

Raising Retirement Age Will Reduce Job Opportunities
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The Minister of Human Resource Dr S Subramaniam should hold more public consultation with the trade unions and the private sector on his bill to raise the retirement age in the private sector from 55 to 60 years before tabling it during the next Dewan Rakyat sitting, as was reported by Bernama on Thursday.

This bill, should it pass, would have huge ramifications to the interest of workers and corporations, as well as to the Malaysian economy. My position is that this bill will cause more harm than good in these respects.

Firstly, the autonomy of current workers in the private sector must be respected. They should have the right to decide whether or not they want to retire at age 55 as per their existing employment agreement, or to extend their service beyond that. The law should not force them to work until 60 if they choose not to.

Secondly, the private sector itself should have the discretion to decide whether or not to extend the retirement age of their worker from 55 to 60. Furthermore, it is common for private companies to offer valuable workers who reach retirement age an extension to their contract, rendering the proposed bill unnecessary.

Thirdly, Malaysia has a very young population. Malaysia is not an aging society like Japan. According to the 2010 Census, 50% of Malaysia's population is 25 years old and under. With time, these 50% will be done with school, become adults and will need jobs to feed themselves and their family.

If current workers who reach 55 years of age do not retire, the number of job opportunities available to young Malaysians will be reduced making it more difficult for them to find work, be promoted, and to feed their families.

I urge Dr S Subramaniam to not rush this bill through the Dewan Rakyat, but to hold more public dialogue beforehand so that the interests of all stakeholders, in both the short and long term, are preserved.

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