

11/05/2001

## Retirement age laws for amendment in July

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KUALA LUMPUR, Thurs. - The amendment to the laws allowing civil servants to retire at age 56 is to be tabled at the Parliament in July, said a source in the Human Resources Ministry.

If gazetted, the amendment will mean that more civil servants were likely to reach 25 years of service and receive full pension, said the source.

Following a Cabinet decision yesterday to increase the retirement age by a year, the Pensions Act 1980 and Statutory and Local Authorities Pensions Act 1980 is to undergo a "simple amendment" with technical changes, a source said.

Instead of retiring at the age of 55, civil servants would retire when turning 56, at the completion of their 55th year, he added.

Pension acts in Kelantan, Terengganu and Johor (previously unfederated Malay states) would undergo similar amendments, he said.

The increase in the retirement age would be gradual and the Public Service Department would monitor the effects of the new retirement age, he added.

Human Resources Minister Datuk Fong Chan Onn said yesterday the new compulsory retirement age would take effect on Oct 1.

Last week, Prime Minister Datuk Seri Dr Mahathir Mohamad said the retirement age for civil servants would eventually be raised to 60. The change would not be sudden, he had said, as there were legal and financial implications.

Public Service Department public relations officer Hasniah Rashid said out of some 22,000 civil servants who retire every year, about 12,000 undergo compulsory retirement.

An annual average of 5,000 civil servants take up optional retirement and another 5,000 retire because of privatisation. Others retire for health and public interest reasons, she added.

While the PSD did not have the statistics of employees who would receive full pensions because of the increase in retirement age, records show that the average age for joining the civil service was 24 or 25, she added.

The Prime Minister's Department, which heads the PSD, has yet to issue a statement on the increase in retirement age.

Cuepacs president N. Siva Subramaniam said the move towards a later retirement age is appreciated and called for those who would enjoy the extension to work hard, as their performance will determine if the retirement age would be raised to 60.

Malaysian Employers Federation executive director Shamsuddin Bardan said its latest survey showed that 93 per cent of employers fixed age 55 as a retirement age, while about five per cent have their employees retiring at age 60.

There was no law stipulating a compulsory retirement age for the private sector and employers were left to their discretion on the suitable age for retirement, he added.