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Up to workers whether to cut or maintain EPF contribution: PM

WORKERS can decide whether to reduce or maintain their current 11 per cent contribution to the Employees Provident Fund (EPF), Prime Minister Datuk Seri Dr Mahathir Mohamad says.

"If they don't like paying 9 per cent, then they can continue to pay 11 per cent. It is up to them," he said, adding that this will allow them more room to manage their own cashflows.

"They can even contribute more than 11 per cent if they like, say 12 per cent or more. This is provided for in the EPF Act," Dr Mahathir told reporters after officiating at the formal opening of the International Islamic University (IIU) in Gombak yesterday.

But he believes many workers will agree to a cut as they are already saving a big sum with the EPF each month, considering the employers also make contributions for them.

He was commenting on a statement issued by the Prime Minister's Department yesterday to explain that workers have the option to reduce or maintain their level of contributions to the EPF.

The Government had on March 27 announced that workers' EPF contributions would be cut temporarily by 2 percentage points as part of a package of fiscal measures to pre-empt the effects of a US economic slowdown.

Union leaders welcomed the decision, saying it reflects the Government's pro-active stance.

"This clearly shows that the Government is pro-active as it is willing to listen to the workers," said N. Sivasubramaniam, president of the Congress of Unions of Employees in the Public and Civil Services.

It is a wise move to allow workers to decide on how much they want to save for the future, he said when contacted.

Malaysian Trades Union Congress (MTUC), which had threatened to picket EPF offices nationwide to protest the EPF contribution cut, also welcomed the move.

Its president, Senator Zainal Rampak, said MTUC has found that the majority of workers are against a reduction in their contributions to the EPF.

"If the Government wants to encourage the public to spend to stimulate the domestic economy, we suggest reviving the Special Relief Allowance of RM50 for workers earning less than RM1,000 a month," he said.

Zainal was referring to a RM30 cost of living allowance which was introduced in 1974 by the then Prime Minister Prime Tun Abdul Razak Hussein to help tide low-income workers over the deep recession then.

Turning to the issue of freedom of speech, Dr Mahathir said Malaysia will not allow radicals to use press freedom to ruin the peace and harmony of the country.

"The opposition had posted on the Internet that killing me is halal... that my blood is not Islamic. If we give such freedom, they will wage war.

"We don't like this kind of freedom of the press," he said.

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