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ATF-Annuity

SATF APPEALS FOR EPF ANNUITY SCHEME TO BE REINSTATED

KUALA LUMPUR, May 29 (Bernama) -- Save Annuity Task Force (SATF), an organisation representing EPF contributors and annuitants, has appealed to Prime Minister Datuk Seri Dr Mahathir Mohamad to reinstate the Employees Provident Fund's annuity scheme.

SATF said in a memorandum to the prime minister today that the scheme would provide financial security to contributors in their later years.

Furthermore, the scheme would create an environment where adults would be able to take care of themselves to their last day without having to be a social burden to the government, it said.

Its chairman, Guna Raj George, said the organisation, with membership of approximately 345,000, was formed on May 22, this year.

He said the organisation had also requested for a meeting with the prime minister at a later date.

SATF also pointed out studies had shown that a number of contributors use up their lump sum within three to four years and thereafter became a social problem and social cost to the government.

"Moreover, with rapid advancement in the field of medicine and an increase in health awareness, people tend to live longer and therefore, it is vital that there is some steady source of income.

"We therefore see the annuity scheme as a new dimension in the field of investment which will enhance our post-retirement life and ensure that we have sufficient and regular income to meet our basic needs and not be dependent on others or the welfare home," SATF said.

SATF emphasised that with the scheme being managed by insurance companies, members would have the benefit of the advantage of the spreading of risks among different experts in the field of investment -- EPF and the insurance companies who were key players in the development of the financial sector and the capital market.

The annuity scheme is at present temporarily suspended as demanded by the Malaysian Trades Union Congress (MTUC).

It said it was only appropriate that EPF contributors were given a chance to make their choice.

"We, the annuitants, have seen the virtues of the scheme and to that extent are disgusted over the attitude of MTUC that has taken the onus to represent the nine million people when it has only a membership of 500,000 workers," it said.

-- BERNAMA

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