

'Pay rise for civil servants depends on productivity'

NST- 16/2/2007

KUALA LUMPUR: Any salary increase in the civil service will hinge on increased productivity and improvement in the delivery system.

Deputy Prime Minister Datuk Seri Najib Razak said there should be strong justification for a wage hike in the public sector.

"If productivity is seen to improve, then there is strong justification to review the wages and allowances of staff," he said after closing an Islamic exhibition at Kuala Lumpur

Convention Centre here yesterday.

He said Prime Minister Datuk Seri Abdullah Ahmad Badawi wanted to see improvements in the public delivery system.

"However, the government will make a decision based on its capacity to pay higher wages," he said.

Earlier, at another function, Najib said the government and Cuepacs were still discussing the proposed contributory pension scheme for new civil

servants.

"We will also consider Cuepacs' demand that wages of civil servants be increased," he said in his speech, which was read by Minister in the Prime Minister's Department Tan Sri Bernard Dompok, at the launching of a Cuepacs education seminar.

Dompok later told reporters that the government should have a flexible time frame to come up with a pension scheme that had been fine-tuned after taking Cuepacs'

suggestions into account.

Cuepacs president Omar Osman suggested that the government finalise the pension scheme, wage overview and extension of the retirement age by Labour Day on May 1.

Omar said that Cuepacs would send a formal letter to the government providing reasons for rejecting the pension scheme as well as suggestions on how to improve it.

"We still want to negotiate. We only rejected the pension

package as it did not address overall benefits to civil servants," he said.

On Monday, the Cuepacs congress voted to reject the government's contributory pension scheme for new civil servants.

Under the new scheme to be managed by the Pensions Trust Fund, new recruits to the civil service will contribute 11 per cent of their salaries to the fund monthly, while the government will contribute 12 per cent.