

Memo on woes of EPF contributors

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PETALING JAYA: The Malaysian Trades Union Congress (MTUC) presented a memorandum to the Employees Provident Fund (EPF) yesterday outlining various issues concerning contributors and demanding a quick solution for them.

A discussion was also held between officials of EPF and MTUC during which the statutory body's poor management of funds by way of non-profitable investments was raised.

The labour organisation's main demand was the request for the death and incapacitation benefits be restored to the previous minimum RM1,000 and maximum RM30,000 from the adjusted flat payment of RM2,000.

MTUC general-secretary G. Rajasekaran said the adjustment needed urgent attention as many people were waiting to withdraw from the allowance.

"The MTUC had advised them to wait for the adjustment before withdrawing as it would be very difficult to ask for the difference in the event the adjustment is made after they had withdrawn the current RM 2,000," he said.

He said the other issue raised was the 7% penalty imposed on those who wished to withdraw

their monies from the controversial Annuity Scheme.

The Annuity scheme, which scrapped by the Prime Minister Datuk Seri Dr Mahathir Mohamad end of last year, was introduced in mid-2000 to perk-up the then fledgling insurance industry even though it gave very low returns.

Rajasekaran said it was EPF's responsibility to convince profit motivated insurance companies to return subscribers' monies without imposing the penalty.

He said MTUC also wanted the EPF to practice more prudence when making investments as it did not want more losses such as the almost RM1bil gone asunder in the Malaysia Building Society Berhad chaos to reoccur.

Rajasekaran said MTUC was very concerned over the decline of dividends paid to its members, as this would adversely affect their social security upon retirement.

In a statement released to the media, EPF said the two hour meeting between both parties had been "cordial" and that the statutory body's newly appointed chief executive officer Azlan Zainol had briefed the MTUC team on the intensified activities pertaining to the collection of arrears from errant employers.