

PM: Pension payment to follow original amount

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PETALING JAYA: The July pension and derivative pension for civil servants who retired before and from 2013 will be paid using the original pension amount, says Prime Minister Datuk Seri Anwar Ibrahim.

He added that this is following a Federal Court decision, which will involve pension payments for civil servants who retired before 2013 being reverted to the December

2012 amount, while those who retired from 2013 onwards will have their pension payments reverted to the original amount at the time of their retirement.

He said the difference between the current pension amount and the original figure will continue to be paid in the form of a special aid known as Penghargaan Khas Kepada Pesara, or Special Recognition for Retirees, to enable the amount received by pensioners to be the same as the one received in June 2023.

“The government always appreciates public service pensioners’ contributions and is concerned for their welfare in the current situation.

“Therefore, the government will also study the civil service salary revision which also covers the pension of retirees,” he said.

Anwar, who is also Finance Minister, said the adjustments will be implemented according to the stipulated percentage increase in line with the Pensions Adjustment Act 1980 (Act 238).

He said the Cabinet's decision yesterday was made after the Federal Court on June 27 affirmed a Court of Appeal's decision that Section 3 and Section 7 of the Pensions Adjustment (Amendment) Act 2013 were null and void as they contravened Article 147 of the Federal Constitution (which provides for the protection of pension rights).

In view of this, Anwar hopes that the government's decision will have a positive impact on civil servants and retirees.

In the Federal Court ruling, Justice Mohamad Zabidin said the amendments in 2013 that introduced a new pension scheme that allowed a 2% increment annually were less favourable to pensioners and unconstitutional.

On July 6, Anwar was reported to have said that the government would announce special mechanisms related to civil service pensions following the decision by the Federal Court that the existing laws contravened the Federal Constitution.