

YOURSAY | Be rakyat-centric, allow targeted EPF withdrawals

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Yoursay

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Siva1967: I think Prime Minister Anwar Ibrahim has erred in this aspect. There are many who have not recovered from the aftermath of the pandemic. Here are some suggestions:

1) Allow targeted withdrawals, let the contributors show reason and justification as to why they need the funds to be released, for example, proof of loan defaults, especially housing, supporting documents for delays in rental payments, personal and/or business, non-payment for schools and/or college fees, reduction in household income and such.

These groups of people are in a desperate state. Regardless of the amount, no amount of balance fund will ever be enough for retirement. And there is no point in keeping the cash for later years when one may not be able to "enjoy" it and use it to get out of a difficult financial situation when it matters most, in the

productive years.

2) Give another round of moratorium again for targeted groups who are in dire need. But this time around, borrowers should be compelled to service the interest only for the duration of the moratorium. This way the bank doesn't lose out and will help borrowers to get out of their dire financial predicament.

I know there will be some economists and analysts who may counter my suggestions, but just think about it. There are people out there who are seriously in need of financial assistance, and without government intervention, they will turn to Ah Longs and illegal money lenders, getting into a deeper hole that they dug themselves.

For once, at least let this government be a rakyat-centric government. We have seen the policies of the rich get richer for far too long.

Salvage Malaysia: With this decision, the government must come up with alternatives fast. Don't rely on the money-hungry banks here. They are totally useless, greedy and counterproductive.

A real example, after the automatic moratorium period imposed on banks, many companies and individual borrowers who applied for a further moratorium on

their loans had to wait more than half a year to hear something back from banks.

Banks told them they have too many cases. By the time the bank approves the restructuring scheme, borrowers are asked to top up the deficit for the last six months for the offer to be effective. By this time, the borrower is almost half dead and applications were made a long time ago.

Secondly, all those special loans to help companies in distress were rejected by banks because their credit scoring was bad. Obviously, it's bad because they were badly affected by the pandemic. If their financials were so good, do they need to apply for such a loan in the first place? See how these banks work?

GreenBear: If the government insists on keeping the people's money, they should at least provide better investment options to maximise returns:

A diversified index fund like S&P500 has given an average real return of seven percent (after inflation) over the last 20 years. Double buying power in about 10 years.

Those willing to put in the time to learn to invest, can choose their own shares to buy. Microsoft shares would have given an average of 13 percent return (nominal, including dividends) from the years 2000-2020.

Some would say these investments will fluctuate in value, "risky". If it's for retirement where you'll only use the money at least three decades from now, who cares if it fluctuates as long as the value is far higher in the future than it is now?

But I doubt the government would do this because it would mean fewer funds going to third-rate local companies with poor corporate governance. As if it's people's job to use their retirement funds to "subsidise" the financing of local companies at the expense of better returns for our old age.

I AM A MALAYSIAN: In most cities and towns in Malaysia, our people should be able to find work commensurate with their qualifications and experience, provided they are willing to work like everybody else and not be too fussy in their choice of work.

With salary/income, most working people should be able to provide for at least their basic needs in life for themselves and their planned family (not 10 mouths, depending on one income earner situation) - food on the table, a roof over the head and transport plus some entertainment.

Those in B40 are already covered by government welfare and support schemes. Others should not think of depleting their EPF that is meant for use in their

retirement.

The government should not pander to irresponsible individuals who carelessly overspend and make no effort to save for their twilight years, and must not come up with any scheme to use taxpayer money to feed such social derelicts, or else our Malaysian society will be in havoc.

WhitePony9855: This is a good decision, be firm. The retirement fund is strictly meant for retirement, and we should not let politicians seeking popularity allow request withdrawals for other purposes at their whims and fancies. Anwar is right not to agree.

EPF should allow withdrawals to invest in approved mutual funds on the condition that such withdrawals will be credited back to EPF if the contributor sells the mutual funds but has not yet reached retirement age.

Why not follow Singapore's CPF example to allow contributors to withdraw their money to pay down their housing loans on condition that such withdrawal shall be deposited back to EPF should the contributor sell the house and not yet reach retirement age?

Votef4changejohor: Many citizens applaud the firm but not a popular decision by

the PM to stop a further round of EPF withdrawal. It will bring hardship to those whose savings in their EPF is already drying up.

The last EPF withdrawal approved by former PM Muhyiddin Yassin is of dubious benefit and has brought financial woes to many low-income families because of the weakening purchasing power of the B40.

The next step towards better well-being of the B40 should be to raise the basic salaries and income of B40 workers/families to ensure that they have enough to pay for needed food and other essential expenses affected by the recent inflation during the last few years.

Kudos to the various decisions and policies put forth by the new unity government to fight inflation and improve the nation's well-being.

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