

'Pension abolition will hit politicians too'

KUALA LUMPUR: The proposal to abolish the pension scheme for new hires in the civil service will apply to politicians as well, says Prime Minister Datuk Seri Anwar Ibrahim.

"If we implement the decision for the public service then all new hires will be affected, including politicians.

"When people question why those holding *mentri besar* or prime minister titles previously can still receive pensions, this is based on the Federal Constitution.

"We can study it, but it (the present policy) cannot be (taken away) retrospectively," he told a press conference at Desa Sri Hartamas yesterday.

Anwar said in principle, it was agreed that politicians and political appointees would also be affected by the abolition of the pension scheme once the study on the proposal and approval were obtained at the Cabinet level.

"We must hear the proposal presented, debate it first, review the recommendations on what should be fine-timed, then we can reach a decision," he added.



All affected: Anwar says in principle, it was agreed that politicians and political appointees would also be affected by the abolition of the pension scheme. – Bernama

Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi had said the government would have to spend some RM120bil to cover pension payments by 2040 if a new salary scheme for public sector hires is not introduced.

He said the government will introduce a new civil service hiring policy, which will include a new pension scheme.

The proposal, however, drew criticism from various parties,

including the Congress of Unions of Employees in the Public and Civil Services, which urged the government to maintain the current pension for eligible civil servants.

In Putrajaya, Finance Minister II Datuk Seri Amir Hamzah Azizan said civil servants who are under the pension scheme will not be affected by the finalised Public Service Remuneration System (SSPA).

He said the government will ensure that the welfare and well-being of civil servants and pensioners are always protected.

"The government does not intend to change (the pension scheme) for those who already have it.

"If the civil servant has worked for the government, nothing will change - (only) those who have just entered (the civil service), they will be on a contract basis for now

"Those who are already in the current system, we will not change, that is the promise we have made," he said.

Bernama reported that Amir said the government had allocated RM31bil this year for pension payments to retirees with the figure expected to increase to RM120bil in 2040.

"The government will also finalise the salary adjustment for civil servants this year after reviewing the SSPA.

"Overall, the government is sensitive (to the situation on the ground) and will do what is important for the good of civil servants," he said.