

Putrajaya moots 1pc rise in employers' EPF contribution
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KUALA LUMPUR, Oct 7 — Putrajaya proposed today to increase employers' contribution to the Employees Provident Fund (EPF) by one per cent to 13 per cent for those drawing monthly salaries of RM5,000 and below.

Prime Minister Datuk Seri Najib Razak said the move would help increase old age savings and improve the livelihoods of some 5.3 million EPF contributors nationwide.

"Currently, retirees have insufficient savings to bear the cost of living upon retiring," he said in his speech when tabling Budget 2012 in Parliament this evening.

Najib added studies have shown that at least 70 per cent of retirees spend their entire savings within 10 years of retirement.

He also announced a new tax relief of up to RM3,000 for employees contributing to the Private Retirement Scheme, a fund aimed at helping private sector employees and the self-employed during their retirement, and insurance annuity for 10 years.

"Thus, the existing relief on Private Retirement Scheme and insurance annuity is rationalised," he said.

Najib also proposed a tax deduction on employers' contributions to a scheme for their employees and further tax exemption on income of the Private Retirement Fund.

To further boost the welfare of retirees and senior citizens, the prime minister also announced the waiver of outpatient registration fees in all government hospitals, health clinics, 1 Malaysia clinics and government dental clinics for all patients aged 60 years and above.

The group, he said, would also be entitled to a 50 per cent discount on all LRT and Monorail fares.

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