

MEF against any EPF withdrawals before retirement age

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ADVOCATES for additional employees provident fund (EPF) withdrawals faced another setback when the Malaysian Employers Federation (MEF) proposed eliminating the current regulation that permits contributors to withdraw one-third of their accumulated savings when they reach 50.

The MEF is also against the complete withdrawal of the EPF savings for those who reach the age of 55.

It said such a move was needed to ensure sufficient funds for the contributors' old age.

“It is therefore critical that the current policy of allowing one-third withdrawal upon 50 years and the withdrawal of all EPF savings at age 55 to be reviewed.

“Since the retirement age was raised from 55 to 60 years in 2013, it is no longer relevant for EPF to allow members to withdraw their EPF savings upon reaching 55 years,” said MEF president Syed Hussain Syed Husman.

To make that possible, the group said it wanted the current rules to be further tightened to allow withdrawals only upon reaching the retirement age.

One of the supporters of the EPF withdrawals, former prime minister (PM) Datuk Seri Ismail Sabri Yaakob said last week that a detailed assessment must be carried out to allow another round of targeted EPF withdrawals for those truly in need.

Ismail added that this was necessary because many people are still in debt, are unable to repay their loans, and are forced to file for bankruptcy.

However, PM Datuk Seri Anwar Ibrahim has said the bankruptcy status for 120,000 insolvents will be automatically lifted on March 1.

During the Budget 2023 speech, he added that this comes in the wake of plans by the government to table amendments to the Insolvency Act to make it easier to lift the bankruptcy status of individuals.

The PM has also repeatedly rejected calls to allow further withdrawals from the EPF.

During the lockdowns, four tranches of EPF withdrawals were allowed.

This caused the retirement fund to warn that a large number of Malaysians would have no savings for their old age if withdrawals of their savings from the EPF were to be allowed in the future. — Feb 25, 2023