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Mahathir-Retirement

PROPOSAL TO RAISE RETIREMENT AGE FOR CIVIL SERVANTS TO 58 REJECTED

SHAH ALAM, Dec 10 (Bernama) -- The proposal to raise the retirement age for civil servants to 58 was rejected because it would entail a huge expenditure by the government, Datuk Seri Dr Mahathir Mohamad said today.

"We have to cut the coat according to the cloth. We cannot spend without taking our income into account. We can give more money to the people, repeatedly raise wages but when the country goes bankrupt, there'll be problems," the prime minister said.

He said the government had considered the matter before deciding to raise the retirement age from 55 year to 56 recently.

"That's one more year's salary that we have to pay," he told a news conference after opening the 22nd World Fellowship of Buddhists General Conference and 13th World Fellowship of Buddhist Youth General Conference here.

He said this when asked to comment on proposals by the Congress of Unions of Employees in the Public and Civil Service (Cuepacs) and the Malaysian Trades Union Congress (MTUC) to the government to raise the retirement age for civil servants to 58 from the current 56.

Dr Mahathir said that when a government servant retired late, the government could not take in a new worker because it only had that much money to spend.

Asked about civil servants who are still healthy and productive although they have reached retirement age, he said that if they were able, they could work at other places.

"They get a pension. If they continue to work (with the government) they don't get a pension, only a salary. If they go into business, they can get richer," he said.

Dr Mahathir also said that the government would tighten enforcement to enhance efficiency in tax collection.

"Some people did not save enough money to pay their taxes. We have to go after them. We have to take action against them. Now we have withdrawn their passport so they cannot run away," he said.

He said it would be better for them to pay so that they "can sleep better".

The prime minister said this when asked to comment on a press report today quoting Inland Revenue Board chief executive officer Datuk Zainol Abidin Rashid as saying that tax defaulters in the country owed the government close to RM1 billion.

To another question, Dr Mahathir said the government had not made any decision whether to re-assess the status of the Memorandum of Understanding (MoU) it signed with Australia last August on efforts to fight terrorism.

Earlier, the prime minister had strongly criticised Australian Prime Minister John Howard for his statement that Australia was prepared to make pre-emptive strikes against terrorists in several Southeast Asian countries to protect its citizens.

Yesterday, Foreign Minister Datuk Seri Syed Hamid Albar said Malaysia would raise the matter at the Asean Regional Forum (ARF) annual meeting or any other ARF-related meeting.

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