

MEF urges Socso to extend coverage and benefits beyond retirement

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KUALA LUMPUR (May 24): The Malaysian Employers Federation (MEF) has called on the Social Security Organization (Socso) to extend coverage and benefits beyond retirement.

In a statement on Wednesday (May 24), MEF president Datuk Dr Syed Hussain Syed Husman said that every year, about 2.5% of formal private sector employees retire from their respective employments.

He said this translated to about 200,000 private sector employees, out of about eight million formal private sector employees retiring annually.

“Once private sector employees retire, they are no longer covered by medical benefits previously provided by their employers.

“The irony is that when private sector employees retire upon reaching 60 years (of age), every link to Socso is severed at the time when such employees need to be assisted.

“It is this time that they need the coverage most. This is in sharp contrast with the pensionable public sector employees that continue to enjoy their medical coverage as provided by the government,” he said.

Syed Hussain said the existing old-age assistance programmes such as “Bantuan Warga Emas” have limited coverage and benefits which cover only about 40% of the minimum basic income needs.

He said social spending on welfare and health needs to be increased in the coming years, along with programmes to encourage higher savings during the employees’ active years.

“Once a private sector employee retires at 60 years [of age], his status as an 'insured person' under the Social Security Organization (Socso) ceases.

“It means that whatever coverage that the employee has under Socso, such as the Employment Injury Scheme and Invalidity Scheme during his employment, will no longer be applicable.

“The employee’s contributions to the Invalidity Scheme and the employer’s contribution to the Employment Injury Scheme will no longer be applicable, even if the employee had not made any single Socso claim during his(/her) employment prior to retirement,” he said.

Syed Hussain said the fact remains that for most employees, Socso does not benefit them while they are in employment and Socso will also not give them any benefit once they retire.

Syed Hussain urged Socso to come up with initiatives and find out ways to cover employees who have contributed during their best years of life.

“This is truly social support required by senior citizens.

“Many 'insured persons' under Socso were of the view that their contributions had gone to waste, as they did not use it either because they are not inflicted with employment injury, or their employers paid their medical bills.

“Socso should study this pressing issue and find ways to help the 'insured persons' after retirement,” he said.