

Workers can continue until 70, says employers group

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KUALA LUMPUR, Sept 27 — The private sector can employ a worker until he is 70 under a proposed law that mandates a minimum retirement age of 60, the Malaysian Employers Federation (MEF) said today.

Its executive director Shamsuddin Bardan said the new law will raise the current retirement age from 55 but would still allow qualified employees to continue working according to their contracts.

“The new law only sets a mandatory limit of 60 but if there are those who can work until 65 or 70, they can based on the availability and needs of employees and employers respectively,” he told *The Malaysian Insider* today.

He said the proposed Private Sector Retirement Age Act would bring Malaysia up to speed with other markets in the region which have already set the retirement age at 60.

“The private sector has used this age (55) since independence. Then, the life expectancy was only about 50 years but now it has reached 73 to 74.

We need to use experienced human resource,” he said.

The Malaysian Insider understands that only a few workers currently continue until 65 or 70.

The Employees Provident Fund (EPF) has also welcomed the government’s move to extend the private sector retirement age.

Its chief executive Tan Sri Azlan Zainol wants the law to be tabled at next month’s parliamentary sitting.

The Malaysian Insider reported yesterday that the government was drafting a law to raise the minimum retirement age to 60 with an option to extend for a further four years.

The Malaysian Insider understands that all stakeholders except one employers’ representative have agreed to the proposal which will benefit nearly six million workers.

Private sector employers currently follow the original civil service retirement age of 55 even though the government has since raised it to 58.