Subramaniam: EPF contributions to be reviewed

KUALA LUMPUR: Contributions from employers and employees to the Employees Provident Fund (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 of food, transport, 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 the EPF with the theme Dynamic Evolution of the Pensions World yesterday.

He said the current contributions are unsuitable because the average lifespan of Malaysians has gone up to 75 years compared with 60 in the 1960s and 1970s.

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

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

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

UM vice-chancellor Tan Sri Dr Gauth Jasmon said the aim of the centre is to raise awareness among policymakers and Malaysians on retirement issues.

— Bernama