

29 MAR 2001

EPF-Contributions

RM1.5 BLN LESS FROM ANNUAL EPF CONTRIBUTIONS FROM RATE CUT

KUALA LUMPUR, March 29 (Bernama) -- The reduction in Employees Provident Fund (EPF) contributions from employees from next month will result in reduced contributions of about RM125 million monthly or RM1.5 billion annually, EPF said in a statement today.

The new rate will be effective for one year until the March 2002 salary. However, the employers' portion of the monthly contributions will remain at 12 per cent, EPF said.

EPF also said the reduction in monthly contributions would not have any bearing on the fund's investment activities.

EPF disclosed that the April contributions, which are payable not later than May 21, would be based on the new rate of 9.0 percent.

Prime Minister Datuk Seri Dr Mahathir Mohamed announced the reduction to 9.0 per cent from 11 per cent on Tuesday as one of the measures to stimulate the economy and to ward off the adverse effects of the economic slowdown in the United States.

To facilitate the computation of the new rate, a revised schedule on the monthly contributions will be distributed to all employers in the country soon, EPF said.

The new rates can also be viewed on the EPF Website, www.kwsp.gov.my/kwsp, by April 1, 2001.

EPF is a national retirement plan that serves to protect the rights of its members during old age.

EPF said this is achieved through an effective mechanism for collection of contributions, and through EPF's prudent investment strategy, the Fund is able to enhance the value of the contributions for its members' post-retirement.

-- BERNAMA
MKO SHY AO