

Minister: Retirement age not raised so gov't could hog EPF

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Human Resources Minister Dr S Subramaniam today dismissed claims that the government is pushing up the minimum retirement age from 55 to 60 so that employees' savings in the Employees Provident Fund (EPF) can be held longer.

Speaking to the media in Putrajaya today, he confirmed that the EPF withdrawal age remains at 55, even though the minimum retirement age has been raised.

"Rest assured it is not going up to 60 years to keep money in EPF to support (the government)," Subramaniam said.

"People will find everything to say (against the government)."

He said any changes to the EPF withdrawal age will only be made after ample consultations.

"EPF will not make changes now. If they want to (bump up the withdrawal age), there will be adequate consultation with stakeholders," he said.

He said companies that want to extend retirement age to 60 before the official implementation of the policy, may do so at their discretion.

"I get (text-messages) from people who are about to retire, asking if it can be officially implemented today, but it's not so easy," he said.

He said employers, in meetings with the ministry, have been varied in their responses and have asked for a grace period of anything from one to five years.

"Opinions vary and we will make a decision that is fair to everyone," he said.

The Bill to push the minimum retirement age to 60 was passed by the Dewan Negara last week.

Additions to outsourcing programme

Earlier, Subramaniam announced that the outsourcing entry point programme under the economic transformation programme has welcomed 14 more new companies from December 2011.

The companies include multinationals AIG, Frost & Sullivan and Chartis, which outsource services like finance and accounting, human resources shared services and engineering services.

Subramaniam said the companies chose Malaysia not just to cut costs but also because of the availability of talent here.

"In the first quarter of 2012, a total of 2,210 new jobs and over RM318 million in export revenue have been brought in by (the outsourcing projects).

"This represents a significant amount when compared to last year, with a 50.2 percent increase in jobs and nine percent increase in exports."

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