

Employees Earning Up To RM5,000 To Get Higher Employer's EPF Contribution
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KUALA LUMPUR, Dec 27 (Bernama) -- Members of the Employees Provident Fund (EPF) earning up to RM5,000 a month will receive a boost in their retirement savings when the revised employers' statutory contribution of 13 per cent takes effect from January 2012.

EPF Public Relations general manager Nik Affendi Jaafar said the one per cent increase from the current 12 per cent would benefit 5.3 million working Malaysians, comprising 92 per cent of EPF's active members.

The employees' contribution rate remains at 11 per cent, he said in a statement.

Employees aged 55 and above and earning wages not exceeding RM5,000 will also benefit from the revised rate as their employers are now required to contribute at 6.5 per cent, which is an additional 0.5 per cent from the current 6 per cent. The employees continue to contribute at 5.5 per cent.

"Prime Minister and Finance Minister Datuk Seri Najib Tun Razak announced the increase in employers' contribution for those in this income group during his 2012 Budget Speech as a move to redress the problem of inadequacy of income during retirement which retirees are now facing," Nik Affendi said.

EPF said previous studies had shown that 70 per cent of retirees could exhaust their savings within 10 years from the onset of their retirement.

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