

# Early EPF withdrawals may jeopardise retired life: PM

> Principle for decades was to prevent contributors from accessing savings meant for old age'

**KUALA LUMPUR:** Allowing contributors to make excessive withdrawals from their EPF savings before the maturity date is akin to "punishing" them when they retire, said Prime Minister Datuk Seri Anwar Ibrahim.

He said for decades, including during his previous tenure as finance minister, the principle upheld was to prevent excessive withdrawals as EPF savings are intended for retirement.

"EPF has made it clear that the majority of contributors, especially Malays, have very small savings. So, opening up this (early

withdrawal) option will cause problems when they retire," he said in the Dewan Rakyat yesterday.

"Yes, sometimes, certain exceptions and relaxations are granted, and special consideration is given in some cases, particularly for those facing hardship or suffering from illness. But the government needs to strike a balance between addressing urgent, immediate needs and a situation where people are left in hardship when they have no other means of support."

He was replying to Nurul Amin Hamid

(PN-Padang Terap), who wished to know whether the government wants to consider special EPF withdrawals for contributors in need, such as those who have lost their jobs.

Anwar, who is also finance minister, said he believes the EPF could give due consideration to urgent cases even if it does not follow existing EPF regulations.

To a question from Chiew Choon Man (PH-Miri) on EPF contribution for non-citizens, which is seen as burdening employers and diverting the EPF's attention from focusing specifically on Malaysians' retirement savings, Anwar said the move would not reduce the fund's attention to locals.

He said the government had, in fact, introduced various initiatives, such as voluntary contributions for self-employed individuals in 2024, with 1.2 million members already making voluntary contributions.

"We also have i-Saraan and i-Suri schemes to support the informal sector, especially housewives. The government incentives for these schemes have reached RM4.16 million."

Anwar said the minimum contribution of 2% imposed on non-citizen workers is deemed not burdensome.

"We are also bound by international standards - Article 68 of Convention 102 of the International Labour Organisation. That is why we see almost 70 countries using the contribution method, although most countries set higher contributions."

Anwar said the government does not intend to make it mandatory for Muslim contributors to the EPF to contribute to *syariah* savings automatically.

He added that the government, however, highly encourages them to do so through a series of incentives and explanations regarding *syariah* financial instruments, which are expected to increase the number of Muslim contributors in these types of savings, Bernama reported.

He expressed hope that the EPF's higher dividend rate of 6.3% for both conventional and *syariah* savings for 2024 would encourage Muslims to switch to the latter.

"There is no policy to make it mandatory, but we do encourage it," he said in reply to Datuk Mohd Isam Mohd Isa (BN-Tampin).



**KEEPING TABS** ...Transport Minister Anthony Loke during a working visit to the Gombak Integrated Terminal in Kuala Lumpur yesterday to inspect its operational readiness. - ADIB RAWIYAHYA/THESUN