

No extension to retirement age

Private sector parties 'free to negotiate'

By **SARBAN SINGH**

newsdesk@thestar.com.my

SEREMBAN: There is no plan to amend the Employment Act to provide for a minimum retirement age for private sector employees, Human Resources Ministry secretary-general Datuk Thomas George said.

He said that as such the Government could not compel private sector bosses to raise the retirement age for their 10.5 million employees to beyond 55.

"Although the retirement age for civil servants is now 56 and this may be increased soon, this does not mean automatic extension for private sector employees as well.

"There are no regulations pertaining to the retirement age in the Employment Act. Both parties should be free to negotiate," he said.

George said workers and their bosses could determine the terms relating to retirement in their respective service contracts.

One way was through collective agreements, which both parties reviewed every three years.

There have been repeated calls from several quarters to allow workers in the private sector to retire later as the 55 age limit was now considered outdated.

The Employees Provident Fund, the custodian of the workers' retirement savings, had also

said that raising the retirement age for workers could help them financially in their later years, as they would have higher savings.

Malaysian Trades Union Congress secretary-general G. Rajasekaran said that since the Government was mulling over the idea of raising the retirement age for civil servants from 56 to 58 or 60, it was time that the private sector workers were given a similar benefit.

"To begin with, people are living longer now. The cost of living is also much higher and if people are allowed to work until 60 at least, then they will have more savings," he said.

Rajasekaran said that since there was no law on the mandatory minimum retirement age, employers were retiring their employees at 55.

"I am sure employers would adhere to any directive from the Government on this because most employers are in the dark on what the right age for retirement should be," he said.

Malaysian Employers Federation president Datuk Azman Shah Harun said the present system of retiring employees at 55 worked well.

"If an employee is good, he would automatically be hired on a contract basis. Many employers are already doing that.

"There is no reason for us to follow the mandatory retirement age set by the Government because different employers have different needs," he said.