Contributions to EPF to be reviewed

KUALA LUMPUR: Contributions from employers and employees to the Employees Provident Funds (EPF) will be reviewed to ensure members have adequate savings upon retirement.

Human Resource Minister Datuk Seri Dr S. Subramaniam said working groups specifically those earning RM700 and below would have financial problems after they retired as their EPF savings would be depleted in three years.

“Numerous factors would result in the depletion of their EPF savings after they retire, including rising costs such as for food, transportation, medicine and also unsettled debts,” he said.

He said this at a press conference after opening the two-day International EPF Seminar 2012 organised by EPF with the theme “Dynamic Evolution of the Pensions World”, here, Monday.

He said the current contributions were unsuitable because the life span of Malaysians had gone up to 75 years as compared to 60 years in the 1960s and 1970s.

The ministry would seek the opinions of the lecturers and participants at the seminar to formulate a more suitable contribution scheme and it would subsequently be tabled in Parliament, he said.

Subramaniam said other than the proposal to raise contributions, the ministry would also propose that employers raise the retirement age which is currently 55 years in the private sector, and utilise the services of retirees.

Meanwhile, at a separate ceremony, Subramaniam witnessed the signing of a memorandum of understanding between EPF and Universiti Malaya for the setting up of a Social Security Research Centre at the Economics Faculty of UM.

UM Vice-Chancellor Tan Sri Dr Ghauth Jasmon said the aim of the centre was to raise awareness among policy makers and Malaysians on retirement issues. – Bernama