

Employers, unions: i-Sinar criteria fair

By [Dhesegean Bala Krishnan](#), [Farah Solhi](#) - December 3, 2020 @ 9:50am



A general view of the EPF branch in Kuala Terengganu. - NSTP/GHAZALI KORI

KUALA LUMPUR: The criteria set by the Employees Provident Fund (EPF) for withdrawal from members' Account 1 via the i-Sinar facility are fair and reasonable.

Malaysian Employers Federation executive director Datuk Shamsuddin Bardan said the automatic approval for members under Category 1 was the right move as EPF would have their contribution records.

"For Category 2 contributors, supporting documents are indeed required because allowances and overtime benefits will not be reflected in their EPF contributions.

"But it is not clear whether the non-contribution for Category 1 members should only be for two consecutive months or the two months should be up to now.

"Hopefully, EPF can clarify this immediately," he told the *New Straits Times* yesterday.



Datuk Shamsuddin Bardan

He lauded the criteria to allow members who had saved more than RM100,000 in Account 1 to withdraw up to RM60,000.

"I think this is a commendable move because if they are prudent enough to save that much, they will probably invest the money in new businesses and start-ups.

"This could create more entrepreneurs in our country, which in turn can generate employment opportunities."

Malaysian Trades Union Congress president Datuk Abdul Halim Mansor, who also lauded the criteria for EPF withdrawal, said the onus was now on contributors to spend the money wisely.

"They should always think about the future and not spend all their savings at once.

"For those who are out of a job now, they must remember that their next deduction (or EPF contribution) will only happen once they are rehired.

"Therefore, they should use the money to actively look for new employment or create other sustainable ways to generate income."

He urged EPF to set a minimum amount members must have in their accounts before they are allowed to withdraw their savings.



Datuk Abdul Halim Mansor

On Nov 26, Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz told the Dewan Rakyat that all EPF members who lost their jobs, were given unpaid leave or had no source of income would be eligible to withdraw their savings under the i-Sinar facility.

He said this initiative was in addition to contributors being allowed to withdraw up to RM500 per month from their Account 2, which began in April.

Congress of Union of Employees in the Public and Civil Services secretary-general Abdul Rahman Mohd Nordin lauded EPF for the well-drawn-up criteria for i-Sinar.

"Based on the eligibility criteria, I don't think the facility will benefit many civil servants who are still enjoying a steady income.

"It is most beneficial for people who used to work in certain sectors, like aviation and tourism," he said, urging those who are eligible for the facility to use the money prudently.

Financial analyst Firdaus Rahim, 32, who is eligible for the facility as his salary was cut due to the pandemic, said the staggered payments that could take up to six months might be too long.

"For those who really need the money, six months can be a long time. I guess the government wants to make sure those who withdraw the money will be responsible with it. At the same time, they want to protect people's savings."

Mohd Nizam Md Rashid, 52, who also had a pay cut, hoped account holders would find other ways to save from what they would be getting.

"First, they should know the importance of their (EPF) savings, which is for their retirement. Therefore, it is important that they find other ways to save after benefiting from the facility."

A former marketing executive who recently lost her job due to the pandemic, who wants to be known only as Fatimah, 34, said the government could next look into ways to help those without EPF accounts.

"Those who run small businesses, such as food stalls, may not have EPF accounts. This applies to those who were doing odd jobs and suddenly lost their income," said Fatimah, who now sells currypuffs.