

MEF fully backing decision not to allow further withdrawals from EPF

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KUALA LUMPUR: The government's decision not to allow another "one-off" withdrawal from Employees Provident Fund (EPF) accounts will ensure the long-term sustainability of the savings of contributors once they retire.

Giving the Malaysian Employers Federation's full backing to the move, its president Datuk Dr Syed Hussain Syed Husman said it was a bold decision that was a show of the government's political will.

"MEF is concerned that the withdrawals allowed (prior to this) 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.

"With these special withdrawal schemes, currently, about 48 per cent of EPF members below 55 years old 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 retirement)."

Syed Hussain it was important that the government ensures EPF contributors have adequate savings to live a normal life after retirement as Malaysia would have an ageing population by 2030.

He was commenting on Prime Minister Datuk Seri Anwar Ibrahim's statement yesterday that the government was looking at other methods to reduce the financial burdens of the people without having to resort to allowing them to further withdraw from their already depleted EPF savings accounts.

Anwar's statement was reiterated by Economy Minister Rafizi Ramli earlier today.

Syed Hussain also suggested that the present policy of allowing one-third withdrawals at the age of 50 and full withdrawal at 55 be reviewed as it had become irrelevant considering retirement age was not set at 60.