

19/04/2001

Workers told to inform employers on EPF deduction

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KUALA LUMPUR, Wed. - Employees who wish to contribute more than nine per cent of their monthly salary to the Employees' Provident Fund must inform employers in writing.

This is because the statutory rate of contribution for workers is now nine per cent and not 11 per cent, the EPF said in a statement today.

"Based on the Government's decision which takes effect this month, the statutory contribution for workers is now nine per cent," the fund said.

Employers will proceed with the reduced deduction from this month if they are not informed.

It said employers' share of EPF contributions for workers remained at 12 per cent.

The statement said those who wished to contribute more than nine per cent must fill the KWSP 17A (Pekerja) form and submit it to employers.

Employers will endorse them before forwarding them to the EPF.

"Those who wish to contribute more than the statutory requirement of nine per cent will only be allowed to do so once this form is submitted to the EPF," he said.

The EPF said those who did not submit their forms to the EPF will be deemed to have agreed to contribute nine per cent.

"They would be automatically contributing nine per cent as announced by the Government," it said.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said on March 27 that workers' portion of their EPF contributions would be temporarily reduced by two per cent for a year to encourage consumption.

This was part of several pre-emptive measures to be taken by the Government to offset the impact of a slowdown of the US economy.

Two days later, Dr Mahathir said that the Government was willing to rescind its directive if workers wished to maintain their rate of contribution.

Yesterday, the Prime Minister's Office in a statement said it was up to employees to decide whether they wanted to reduce their EPF contribution by two per cent.

It said the decision was in line with the provisions of the EPF Act which allowed workers to opt to contribute more than the statutory requirement.

The KWSP 17A (Pekerja) form is available at any EPF office nationwide. It can also be downloaded from the EPF website at www.kwsp.gov.my/kwsp from April 23.

Employers would also be furnished with a new schedule based on the nine per cent to be contributed by workers. This would be made available soon, the statement said.

Meanwhile, Malaysian Trades' Union Congress secretary-general G. Rajasekaran said the EPF's move would create problems for all.

"We don't know why the EPF is being unreasonable. They already have so much of work and yet they want millions of workers to submit these forms," he said.

Rajasekaran said the EPF should only ask those who wished to reduce their portion of contributions from 11 per cent to nine per cent to fill up the KWSP 17A (Pekerja) forms.

"The majority of workers want their contributions to be maintained at 11 per cent. So why are we asking the majority to fill up the forms and not

the minority?."