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MoF to develop right policies, structural reforms for ageing population – Tengku Zafrul

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PETALING JAYA, Dec 14 – The Ministry of Finance is looking to develop the right policies and structural reforms in the future to ensure the independence of the ageing population and to create a more inclusive society.

Its minister Tengku Datuk Seri Zafrul Abdul Aziz said the Social Protection Council (MySPC) has therefore been reactivated and is actively looking at various options for a comprehensive and integrated social security policy.

"As more Malaysian retire in the future, we must recognise the importance of our retirees and their contribution to a productive economy.

"We must realise that a healthy ageing population can participate in and contribute to the nation's sustainable and productive growth," he said in his speech at the launch of Cagamas Bhd's Skim Saraan Bercagar (SSB) here today.

The minister also announced the government will be granting stamp duty exemptions for the scheme on the transaction documents executed for this scheme, applicable for the first two years after the scheme is launched.

This, he said, will further strengthen the government's effort in supporting private sector initiatives such as Skim Saraan Bercagar.

"This exemption will help reduce the cost for borrowers who will benefit from this scheme and ensure it is more accessible for retirees," he said.

Tengku Zafrul said SSB is part of the country's broader effort to provide a robust retirement plan that will allow senior citizens to continue leading a productive life in their golden years.

He added that the launch of the scheme is significant as it broadens the financing options available to Keluarga Malaysia, particularly retirees, who can now unlock the equity value of their property and convert it into a fixed monthly income stream throughout their lives.

He said the government and the Employees Provident Fund (EPF) have implemented three withdrawal schemes to alleviate the people's burden due to the COVID-19 pandemic, with a total of RM101 billion withdrawn by 7.4 million members.



While it has helped members in need, he said, the withdrawal schemes have also raised concerns on old-age pension adequacy.

"Following the withdrawals, we discovered that 50 per cent of members under the age of 55 have less than RM10,000 in their account, and 3.6 million members have less than RM1,000. As a result, nearly three-quarters of these members may not have sufficient funds to retire above the poverty line.

"This is especially concerning for Bumiputera members, who account for nearly 80 per cent of the withdrawal applicants," he said

As a result, Tengku Zafrul said, more than half of Bumiputera members now have less than RM10,000, and a quarter have less than RM1,000.

"In line with the government's recent emphasis on improving the rakyat's social safety net, the introduction of SSB is timely, especially for those whose income and savings have been adversely impacted by the pandemic.

"Indeed, this product could serve as a financial lifeline to help them sustain the remaining years of their lives. This

scheme is more than just a novel product. It represents a significant shift in our focus towards addressing the issue of insufficient retirement savings for the lower-income group," he added.

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