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EPF-Withdrawal

EPF'S PROPOSAL TO STOP ONE THIRD-WITHDRAWAL APPROPRIATE, SAYS DR SHAFIE

KEPALA BATAS, Dec 11 (Bernama) -- The Employees Provident Fund (EPF)'s proposal to stop allowing contributors from withdrawing one-third of their savings on turning 50 is appropriate, said Deputy Finance Minister Datuk Dr Shafie Salleh today.

He said it would be for the good of the contributors after taking into consideration various aspects.

"The proposal actually reverts back to the original philosophy in setting up the EPF, namely to provide contributors funds for retirement," he said, commenting on the proposal of a committee formed to look into ways to maximise retirement funds of contributors.

The proposal and others were expected to be submitted to the EPF board soon and if approved could be enforced by June next year, according to EPF Chief Executive Officer Datuk Azlan Zainol.

Speaking to reporters here after participating in a programme organised by the Kepala Batas Umno's economic bureau here, Dr Shafie said that prior to this, the EPF had given many relaxation to contributors to withdraw their savings such as to buy computers but some had abused it.

"Even (former prime minister Tun) Dr Mahathir (Mohamad) could not understand their action, buying receipts instead of computers," he said.

Dr Shafie said contributors should not be unduly alarmed by the proposal as their savings had been divided into several accounts that would still enable them to withdraw their savings should they need it for medical treatment or to finance the education of their children.

"If contributors withdraw all their savings, then they will have not much when they retire," he said.

He also said the government was expected to increase the allocation under the micro-credit loan scheme in the 2004 Budget to boost economic growth.

As at last Dec 8, RM390.1 million in loans had been disbursed to 41,348 applicants nationwide under the scheme, he said.

Dr Shafie said a total of 98,177 applications for RM1.6 billion in loans were received and of the number 54,764 applications involving RM497.043 million in loans were approved.

In Penang alone, he said 7,246 applications for loans totalling over RM60 million were approved.

Of the number, he said RM47.9 million had been disbursed to 5,663 applicants.

He said 11,141 people in the state had applied for loans amounting to RM178.4 million under the scheme.

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