

MEF sticks to 55 for retirement

Federation prefers status quo to ensure 'deadwood' staff will retire

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PETALING JAYA: The Malaysian Employers Federation has no plans to change the employee retirement age of 55.

MEF president Datuk Azman Shah Haron said employers wanted the flexibility to retain the best workers and not be forced to retain "deadwood".

"In the case of the employees who cannot do their work, they become deadwood to the organisation and that's what we want to avoid," he told reporters after announcing several survey reports by MEF yesterday.

He said employers could retain staff on contract after 55.

"Whatever employers want to do with their staff after 55 is up to them.

"They're not letting them (employees) go but the majority of them are retained on contracts which might be better," he said.

On MEF's survey, Azman said every four in five Malaysian companies gave their executives and non-executives bonuses and salary increments in 2010.

He said 86.1% of 220 companies surveyed gave bonuses to their executives and 83.7% to their non-executives in 2010.

He said this was higher than the 76.2% to executives and 80% to non-executives last year.

"The average bonus granted to executives in 2010 was 2.31 months for executives and 2.06 months for non-executives," he said.

Azman also noted that the MEF Salary Surveys contradicted a World Bank Report that Malaysian real wages from 1994 to 2007 had only increased by 2.6%.

He said total wages increased

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DATUK AZMAN SHAH HARON

by 97.1% for executives and 91.21% for non-executives from 1994 to 2007.

"This shows that the World Bank report is not true. Only the World Bank knows how this was derived at as their method of calculation was not revealed," he said.

The surveys also found that 72.3% of the respondents linked the wage components of their employees to productivity and performance while 27.7% did not.

On another matter, Azman said the federation was maintaining its stance not to implement 90 days maternity leave and more than three days' paternity for private sector employees.

Azman claimed the private sector's policy was more beneficial when compared with the Government's policy of giving 90 days maternity leave capped at 300 days.

He said that while the private sector gave 60 days for each surviving birth up to a maximum of five births, the Government gave 300 days for all births, regardless of whether the child survived.