

When I'm 64

Private sector workers can burst into song before December

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KUALA LUMPUR: Private sector employees turning 55 in December can expect good news from the government soon.

A technical committee is fine-tuning a draft of the Private Sector Retirement

Age Bill, expected to be passed before December, that will allow employees to work until the age of 64.

Human Resources Minister Datuk Dr S. Subramaniam said the committee, which includes the Malaysian Trades Union Congress (MTUC) and Malaysian Employers Federation (MEF), had agreed

in principle to the bill.

"We will announce the appropriate retirement age with the passing of the bill in Parliament. This is in response to proposals to raise the retirement age from 55 to 60, with an option of a four-year extension."

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Proposal prompted by longer life expectancy

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Dr Subramaniam said there were differing views from MEF on the proposal, initiated by the government, to raise the retirement age of private sector workers, but all quarters were agreeable to it.

He said the government had raised the proposal considering that people lived longer nowadays and were productive even after retirement.

He said the new act was necessary as the retirement age of private sector employees had originally followed the civil service retirement age, which had been raised from 55 to 58.

Meanwhile, the Employees Provident Fund is hoping the retirement age for private sector employees is raised to 60 in the coming budget.

Chief executive officer Tan Sri Azlan Zainol said Malaysians needed to save for a 20-year retirement period compared with a short one 60 years ago.

"There are two issues the government needs to address when implementing an efficient pension system.

"One is the rapid ageing of the population and, second, the low amounts of retirement savings that make retirees vulnerable to slipping into poverty.

"When it was first set in 1951, the full withdrawal age of 55 was the same as the average Malaysian's life expectancy then. Some 60 years on, the full withdrawal age has not changed, but the average life expectancy of Malaysians has risen to 75."

MTUC secretary-general Abdul Halim Mansor said it was glad that the government had taken the initiative to raise the retirement age of private sector employers.

He said this was something MTUC had been demanding for a long time. He added that there should not be any problem in implementing the act quickly.