

PM: Existing civil servants to continue enjoying pension

KUALA LUMPUR: Current civil servants will be entitled to pension upon retirement, assures the Prime Minister.

Tun Dr Mahathir Mohamad gave the assurance after informing lawmakers in Dewan Rakyat that the government is looking at replacing the pension scheme.

He said retirement benefits enjoyed by civil servants were protected as set out under Article 147 of the Federal Constitution, namely securing the rights of pensioners, and regulated through the Pensions Act 1980 (Act 227)

and the Statutory and Local Authorities Pensions Act 1980 (Act 239).

"When a person works for the government, he enters into an agreement with the government. We cannot disregard this agreement. For those serving the government, they will follow the previous policy and will be maintained," he told Parliament yesterday.

Dr Mahathir said this in response to a question whether civil servants would be maintained under the pension scheme or be made to switch to a new scheme if intro-

duced in the future.

Although the government is facing challenges in financing retirement benefits due to the increasing number of retirees, Dr Mahathir said steps were being taken to look at new mechanisms to reduce its burden and at the same time ensure civil servants would not lose out after retirement.

He pointed out that pension benefits had ballooned to RM23.8bil last year from RM5.86bil in 2006, adding that as such, the government was forced to look at several

mechanisms to replace the pension scheme.

The Prime Minister also acknowledged that a majority of those employed in the civil service were Malays.

"Yes, it is true that most of them are Malays but the government cannot give jobs to all of them. That is why today, we are emphasising self-reliance," he said.

With proper training and skills, Dr Mahathir said the government would provide Malays with employment and business opportunity in the private sector.