

M'sia in need of pension reforms, says Anwar

PM: Changes will ensure inclusive social protection for all

KUALA LUMPUR: It is time the country embraces serious reforms in its pension and retirement framework to ensure financial security and equity for all Malaysians, says the Prime Minister.

Datuk Seri Anwar Ibrahim said a recent survey found that 26.1% of respondents aged above 60 would continue to work until their health fails as they faced income security challenges to finance their retirement needs.

He said the older population was more susceptible to poverty compared with only 29% of Malaysians enjoying pension or pension-like income during retirement.

"EPF data shows that one in four members actually exhausted their savings within five years

after reaching withdrawal age.

"The lump-sum nature of the EPF benefit will result in many Malaysians not being able to maintain a reasonable standard of living during retirement or to manage longevity risks," he said when officiating the International Social Wellbeing Conference 2024 (ISWC 2024) here yesterday, Bernama reported.

Anwar, who is also the Finance Minister, said there was a need to reform the national pension framework in order to ensure each generation could age with dignity.

"New solutions are needed to make sure no one is left behind and that every layer of society benefits from social protection.

"Expanding EPF coverage in phases so that more of the



To a better tomorrow: Anwar, flanked by Fadillah (left) and Amir Hamzah, officiating the ISWC 2024 in Kuala Lumpur. - AZLINA ABDULLAH/The Star

working-age population will become part of the EPF ecosystem will ensure that more Malaysians can accumulate adequate retirement savings for their old age," he added.

Anwar said it was projected to take just 23 years for Malaysia to make the shift from ageing nation to aged nation status, with 14% of the population aged above 65.

He said to align with that, the unity government was fully committed to bettering the lives of older Malaysians and building a more inclusive and just society

for all, in line with the concept of Madani.

"In this regard, the government plans to strengthen two pillars of social protection.

"For social assistance, the government will further strengthen programmes to provide support and a safety net for Malaysians who are facing financial hardship.

"To spur the labour market, the government will continue to strengthen training initiatives, unemployment assistance and other programmes to get Malay-

sians into jobs that will raise their standard of living," Anwar said.

Also present were Deputy Prime Minister Datuk Seri Fadillah Yusof, Finance Minister II Datuk Seri Amir Hamzah Azizan and EPF chairman Tan Sri Ahmad Badri Mohd Zahir.