

Parliament: 22 Per Cent Of EPF Members Active, Achieve Basic Savings Quantum By Age 54
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KUALA LUMPUR, May 19 (Bernama) -- As of Dec 31, 2014, only 22 per cent of the 14.19 million contributors to the Employees Provident Fund (EPF) were active, achieving the basic savings quantum by 54 years of age.

Deputy Finance Minister Datuk Chua Tee Yong said this showed that many EPF contributors did not have enough savings when they reached the age of 55 years.

He said this was why the EPF had proposed that full withdrawal of the funds be made at age 60.

"The rationale to increase the age limit of withdrawal was also to resolve the issue of insufficient savings among members in the long term because of the factors of lifespan, increased retirement age, rising cost of living and insufficient savings to support the retirement.

"The EPF had conducted a public survey to get feedback from members, and 94.4 per cent (of the respondents) opted to retain the age for full withdrawal at 55," he said in reply to a question from Datuk Johari Abdul Ghani (Titiwangsa-BN) in the Dewan Rakyat, here, Tuesday.

Johari wanted to know EPF's rationale and justification to raise the age limit for full withdrawal from 55 to 60 years.

Chua said the government had on April 23, announced that the age for full withdrawal of EPF savings by contributors would be retained at 55 years, while new deposits by members who were still working after age 55 could be withdrawn at 60 years.

"The EPF will ensure that any amendment or decision would take into consideration the interests of the members and all interested parties.

"This move will ensure that the EPF continues its role as a catalyst to national economic development in line with its position as the foremost savings institution in Malaysia," he said.

To a supplementary question from Johari if withdrawals from the EPF Account One for investment purposes such as purchasing a house were allowed, Chua said the proposal had to be studied as it had major implications since the money was specifically for retirement.

"It has to be studied if using it now would really be beneficial or cause problems. There will be a house, but no money for retirement, so it has to be balanced and studied before a decision is made," he said.

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