

Hike still just a proposal, says PM

No discussions yet on raising employers' EPF contribution

By TARRENCE TAN

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PETALING JAYA: A proposal for employers to contribute 20% towards their workers' retirement funds has not been discussed by the Cabinet, says Prime Minister Datuk Seri Anwar Ibrahim.

"It hasn't been discussed yet. It wasn't discussed," he said briefly to the media before leaving the Employees Provident Fund (EPF) headquarters in Kwasa Damansara yesterday, where he was the guest-of-honour in the opening ceremony of the new EPF building known as Menara KWSP.

Last week, Anwar said the Cabinet would discuss a proposal to raise employers' contributions to 20% on their respective employees' EPF accounts.

Several groups have raised concerns about the proposal, as it could raise the cost of doing business in Malaysia.

Presently, employees contribute 11% of their monthly salary to the EPF, while employers contribute another 12% or 13% of the person's salary, according to the statute rate.

The proposal to raise the EPF contribution was part of the Union Network International Malaysia Labour Centre's (UNIMLC) 12-point request, which included raising the employers' EPF contributions and the retirement age. The UNIMLC had proposed increasing employers' EPF contributions to 20% from the current 13% for employees earning RM4,000 and below.

In his speech earlier, Anwar reiterated that there will be no more EPF withdrawal schemes.

He added the government will not change its stance despite the possibility that the EPF withdrawal scheme will be politicised in the coming state elections.

"EPF withdrawals might be made into a political issue, including in the coming six state polls, but it does not scare us.

"We made the right decision, and we shouldn't be forced into fulfilling the wishes of some



people," he said.

Anwar said EPF withdrawals were previously allowed during the Covid-19 pandemic.

However, he said the situation has changed and he said he did not want the EPF to deviate from its objective just to meet the wishes of certain parties.

On another matter, Anwar urged EPF to increase its domestic direct investment to 70% this year. This was necessary to

benefit EPF contributors.

"EPF has high investments of up to 64% in the country. I'm urging EPF CEO Datuk Seri Amir Hamzah Azizan to raise it up to 70%," he said.

"This is for the country and the people," he added.

Perikatan Nasional leaders have been making calls to the government to allow another round of EPF withdrawals.

However, the government was

against such schemes.

In February, Deputy Finance Minister Datuk Seri Ahmad Maslan said that over RM145bil had been withdrawn from the EPF by 8.1 million members during the Covid-19 pandemic.

The figure included RM20.8bil under the i-Lestari programme, RM58.7bil under i-Sinar, RM21.4bil under i-Citra, and RM44.6bil under the EPF special withdrawal programme last year.

Up and running:

Anwar 'launches' the new EPF headquarters in Shah Alam. With Anwar on stage at the opening ceremony is EPF chairman Tan Sri Ahmad Badri Mohd Zahir (third from left).
- Bernama