

NEW STRAITS TIMES

DATE: 11 / 05 / 2008

Revised pension perks

■ **By Farrah Naz Karim**
farrah@nst.com.my

PUTRAJAYA: The mandatory retirement age of public sector employees will be raised from 56 to 58 from July 1, Prime Minister Datuk Seri Abdullah Ahmad Badawi announced yesterday.

Calculation of pension will be based on a maximum of 30 years of service, up from 25 years, with effect from Jan 1, next year.

The derivative pension will be maintained at 100 per cent, also effective from Jan 1.

These were some of the goodies for civil servants which Abdullah unveiled at a public sector Workers' Day gathering at the Putrajaya International Convention Centre.

The mother or father of an employee who dies without leaving any other next-of-kin will be given a lump sum ex gratia payment.

The contentious Efficiency Level Assessment (PTK) remains but the method of implementation will be improved from time to time.

Abdullah said the government decided to raise the retirement age in view of the longer life span of Malaysians.

He said this move would not jeopardise the employment opportunities for new graduates.

"It is important that the new generation of civil servants do not feel that their opportunities for career advancement would be constricted as it is the opposite."

For the benefit of employees with young children, the government has decided that the derivative pension would be maintained at 100 per cent.

At present, this pension paid to the next-of-kin would be reduced by 30 per cent after 12½ years from the date of retirement or death of a civil servant.

Abdullah said the government could not meet the request by the Congress of Unions of Employees in the Public and Civil Service (Cuepacs) that it abolish PTK.

However, he said the method of implementation, including ways to expedite the process of career development, would be improved as it had been doing since 2003.

Abdullah said Grade 1 to Grade 16 employees would not be subject to the PTK written tests this year.

A review of the method of implementation would be done in stages for officers in other grades.

Abdullah said the changes relating to pension, which will add RM718 million to government expenditure, would benefit about 310,000 pensioners and pension recipients.

The current pension bill is RM5.3 billion annually.

On the other requests by Cuepacs, including a review of the housing allowance and the absorption of contract employees into the permanent service, Abdullah said the government was still studying them and if there was any decision, he would make an announcement before the tabling of Budget 2009, which is scheduled for Aug 29.

Abdullah called on civil servants to be efficient and help the country in facing the global challenges. He said they had to have a strong sense of urgency in implementing decisions that were reached.

Otherwise, the government's programmes would become meaningless, he added.

NST- 11/5/2008.