

'No' to increasing retirement age

NATION

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Not this time: Adnan (left) and Syed Hussain are not in favour of increasing the retirement age.

Reports by GERARD GIMINO and DIYANA PFORDTEN

PETALING JAYA: A huge debate that emerged in the 1990s is now repeating, but with differing views even from the same groups involved.

Back then, Cuepacs, for instance, had pushed hard for a later retirement but today, the union and private sector employers are not keen with suggestions from economists that the retirement age be extended to cope with an ageing population.

Cuepacs president Datuk Adnan Mat said they oppose any proposal to increase the retirement age from 60, adding that capping it at this number will open the door for fresh talents to join the public sector.

"This provides better job opportunities for aspiring candidates alongside better career progression among existing employees," Adnan said.

He added that new talents could also bring a fresh perspective which could steer the nation forward.

"The introduction of these talents could also be a measure towards creating a new image for civil servants and a new landscape in public organisation," he said.

He suggested, however, that public servants could go for mandatory retirement upon turning 61 and not 60 as currently practised.

“I also urge for better remuneration for civil servants as opposed to extending the retirement age to assist in paying off existing loans,” he said.

Malaysian Employers Federation (MEF) president Datuk Dr Syed Hussain Syed Husman said the current retirement age should not be extended, citing how the previous increment of the retirement age from 55 to 60 in July 2013 led to a loss of about a million job opportunities for fresh graduates.

“Now is not the right time for Malaysia to implement a blanket increase in the statutory retirement age, especially since the unemployment rate was at 4.2% at the end of 2021 and 11% for youths aged between 15 and 24 amid Covid-19 and economic uncertainties,” he said.

He said a better approach would be towards adopting a re-employment policy for those above 60.

“This could be done on a fixed term contract basis which then provides more flexibility for both employees and employers,” Syed Hussain said.

He added that it is also the responsibility of employees approaching retirement to make way for younger people to be hired.

“Those nearing retirement may also be unable to keep up with the digitalisation demands which are crucial in today’s workplace.

“The rapid rate of technological advancements along with literacy would also better favour the younger generation,” he said.

He noted that a blanket increase would also be challenging as employers would have to deal with increasing medical cost and lower productivity, especially those involving physical work in sectors such as construction, plantation and manufacturing.

“Regardless, employment beyond 60 should be based on a voluntary agreement between both parties and done on a case-to-case basis,” he said.

Prime Minister Datuk Seri Ismail Sabri Yaakob, in revealing the findings of the Census Report 2020, said the ageing population had grown by 1.2 million between 2010 and 2020.

Those aged above 60 totalled 3.4 million individuals or 10.4% of the population in 2020, compared to 2010 when they made up 8% or 2.2 million.

Economists have encouraged a higher retirement age, citing the surging deflationary pressure, shrinking labour force and lower tax collection.

Malaysia's retirement age for public sector employees was raised to 58 in 2008 and 60 from 2012▼ onwards.

Subsequently, the Minimum Retirement Age Act came into effect from July 1, 2013, allowing workers in the private sector to retire at 60 instead of 55.