

PM: EPF's proposal being fine-tuned

KUALA LUMPUR: The government has no objection to the Employees Provident Fund's (EPF) proposal to make it mandatory for new members to withdraw their savings periodically instead of a lump sum upon reaching 55, says Datuk Seri Anwar Ibrahim.

The Prime Minister, however, said the proposal was still being fine-tuned and was in its final stages.

"I have no objection but it will depend on the capacity of EPF," he told reporters attending the International Social Wellbeing Conference 2023 and the launch of the EPF i-Akaun Mobile App yesterday.

Anwar, who is also Finance Minister, was commenting on EPF chief executive officer Datuk Seri Amir Hamzah Azizan's suggestion to encourage its members,

who are 55 years old, to withdraw their savings periodically instead of a lump sum to help them continue saving and to have enough when they retire.

Amir Hamzah pointed out that making periodic withdrawals would also allow members to continue enjoying annual dividends for their remaining savings in EPF.

He further said the EPF's current disbursement of its members' savings in a lump sum at 55 years old may not be a wise step from a social protection standpoint, as the savings will not last long.

However, Amir Hamzah noted that the basic income drawdown needed further study and will be discussed with the government.

On a separate matter, Anwar said the government was in the midst of coming up with meas-

ures to protect pensioners, following the Federal Court's decision to nullify amendments to the Pensions Adjustment (Amended) Act.

On June 27, the Federal Court ruled amendments made in 2013, which introduced a new pension scheme that adjusts pension payments every year by a 2% increment, were less favourable to pensioners and unconstitutional.

The decision by the Federal Court also reinstated the original provision.

"We'll deal with it. We have to respect the decision of the Federal Court. We are having a mechanism to protect pensioners and will announce it soon," he said.

Under the old scheme, the pension of government retirees would be revised based on the



Finding the best solution: Anwar (second right) with (from left) Deputy Finance Minister Datuk Seri Ahmad Maslan, Health Minister Dr Zaliha Mustafa and Amir Hamzah at the conference launch in Kuala Lumpur. - MUHAMAD SHAHRIL ROSLI/The Star

prevailing salary of incumbent civil servants in the same grade.

On Wednesday, civil service union Cuepacs urged the govern-

ment to maintain the 2% annual increment for pensioners until the Federal Government carries out a salary and pension adjustment for civil servants.