

PM launches new voluntary Private Retirement Scheme
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By MARTIN CARVALHO & RAHIMY RAHIM

KUALA LUMPUR: The voluntary Private Retirement Scheme (PRS) was launched on Wednesday by Prime Minister Datuk Seri Najib Tun Razak that will allow employees and self employed the opportunity to save for their retirement.

To encourage savings under the scheme, individuals are granted tax relief of up to RM3,000 and employers are provided with tax deduction on contributions to the PRS on behalf of their employees above the statutory rate of 19%.

A total of 24 funds will be managed by eight Private Retirement Schemes providers which would be available to the public this September.

The eight PRS Providers are AmInvestment Management; American International Assurance; CIMB-Principal Asset Management; Hwang Investment Management; ING Funds; Manulife Unit Trust; Public Mutual and RHB Investment Management.

Najib, who is also Finance Minister, said the PRS was part of the Government's initiative to provide an avenue for the nation's workforce the option of long term savings for their retirement in line with steps to develop Malaysia into high income nation.

"Vision of 2020 is not merely about reaching a target GDP growth or boosting the per capita income growth of Malaysia, is about improving the quality of life for the rakyat.

"A high income nation must have a sound and sustainable social framework to ensure adequate retirement savings.

"This involves both public and private sector participation to ensure the nation is prepared for the challenges of an ageing population," he said in his speech when launching the Private Pension Administrator and Private Retirement Scheme at the Securities Commission here Wednesday.

He noted that the country was blessed with a relatively young population as the average age of Malaysians was 26 years old with life expectancy rising to 80 years old.

"In other words, our future generation will live 20 years post retirement.

"The message is clear..Malaysians as savvy consumers must do more to save," he added.

He said the move to establish the PRS was part of the objective of a comprehensive multi-pillar retirement framework for the country.

"The development of this 3rd pillar of voluntary private retirement scheme is a matter I hold close to my heart as it is part of my commitment to reform and strengthen the entire pension and retirement landscape in Malaysia," he said, citing the recent increase of the retirement age to 60 as an example.

Najib also announced that the Securities Commission would be proposing recommendations for the development of two new segments for the nation's capital market.

This he, said, was to promote the establishment of a trading venue for unlisted companies and the setting up of a mercantile exchange to provide opportunities to invest in gold and other precious metals.

He also said the new measures included the introduction of two new categories of registered persons to strengthen the role of dealers, facilitate provision of specialised services and to access wider client base.

He said the move would increase productivity of over 6,000 licensed representatives while creating new job opportunities.

He also said the SC's educational arm would embark on a six-month nationwide campaign 'Smart Investors Campaign' this October to reach out to over 1.5mil new potential investors.

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