

THE STAR

DATE: 11 / 05 / 2008

Retirement age now 58

The Star - 11/5/2008

Written test for Grade 1 to Grade 16 officers discontinued

PUTRAJAYA: The mandatory retirement age for civil servants has been extended from the current 56 years to 58, effective July 1.

Civil servants now have a choice of opting to retire at 56 or work until they reach 58.

Among the goodies announced by Prime Minister Datuk Seri Abdullah Ahmad Badawi was discontinuing the written test for Grade 1 to Grade 16 officers under the civil service Efficiency Level Assessment (PTK).

He, however, said the PTK would not be abolished but its methods would be improved from time to time.

The PM also said effective Jan 1 next year, the calculation of pension for pensioners and pension recipients would be based on a maximum of 30 years of service compared to the current 25 years.

However, the recalculated pension will only be paid from Jan 1 next year without any arrears.

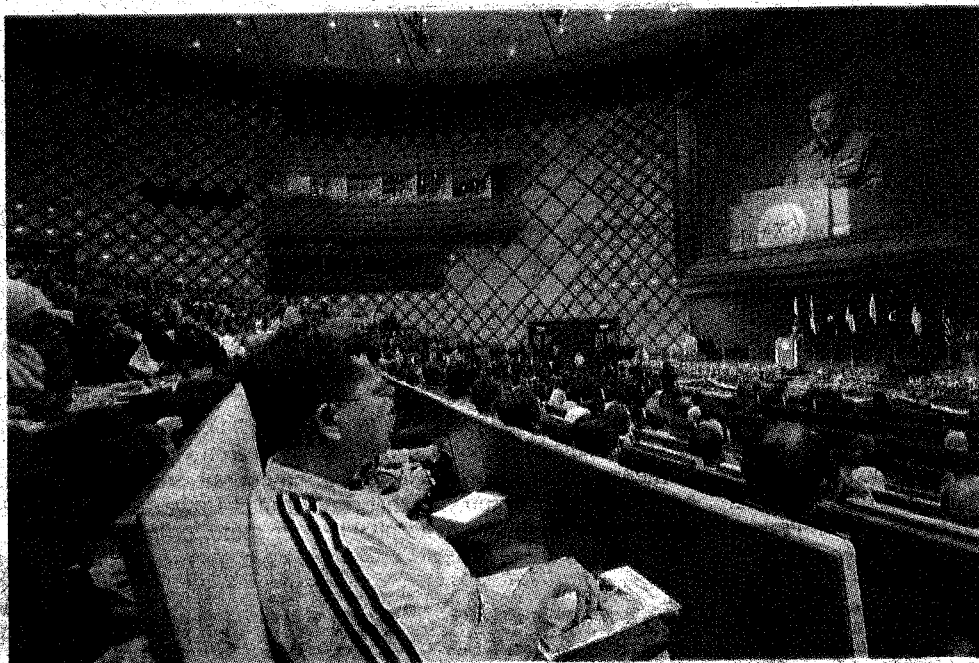
Abdullah said the decision to increase the retirement age was made based on Malaysians' current lifespan.

He added that based on a government study, extending the retirement age would not affect the employment opportunities of fresh graduates.

"The new generation of public employees should not feel there is a slimmer chance for career development; instead, it should be better," Abdullah said during the public sector Workers Day celebration here yesterday.

Abdullah also announced the abolition of the depreciation of derivative pension received by the next of kin, starting Jan 1 next year. Currently, the next of kin receives only 70% of the pension after a lapse of 12½ years.

"Studies showed that this had posed a finan-



Goodies: Abdullah announcing incentives at the public sector Workers Day gathering at the Putrajaya International Convention Centre yesterday.

cial burden for families with young children, so the Government agreed to abolish the depreciation of the derivative pension, meaning that 100% of the pension will be paid to the next-of-kin," he said.

The Government, he said, agreed that parents of civil servants who had passed on without leaving behind any heir would get a lump-sum ex-gratia payment.

On Cuepacs' other demands such as a review of the housing allowance and the

absorption of contract employees as permanent staff, he said the Government was still studying them and would announce its decision before tabling the 2009 Budget in Parliament in August.

He said the Government always had the people's interest at heart.

"If I can make you all happy and enjoy a better standard of living, why should I deprive you of this? If today I cannot (give what you demand), I hope I can do so later," he said.