

Employers group backs Anwar's decision not to allow further EPF withdrawals

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The Malaysian Employers Federation is concerned that the recent EPF withdrawals totalling RM101.1 billion has exposed EPF contributors to the risk of falling into poverty in their old age.

PETALING JAYA: The Malaysian Employers Federation (MEF) has expressed its full support for Prime Minister Anwar Ibrahim's decision not to allow further withdrawals from Employees Provident Fund (EPF) savings prior to retirement.

In a statement, MEF president Syed Hussain Syed Husman said the "bold decision" showed the unity government's political will, adding that it would "go a long way" to ensure the long-term sustainability of EPF savings once contributors retire.

"MEF is concerned that the withdrawals allowed via the i-Lestari, i-Sinar and i-Citra schemes, which amounted to a total of RM101.1 billion, has exposed EPF members to the risk of falling into old-age poverty," Syed Hussain said.

“With these special withdrawal schemes, currently, about 48% of EPF members below age 55 have critically low savings. To replenish the withdrawals made over the Covid-19 period, members will need to work for four to six years (after they retire).”

He added that with Malaysia reaching an ageing population by 2030, the government should be responsible for ensuring that EPF contributors have adequate savings to live a normal life after retiring.

Syed Hussain also suggested reviewing EPF’s “irrelevant” policy of allowing one-third withdrawal at 50 years and a full withdrawal at 55 in light of the retirement age having been raised to 60.

“The government must use our tax monies and other social contributions to provide better medical care and nursing homes for older citizens. EPF alone cannot guarantee such benefits to its citizens as the cost is getting too high,” he said.

“MEF is happy that the unity government is looking into all this, and they understand what is good and practical to be implemented for the sustainability of life upon retirement.”