

EPF not the only resource

Govt looking at other ways to ease public's burden, says PM

EMPLOYEES Provident Fund (EPF) savings are not the only means the government is exploring to ease the public's financial burden, says Prime Minister Datuk Seri Anwar Ibrahim.

"We are finding other ways to help. For example, there is a difference between worker categories, such as farmers and fishermen, and we are helping to alleviate their burdens differently.

"This includes aid for civil servants.

"It should not be assumed that EPF is the only way to ease the pub-

lic's burden," he said during Prime Minister Question Time in the Dewan Rakyat yesterday.

He was responding to a supplementary question by Hassan Abdul Karim (PH-Pasir Gudang) on the public's feedback on the introduction of a new policy where those who are in dire financial straits will be able to use their EPF savings as collateral for loans.

On the interest rate for this proposed measure, Anwar - who is also the Finance Minister - said Islamic banking instruments would be used, with a minimal

service fee charged.

"We will also not stop EPF members (regardless if they are Muslim or non-Muslim) who choose to take the loans through conventional means.

"EPF, however, recommends members use Islamic-based loans due to the lower interest rates," he added.

Anwar also acknowledged EPF members' concerns on why they could not use their own savings, adding that the money should only be used when they are older.

"The EPF was not set up as a loan

scheme, but instead, as a retirement fund," he said, adding that using EPF savings as collateral did not breach Section 51 of the EPF Act.

Anwar added that an estimated 6.7 million EPF members had less than RM10,000 in their accounts.

"The majority are Malays with a median of RM4,937 remaining in their EPF accounts," he said.