

PENSION FRAMEWORK IN NEED OF REFORM, SAYS PM

New solutions sought as 1 in 4 will exhaust EPF savings within 5 years of withdrawal age

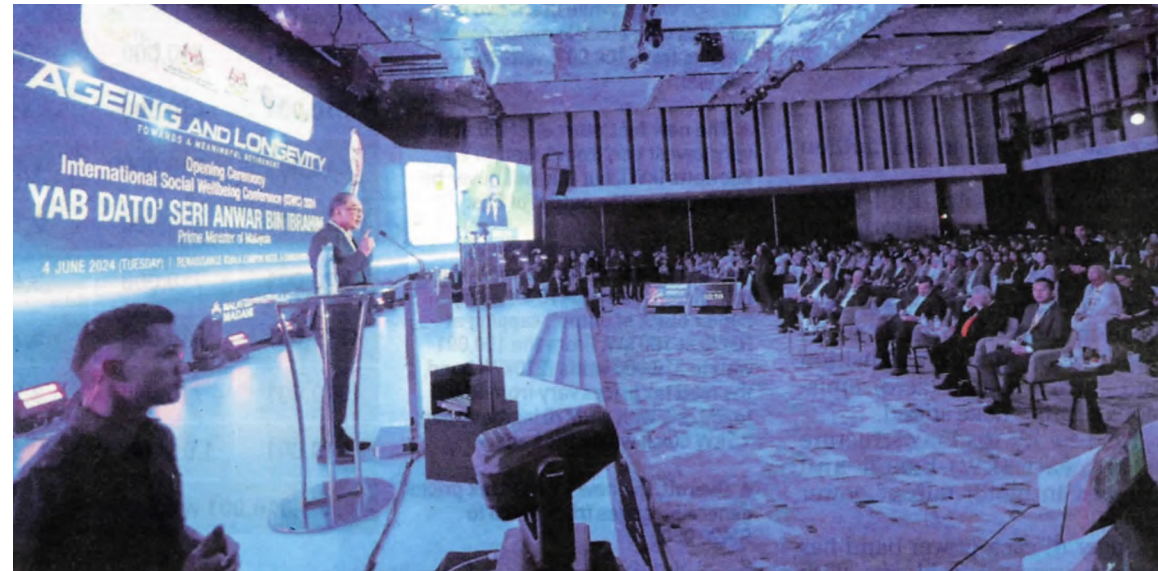
HANA NAZ HARUN
KUALA LUMPUR
news@nst.com.my

EMPLOYEES Provident Fund data shows that one in four members will exhaust their savings within five years of withdrawal age, said Prime Minister Datuk Seri Anwar Ibrahim.

Speaking at the launch of the International Social Wellbeing Conference (ISWC) yesterday, he said the lump-sum nature of the EPF benefit would result in many Malaysians being unable to maintain a reasonable standard of living during retirement or manage longevity risks.

He said the older population was more susceptible to poverty compared with the average population, with only 29 per cent of Malaysians having a pension or pension-like income.

"A recent survey found that 26.1 per cent of respondents aged



Prime Minister Datuk Seri Anwar Ibrahim speaking at the International Social Wellbeing Conference organised by the Employees Provident Fund in Kuala Lumpur yesterday. PIC BY ASMADI HAMZAH

above 60 will continue to work until their health fails as they face challenges achieving income security to finance their retirement needs.

"We need to actively seek reform in the Malaysian pension framework in order to ensure that every generation in Malaysia will be able to look forward to growing old with dignity."

He said new solutions were needed to ensure no one was left

behind and that every layer of society would benefit from social protection.

This included expanding EPF coverage in phases, he said, so that more of the working-age population would become part of the EPF ecosystem, which would ensure that more Malaysians could accumulate adequate retirement savings for their old age.

"It is time for Malaysia to embrace serious reform in its pen-

sion and retirement framework to enhance its coverage, adequacy and sustainability, and ensure financial security and equity for all Malaysians in their later years and contribute to positive long-term economic growth."

The government, he said, was committed to bettering the lives of older Malaysians and building a more inclusive and just society for all Malaysians, in line with the Malaysia Madani concept.