

On a mission to save our EPF funds

Govt looking at other options besides withdrawals to safeguard rakyat's future

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KUALA SELANGOR: Other alternatives are being looked at to ease the burden of the people without them having to withdraw from their Employees' Provident Fund (EPF) savings, says Datuk Seri Anwar Ibrahim.

The Prime Minister said the government was finding options to help those facing financial difficulties following the increase in the cost of living.

"We are finding ways to ease their burden without creating any more difficulties in the future once they retire," he told the media after delivering a lecture at Universiti Selangor's main campus, the first university he visited since becoming Prime Minister.

Anwar was asked whether the government would consider another round of EPF withdrawals in the upcoming revised Budget 2023.

Last month, a group of EPF contributors called on the government to consider another early withdrawal of up to RM30,000.

Four tranches of EPF withdrawals have been allowed in the past three years because of the Covid-19 pandemic.

An EPF withdrawal of up to RM10,000 was allowed last year, following the i-Lestari and i-Sinar schemes in 2020, as well as i-Citra in July 2021.

Anwar said he fully understood the issue regarding the EPF withdrawals which was raised by various parties, adding, however, that the withdrawals had depleted the savings of EPF members.

Acknowledging that the funds belonged to these contributors who could withdraw their own money, he said: "But some are only left with RM5,000, and they withdraw RM3,000. What will happen to them and their families once they retire?"

In an immediate response, Pertubuhan Gagasan Inovasi Rakyat Malaysia (PGIR) president Azmi Mohd Tahir, who is from one of the most vocal groups calling for another round of EPF withdrawal, said he wanted to meet Anwar to discuss this extensively.

"How many members who are about to retire have only between RM3,000 and RM5,000 in their

Account 1? We have data that shows otherwise. They should be allowed to withdraw their money. Just give me a chance to present our side of the story."

"We hope we will be able to meet the Prime Minister before Budget 2023 is tabled," said Azmi.

Centre for Market Education (CME) chief executive officer Dr Carmelo Ferlito, however, disagreed, saying that the government is doing the right thing.

"I think those who are really in need do not have much left to withdraw. We need to avoid compromising the long-term financial stability of the rakyat."

"Having said that, the idea to look for alternative methods needs to preserve the same principle, which is not to jeopardise their financial stability."

He said that most of the support packages introduced during the lockdown did not take into account that they would have brought an inflationary crisis.

"It is good to move away from EPF withdrawals, but study carefully the next move involving the costs and benefits," he added.

Anwar, who is also Finance Minister, said the focus of Budget 2023, which is to be tabled on Feb 24, is on efforts to deal with problems of the national deficit, digitalisation issues, food safety and the cost of living.