

New minimum retirement age lauded

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PETALING JAYA: Employers and employees alike have welcomed the new minimum retirement age of 60 for the private sector which comes into effect today, saying it is overdue and any further delay will be unfair to employees.

Malaysian Trades Union Congress (MTUC) Selangor chairman Gopal Krishnam said companies that wanted to delay the implementation of the policy were only concerned with the additional cost incurred as a result of later retirement, as senior workers are often paid higher salaries.

“It is not fair to Malaysian workers. Most companies fill the positions of retired locals with foreign workers,” Gopal said. “Why should you replace a perfectly healthy and competent worker with a foreigner?”

He called on the government to be firm on the implementation of the policy.

Some 331 companies have reportedly filed appeals for a six-month extension on the policy.

But Malaysian Employers Federation president Tan Sri Azman Shah Haron said they have yet to hear from the

Human Resources Ministry on their appeals.

He also said the new retirement age is necessary in light of research indicating that most Malaysians under the Employees Provident Fund (EPF) will not have enough money to live comfortably by the time they retire at the previous retirement age of 55.

“We also realise that we cannot continue to import foreign workers to satisfy industry demands,” he said.

“Our industries are growing but we are not getting any younger,” he said.

“Realistically, the retirement age may continue to grow.”

theSun had about two weeks ago reported that Malaysians would likely retire at 70 in 40 years, simply because many would not be able to afford retiring earlier.

Azman said the only downside to the policy is that workers of certain sectors cannot be expected to work until they are 60, especially where hard labour is concerned.

“Later retirement carries implications,” Azman said. “The ministry should come up with policies on salaries and other related aspects and bear in mind worker productivity as well.”