

Reforms vital for financial security of retirees: PM

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KUALA LUMPUR: It is time for Malaysia to embrace serious reforms in its pension and retirement framework to ensure financial security and equity for all Malaysians, said Prime Minister Datuk Seri Anwar Ibrahim.

He said a recent survey found that 26.1% of respondents aged above 60 would continue to work until their health fails as they face challenges in achieving income security to finance their retirement needs.

He added that the old-age population is more susceptible to poverty compared with the average Malaysian population, as only 29% of Malaysians have pension or pension-like income during retirement.

"EPF data shows that one in four members actually exhausted their savings within five years after reaching the age for withdrawing savings.

"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 at the International Social Wellbeing Conference 2024 yesterday.

Anwar, who is also finance minister, said there is a need to actively seek reform in the Malaysian pension framework to ensure every generation would be able to look forward to growing old 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 working-age population will become part of the EPF ecosystem will ensure that more Malaysians can



Anwar and Finance Minister II Datuk Seri Amir Hamzah Azizan at the event in Kuala Lumpur yesterday. - **BERNAMAPIC**

accumulate adequate retirement savings for their old age."

He said it is projected that it would only take 23 years for Malaysia to make the shift from an ageing nation to an aged nation, with 14% of the population above the age of 65, Bernama reported.

He added that the unity government is 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 Malaysians into jobs that will raise their standard of living," he said.