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EPF deduction back to 11%

PETALING JAYA, Tues: Workers' contribution to the Employees Provident Fund will revert to 11% with effect from next month's salary.

The contribution was reduced to 9% from March 27 last year as part of the government's RM3 billion preemptive economic stimulus package.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also finance minister, announced the temporary reduction as part of steps to sustain the country's growth in the face of a slowdown in the US economy.

After protests from several quarters, workers were allowed to choose whether to reduce their contribution to 9% or maintain the 11% rate. However, the employer's portion of the monthly contribution remains at 12%.

The EPF said in a statement today that workers who opted to contribute at 11% before the announcement, 2% more than the statutory rate and have not cancelled their election, will be contributing 13% from next month.

Members who want to contribute 11% must inform EPF

in writing or by completing form KWSP 18A (Pekerja).

The EPF will send notices on the new contribution rate to all employers.

"The EPF would like to advise all employers to ensure that the correct amounts are deducted from the employees' salaries, and remitted to the EPF in their monthly contribution from May 2002 and onwards," it said.

Employers who need more information may contact the nearest EPF office or e-mail their enquiries to enquiry@epf.gov.my.