

Pay review decision soon

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Mahathir to table revised civil service salary system

PUTRAJAYA: The cabinet will decide soon on the revised salary system under the New Remuneration Scheme (NRS) for government employees.

Prime Minister Datuk Seri Dr Mahathir Mohamad said he will table the revised scheme at the cabinet meeting soon and it will be implemented after the cabinet gives its approval.

"It's up to the cabinet whether to approve the (salary) report or not," he told reporters yesterday after launching the 2003 Le Tour de Langkawi cycling championships.

Mahathir, who is also finance minister, said he has studied the reply by the Public Services Department (PSD) to the counter-proposals made by the Public Sector Committee on Salaries and Posts to the department last month.

Under the NRS matrix system implemented since 1992, only 5% of civil servants are eligible for vertical and diagonal pay rise every year and this created dissatisfaction among the 950,000 government employees.

Cuepacs, the umbrella body for public sector unions, had asked the government to scrap the matrix system as it claimed 95% of the public sector employees are disappointed with it.

Meanwhile, the government has abolished the interest charged on savings withdrawn from the Employees Provident Fund by civil servants to buy a house.

Cuepacs president Datuk N. Siva Subramaniam said the matter was contained in a circular issued by the Finance Ministry three months ago.

"When withdrawing the contribution, they took all the amount available but upon retiring, the balance withdrawn must be paid back and the interest charged is from the date of withdrawal.

"As such, the decision means that the contributor will only have to pay the EPF the amount that was in excess of their contribution," he told Bernama in Kuala Terengganu.

The EPF fixed an interest rate of between 4% and 8% to contributors based on the dividend paid each year.