

New retirement age yet to be set

Employers, MTUC and EPF in final stages of setting higher minimum age

PETALING JAYA: The Government has agreed to set a minimum retirement age for the private sector but has yet to decide on a specific age, despite reports that it would be 60 years, Human Resources Minister Datuk Dr S. Subramaniam said.

He agreed with the unions and the Malaysian Employers' Federation (MEF) that the retirement age had to be raised as people now lived longer and needed money for the remaining 20 to 30 years of their life.

"Poverty during post-retirement is a major issue as many retirees have no one to depend on to survive. At 55, people are still young and able to work," he said after addressing the Federation of Malaysian Manufacturers' (FMM) human resource conference here yesterday.

Dr Subramaniam said that for many, savings from the Employees' Provident Fund (EPF) were "hardly enough" to see them past the first five years of retirement, adding that some in the lower-income group used up the savings in two years.

"Allowing people to work longer will ensure that they have more savings," he said, adding that the Malaysian Trades Union Congress (MTUC) had agreed on having a minimum retirement age, while the MEF had agreed in principle but had some reservations.

Dr Subramaniam rejected the notion that there would be a maximum retirement age, adding that a person should be allowed to work as long as possible if he or she was able to do so.

The MEF, the MTUC and the EPF are keen to have the minimum retirement age at 60 at least, given the higher life expectancy, making it unnecessary for workers to retire at 55.

MTUC secretary-general Abdul Halim Mansor was reported as saying that a technical team comprising representatives from the Human Resources Ministry, employers and MTUC had held several meetings recently, adding that the talks looked positive.



Poverty during post-retirement is a major issue as many retirees have no one to depend on to survive.

At 55, people are still young and able to work.

— DATUK DR S. SUBRAMANIAM

At present, life expectancy in Malaysia is 73 for males and 76 for females.

Dr Subramaniam said they would take all views into account before deciding on the most feasible minimum retirement age, adding that the Bill could be tabled in the next Parliament session.

"We have not finalised the figures. We are now in the process of discussion and formulation of the Act (the new Minimum Retirement for the Private Sector Bill).

"Only at the end of that will we decide on the age," he said, adding that the MTUC should have waited for the process to be completed before announcing that the minimum retirement age would be 60 years.

Abdul Halim said the MTUC proposed 60 as the minimum retirement age, with an option to extend it for another four years. He said this was in the draft of the Bill.

"The technical committee agreed in their meeting that 60 should be the figure. We want the minimum retirement age to be 60 and the optional retirement age to be 64, as workers will have another five years of contributions and savings to their EPF."