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`Annuity best in EPF hands'

Sarban Singh

KUALA LUMPUR, Thurs. - The Malaysian Trades Union Congress and Cuepacs today reiterated that the Employees Provident Fund should manage the annuity scheme on its own and not allow insurance companies to do so.

This was conveyed to a consultant during a briefing at the EPF headquarters here today.

MTUC secretary-general G. Rajasekaran said preliminary findings by the consultant revealed that the EPF had the means to manage the scheme on its own.

"We were told that it is not as complicated as it has been said to be.

"The EPF has the people to do it. It all depends what its priorities are," he said. Preliminary findings showed it would be more cost-effective if the fund were to manage the scheme.

Eleven officials from Cuepacs and MTUC attended the two-hour briefing conducted by AON Consulting Sdn Bhd managing director Qu Won Fah.

Describing the meeting as "very fruitful", Rajasekaran said the union officials had also briefed the consultant to why they objected to the scheme being privatised.

Rajasekaran said the actuary's report would be submitted to the EPF Board before its next meeting in June.

Cuepacs president Datuk N. Sivasubramaniam said the consultant was receptive to the delegation's views.

On May 9, the Cabinet decided to defer the controversial scheme pending the outcome of a study conducted by the consultant. The MTUC then decided to postpone its nationwide picket scheduled for May 12.

Prime Minister Datuk Seri Dr Mahathir Mohamad had also given an undertaking to the MTUC that its requests would be studied.

MTUC officials are scheduled to meet Dr Mahathir on June 25 for further discussion on issues raised by them, including that 50 per cent of the EPF board comprise workers' representatives.

The annuity scheme is a retirement programme where workers' contributions, upon agreement, would be managed by private insurance companies and given out like pension payments on a monthly basis after they cross 55.