First step to retiring at 60

Bill on private sector retirement age to be tabled at parliament sitting in June

By YVONNE LIM
yvonnelim@thestar.com.my

KUALA LUMPUR: A proposal to increase the retirement age for the private sector to 60 will be tabled at the next parliament sitting in June.

“This is in tandem with the new retirement age for those working in the public sector,” Human Resources Minister Datuk Seri Dr S. Subramaniam said.

He said this would also reduce the strain on the social system caused by longer life spans.

“People in these times are living longer, therefore it is only right that the employment system, in both public and private sectors, allows workers to work as long as they are productive,” he said when officiating at the Employees Provident Fund (EPF) International Seminar here yesterday.

He said his ministry has discussed the matter at length with employer associations, who had responded positively.

However, he said, there were suggestions to keep the retirement age for the private sector at 55 and allow post-retirement re-employment.

“But the problem with this is, most employers prefer to hire younger workers, so there is no guarantee of re-employment.

“Therefore, we have decided to increase the retirement age to 60, and after that, the company can opt to re-employ the worker for as long as he or she can work productively,” he said.

Earlier in his speech, Dr Subramaniam also listed other challenges relating to the country’s pension system, which he said the Government and relevant bodies were working together to overcome.

“We are making improvements to wage schemes, such as the minimum wage policy, which will help those in the low-income bracket save more money to ensure better protection for their future.

“We are also looking to better state welfare systems, which will improve the quality of life for the elderly,” he said.

Subramaniam also witnessed the signing of a memorandum of agreement between the EPF and Universiti Malaya on the establishment of a Social Security Research Centre, under the university’s Faculty of Economics and Administration.

The centre, which will be funded by the EPF, will support research by the university on issues relating to old age and retirement and provide the Government with solutions.