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RM10,000 aid for higher education

By Azura Abas

KUALA LUMPUR, Wed. - Children from low-income Malaysian families stand to gain RM10,000 from the Government for their further studies.

This comes with one proviso - their parents must have a savings account for them with the National Higher Education Savings scheme to be launched soon.

Higher Education Minister Datuk Dr Shafie Mohd Salleh said the scheme was open to children of all ages.

He said depositors would have to be from families earning a combined monthly income of less than RM1,000.

Shafie said the maximum RM10,000 matching grant could only be withdrawn after 10 years.

"When depositors reach 18 years and need the money to pursue their tertiary education, they can withdraw all their savings, interests, dividends and the matching grant from the Government," he told reporters after chairing his post Cabinet meeting today.

Shafie added depositors could withdraw any amount under the scheme and enjoy pro rata subsidy from the Government with interests and dividends if they did not want to pursue tertiary education.

The scheme was proposed by former Prime Minister Tun Dr Mahathir Mohamad in the 2003 Budget on Aug 20, 2002.

Dr Mahathir had said that the scheme was being set up to ease the burden on poor parents bearing the educational expenses of their children.

Shafie said four banks - Bank Bumiputra Commerce, Bank Pertanian, Bank Rakyat and Bank Simpanan Nasional - had been appointed to oversee savings under the scheme.

"The savings will be invested in various Islamic instruments where depositors, apart from getting Government grant, will also get dividends."

On National Higher Education Fund, Shafie said students who took loans now have a three-year grace period instead of six months to pay the loans through income tax deduction.

"We understand that students need time to find jobs. Some can only secure jobs after six months or more upon graduation.

"Still, they have to keep us updated every six months about their work status over that three-year period," he said.

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