

i-Sinar conditions too strict, unfair - economic expert

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Although i-Sinar has been expanded to make more Employees Provident Fund (EPF) contributors eligible to withdraw from their Account 1, there are still complaints about the programme.

Some have labelled i-Sinar as 'i-Sedih', 'i-Malap' and other nicknames due to what they deem as its strict requirements, including that the programme is only available to those who have had at least a 30 percent pay cut.

An economic expert from Universiti Malaysia Sarawak's Economy and Business Faculty, senior professor Shazali Abu Mansor, viewed the minimum rate of 30 percent pay cut as unreasonable and unfair.

The EPF should not place such a restrictive percentage as a condition, but instead should make withdrawals easy to contributors who are desperate and require cash to survive, he said.

"If it requires a 30 percent pay cut to make a withdrawal, then it's unfair... those with low salaries and dealing with a 20 percent pay cut are not eligible but those with a high salary and taking a 30 percent pay cut qualify instead.

"This is unreasonable and we need to make it easy for those who are suffering, instead of adding salt to their wounds by making them ineligible to withdraw their own money... the government needs to think of a better way," Shazali told Bernama when contacted yesterday.

He said that since the strict conditions were not decided in Parliament, then the EPF should not place such difficult requirements. Instead, it should allow withdrawals by contributors who have pay cuts, no matter what the percentage.

"If someone has money and is not affected, they will not go to the EPF to ask for anything, but if they are willing to go and queue for so long, it means they are desperate and require the money," he said.

Shazali said the government should allow contributors to withdraw a certain sum for business capital in order to make ends meet, with the condition that they have to repay the amount withdrawn.

Malaysian Trades Union Congress (MTUC) president Abdul Halim Mansor said

those who don't qualify but really need the withdrawal should appeal to the EPF.

"Although the conditions are set by the EPF, workers can go to the EPF and appeal... I hope the EPF will consider those who really need the assistance," he said.

But at the same time, contributors who qualify to apply and receive the i-Sinar funds must understand that it is financial assistance and should be spent according to necessity.

"MTUC is afraid that the money withdrawn under the i-Sinar programme will be spent on things outside of its objectives and when the money is gone, they will still face difficulty and still do not contribute to the EPF... when that happens, what aid can be given by EPF and the government?" Abdul Halim said.

Under the Employment Act 1955, no company can simply cut the salaries of its workers and any pay cut must require prior permission from the Human Resource Department.

Last Wednesday, the EPF announced two categories of contributors who are eligible for withdrawals, with category one being contributors who work in the formal sector, are self-employed, working in the gig economy, members who

have not contributed for some time, loss of a job, housewife or members given no paid leave notice.

The criteria for Category 1 are that members who have not contributed to the EPF for two months straight during the application, or workers who are still working but experiencing pay cuts of at least 30 percent after March 2020.

Category 2 is for members who are still working but have a 30 percent or more pay cut, including reduction of salary and allowance, or cuts to overtime after March 2020, and the reduction must be supported by documents provided by the member.

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