

## **RM1.3b pension payment allocated in Budget 2023 – Anwar**

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The RM1.3 billion financial implication for the payment of pension and derivative pension for July to December using the original pension amount has been allocated in Budget 2023 and is not an additional amount, said Prime Minister Anwar Ibrahim.

“The total is RM1.3 billion but it’s already allocated in this year’s budget,” Anwar (above), who is also finance minister, told reporters after the Cakna Madani programme with enforcement agencies today.

Anwar said the original pension amount was paid in the form of special assistance called the Madani allowance by taking into consideration the pensioner’s previous service as a civil servant.

Yesterday, Anwar announced that the government decided that the pension and derivate pension for July to December 2023 would be paid using the original pension amount.

This is in accordance with the Federal Court's decision that Sections 3 and 7 of the Pensions Adjustment (Amendment) Act 2013 were null and void and the law before the amendment is applicable by itself for the purpose of pension adjustment.

Anwar said this would see the pension payments for civil servants who retired before 2013 to be reverted to the December 2012 amount while those who retired from 2013 onwards will have their pension payments reverted to the original amount at the time of their retirement.

On June 27, the Federal Court declared that the amendments in 2013 that introduced a new pension scheme which allows a 2 percent increment annually were less favourable to pensioners and unconstitutional.

On July 6, Anwar was reported to have said that the government would announce special mechanisms related to civil service pensions following the decision by the Federal Court that the existing laws contravened the Federal Constitution.

Previously, the Congress of Unions of Employees in the Public and Civil Services requested the Public Service Department to not withdraw the 2 percent annual increment that was implemented 10 years ago because most of those who benefitted from the previous scheme were from the M40 and B40 groups.

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