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9 PER CENT EPF DEDUCTION FROM NEXT MONTH

KUALA LUMPUR, May 26 (Bernama) -- The reduction of the employees' contribution to the EPF from 11 per cent to nine per cent, under the economic stimulus package, will be implemented from next month, the fund announced in a statement today.

The reduced contribution would be in force for a year until May of next year, EPF Public Relations Senior Manager Nik Affendi Jaafar said in the statement.

"With the reduced rate, contributions to the EPF will be less by RM170 million a month or RM2 billion for the one year period but this will not affect the fund's investment activities," he said.

The employers' portion of the contribution remained at 12 per cent, he said.

The reduced rate to provide for more disposable income to the people to bolster the domestic economy, affected by SARS and other world developments, was announced by the Prime Minister, Datuk Seri Dr Mahathir Mohamad, in his economic stimulus package.

Nik Affendi said the new amended schedule of contributions would be distributed to all employers by the end of this month.

"The new schedule can also be obtained from the EPF website -- www.kwsp.gov.my," he added.

-- BERNAMA
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