

Raise private sector retirement age, Guan Eng urges Putrajaya
The Malaysian Insider
December 23, 2011
By Yow Hong Chieh

KUALA LUMPUR, Dec 23 — Putrajaya should extend private sector retirement age to match that of the public sector in light of high household debt and longer life expectancy, DAP secretary-general Lim Guan Eng said today.

He pointed out that Malaysia's household debt was the second-highest in Asia last year after South Korea, at 76 per cent of GDP or RM581 billion, while household debt service ratio was at an unhealthy 47.8 per cent.

Government debt-to-GDP ratio was also expected to rise to 54.8 per cent next year from 53.1 per cent in 2010, while federal debt has jumped 71 per cent over the past four years to RM456 billion, Lim said.

"Clearly Malaysians are becoming an indebted nation with the Malaysian government leading the way by giving the people money from borrowed loans...", he said in a statement.

"With such a high household debt amongst Malaysians and with no help expected from the highly indebted federal government of BN that cannot even help themselves, the people need to work longer to support themselves and their families."

Lim said a higher private sector retirement age would also allow Malaysians to save more, especially since, according to the Employees' Provident Fund (EPF), 73 per cent of all contributors have less than RM50,000 saved while only 17 per cent have over RM100,000 when they retire.

"How are people expected to survive the next 20 years with only RM50,000 worth of savings? With the increase in retirement age, people will be able to save more since they will be working longer at a higher income bracket," he said.

Putrajaya should raise private sector retirement age to 58 or the proposed 60 as the life expectancy of Malaysians had risen to 75 from 61 in 1970 due to medical advances, better nutrition and generally healthier lifestyles, Lim added.

He said it was increasingly difficult to find countries where the retirement age is less than 60, pointing out that the minimum retirement age was 65 in most European countries while even Thailand has set it at 60.

"Due to the increase in life expectancy, people around the age of 55 to 60 are in fact in the prime of their working life, and their experience should be optimally utilised rather than wasted. Someone in their prime should be allowed to further contribute rather than be left to pasture," he said.

Copyright © 2011 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/malaysia/article/raise-private-sector-retirement-age-guan-eng-urges-putrajaya/>