow of funds from the sale of the annuity scheme, insurance companies had expected to become five times larger than what they were today.

"Nowhere in the lengthy article was there any mention of what they planned to do for the contributors who are expected to pump in millions of ringgit into the scheme," he said.

On another note, Rajasekaran said 10 MTUC officials would meet the EPF top management tomorrow to discuss the findings of a study by a consultant on whether the fund could manage the annuity scheme on its own.

Speaking to Bernama, MTUC president Senator Zainal Rampak urged workers who had signed up for the annuity scheme not to be confused by the congress' stand on the issue.

He said workers who had signed up for the scheme should know that the private sector umbrella union did not oppose the scheme but objected to it being run by insurance companies.

"We are not against the scheme but we are against it being run by insurance companies," he said, adding that if insurance companies administered the scheme, the overhead cost would be high, resulting in lower returns for the contributors.

"They (insurance companies) would have to pay commission to their agents as well as other costs which would be taken from what is due to the workers.

"But if the scheme is run by the EPF, the workers stand to gain higher returns," he added.

The scheme was deferred by the government after the MTUC kicked up a fuss.

The MTUC, which has over half-a-million members, wanted to picket at all EPF branches nationwide on May 12, among others, to object to the scheme being managed by insurance companies.

However, it called off the picket after Prime Minister Datuk Seri Dr Mahathir Mohamad intervened at the 11th hour.