

PPA To Administer RM500 PRS Youth Incentive

Bernama

5 March, 2014

KUALA LUMPUR, March 5 (Bernama) -- Private Pension Administrator Malaysia (PPA), the country's central administrator for voluntary Private Retirement Schemes (PRS), has been appointed by the Securities Commission Malaysia to administer disbursement of the RM500 PRS Youth Incentive (YI 500) for young working adults' contribution of a minimum RM1,000 to the PRS.

"The Government recognises the importance of providing a supportive incentive structure to encourage young adults to allocate retirement savings early in their working years to enable them to have a financially secure retirement.

"A two-thirds replacement ratio of last drawn income is needed to maintain existing their lifestyles in their retirement," PPA Chief Executive Officer Datuk Steve Ong said in a statement Wednesday.

Ong said young working adults who start PRS saving in their 20s for their retirement are certainly at an advantage due to 30 to 40 years of compounding returns.

"The significant amount of funds saved and invested in PRS, to a big extent, will help to address the concerns of adequacy, sufficiency and sustainability to replace their earned income during their retirement years," Ong added.

To be eligible for the RM500 one-off incentive, contributors must be PRS members aged between 20 to 30, and must accumulate a minimum of RM1,000 in a single PRS fund within a calendar year.

PPA, as the central administrator of PRS, is responsible for disbursing the incentive to eligible PRS contributors twice a year into members' PRS accounts with their respective providers.

The RM500 incentive will be given as additional PRS contributions and credited into members' accounts.

To promote PRS YI 500 and reach out to the nation's 4.2 million Malaysians aged between 20 and 30, PPA has launched an advertising and promotional campaign which comprises advertisements online and on social networking media.

The incentive was announced by Prime Minister Datuk Seri Najib Tun Razak during the tabling of Budget 2014 to encourage young working adults aged 20 to 30 years to start saving early for their retirement.

-- BERNAMA

Copyright © 2014 BERNAMA

Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=1019406>