The New York Times - EPF To Offer Free Financial Literacy Guidance To Members

Monday, Apr 10 2017

EPF to offer free financial literacy guidance to members

The NY Times 10/4.

This is in line with EPF's vision to help members achieve a better future, says CEO

by PREMALATHA JAYARAMAN

Shahril Ridza says EPF's financial education module will act as a reference and guideline

Pic by Muhd Amin Naharul

THE Employees Provident Fund (EPF) plans to introduce free financial literacy guidance services to its members that could assist them to manage their financial and retirement plans.

CEO Datuk Shahril Ridza Ridzuan said the service will be available at all branches, focussing on educating EPF members to be financially literate and help them manage their spending in view of the rising living cost in the country.

"Everyone has a different spending pattern. What EPF would do is give guidance that would stress on the importance of financial literacy among our members to ensure that they have enough savings for their retirement," Shahril Ridza told reporters after the launch of EPF's financial education module entitled, "The Retirement, The Start of a New Journey" last Friday.

He said most Malaysians do not realise the importance of having enough savings to sustain their lifestyle after retirement.

"If you think your lifestyle requires you to spend at least RM3,000 a month for the next 20 years, then you should have roughly over RM600,000.

"However, if you have RM228,000 savings at the age of 55, you have enough to draw down about RM1,000 a month until you are 75 years old. Whether that is enough will depend on your spending," he said.

"The Retirement, The Start of a New Journey" is a financial education module which is the result of a collaboration between EPF and the Credit Counselling and Debt Management Agency (AKPK).

Shahril Ridza said the module will act as a reference and guideline, particularly for AKPK's and EPF's speakers who are conducting public talks pertaining to issues on personal finance management and retirement plan.

He said the module is a consolidation of EPF's retirement and financial literacy programme and AKPK's similar functions.

It contains tips on financial management and retirement planning — including the introduction of the multi-pillar retirement system, issues and challenges, as well as financial planning in the new era.

Guidance on cash management, investments, debts, and wealth distribution and services are also included in the module.

"The main objective for the development of this module is in line with EPF's vision to help members achieve a better future. The collaboration with AKPK also allows us to expand our target group in managing issues on the inadequacy of retirement income," Sharil Ridza said.

He added that the module would boost interest, while encouraging participation from other agencies in sharing their input that could improve the project.

In the long run, he noted that the objective of increasing the understanding of financial planning that is comprehensive and relevant could be realised.