

PM says no to another round of EPF withdrawal, mulling alternatives

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Prime Minister Anwar Ibrahim today reaffirmed the government's decision not to allow another round of withdrawal from the Employees Provident Fund (EPF).

He said such a move would negatively affect contributors who are retiring soon, adding many of them are left with a relatively small sum to survive in their old age.

However, the premier assured that Putrajaya is looking at other ways to help ease the people's financial burden without compromising their post-retirement survival.

"I could just let them withdraw their (EPF savings) since it's their money anyway.

"But for those who are only left with... let's say RM3,000, then they withdraw RM3,000 now, what will happen to their families later?"

"Those who still have much left may not have a problem (to survive) but what about those who don't? Some are going to retire in two to three years' time.

"So we are trying to find a way to help ease their (financial) burden without affecting them after they retire," he told reporters in Bestari Jaya earlier today.

Anwar earlier delivered a lecture at Universiti Selangor's main campus, the first university he has visited since he became prime minister.

Last month, a group of EPF contributors called on the government to consider another early withdrawal of up to RM30,000.

Anwar had dismissed the idea then, saying it would be better for the government to look into other options to help those gravely impacted by the Covid-19 pandemic.

Meanwhile, during today's presser, he said that Budget 2023, to be tabled in Parliament this Feb 24, would see the government employing several strategies to help the rakyat.

"As I have explained, the focus of this budget is to address deficits, for digital, food security and the people's welfare, and address the cost of living.

"This is our strategy. Other things will be announced when I table the budget," Anwar said.

To date, the government has allowed three rounds of special EPF withdrawals, namely under the i-Lestari, i-Sinar and i-Citra schemes.

They were aimed at easing the financial burden faced by EPF contributors following Covid-19 and movement control orders, which had affected the economy and caused many businesses to close down.

The i-Lestari withdrawal facility began on April 1, 2020 until March 31, 2021, which only allowed contributors to withdraw savings from their Account 2.

This was followed by i-Sinar, which was introduced in December 2020.

It allowed contributors who have over RM100,000 in their Account 1 to withdraw a maximum of 10 percent from the account but not exceeding RM60,000, while those who have less than RM100,000 could only withdraw any amount up to RM10,000.

The payments were staggered over a period of six months.

The third special withdrawal, i-Citra was opened between July 12, 2021 and Sept 30, 2021, with contributors being allowed to withdraw up to RM5,000 from their Account 1, with payments staggered to a maximum of RM1,000 per month.

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