

**Extend Retirement Age Of Private Sector Workers**  
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DAP proposes bipartisan support for the retirement age of private sector workers be extended to the same age as the public sector to the current 58 years old or the proposed 60 years old. The time has come for the BN government to implement this extension of the retirement age for the private sector before the next general elections.

Around the world, it is increasingly difficult to find countries that set the retirement age at less than 60. Most European countries have 65 as the retirement age, while in others like the United States and Germany it is set at 67. Even our neighbouring countries like Thailand have already set it at 60.

There is now a global trend to extend the retirement age, the result of higher life expectancy brought about by the advances into health sciences and the increasing availability of medicine, better nutrition and generally a better lifestyle. This is also evident in Malaysia where the average life expectancy has increased to 75, from 61 in 1970.

Due to the increase in life expectancy, people around the age of 55 to 60 are in fact in the prime of their working life, and their experience should be optimally utilised rather than wasted. Someone in their prime should be allowed to further contribute rather than be left to pasture.

Lastly, a higher retirement age will also allow Malaysians to earn and save more, especially in the current economic climate of uncertainty. According to the EPF, 73% of contributors have less than RM 50,000 saved while only 17% have over RM100,000 at the point of their retirement.

How are people expected to survive the next 20 years with only RM50,000 worth of savings? With the increase in retirement age, people will be able to save more since they will be working longer at a higher income bracket.

More worryingly, Bank Negara's Annual Report 2010 revealed that Malaysia's household debt at end of 2010 was RM 581 billion or 76 per cent of GDP. Malaysia has the second-highest level of household debt in Asia, after South Korea.

The Malaysian household debt service ratio was 47.8 per cent in 2010 or almost half of a household's income goes to repaying debts. A debt service ratio of more than 33% would be considered unhealthy. As a rule banks would not lend money to those whose total servicing of interest exceed one third of their income. Clearly Malaysians are becoming an indebted nation with the Malaysian government leading the way by giving the people money from borrowed loans.

The Federal government debt to GDP(Gross Domestic Product) ratio has increased yearly from 53.1% in 2010, 53.8% in 2011 and 54.8% in 2012. Federal government debt rose by 71% in the 4 years from RM456 billion at end 2011 from RM266 billion in end 2007.

This is one essential difference between BN and PR state governments. PR does not give money to the people from borrowed money, which ultimately has still to be paid by the people. PR state governments give money from budget surpluses where the people or their children are not required to repay back in future.

With such a high household debt amongst Malaysians and with no help expected from the highly indebted Federal government of BN that can not even help themselves, the people needs to work longer to support themselves and their families. Who would want to continue working if they can afford to retire? For this reason, DAP urges the extension of the retirement age in the private sector similar to that done in the public sector.

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