

## **BUDGET 2024 PRIORITISES RETIREMENT WELLBEING, PAVING THE WAY FOR A SECURE FUTURE FOR MALAYSIANS**

**KWASA DAMANSARA, 16 October 2023:** The Employees Provident Fund (EPF) is pleased that the Budget 2024, announced by YAB Prime Minister Dato' Seri Anwar Ibrahim on 13 October 2023, prominently addresses some of the concerns the EPF had raised on the long-term financial wellbeing of Malaysians.

EPF Chief Executive Officer Datuk Seri Amir Hamzah Azizan said, "Budget 2024 reflects an important step forward in prioritising the financial security and prosperity of Malaysia's aging population. With a concerted effort to strengthen our resources and retirement allocations, this Budget highlights the Unity Government's commitment to ensuring the dignity and comfort of its citizens.

"The old-age wellbeing of the Rakyat remains one of the Government's priorities, due to the low level of protection under the formal pension and retirement schemes among Malaysians. Currently, only 60% of the labour force is covered under formal retirement schemes, namely the EPF Scheme for private workers and the Civil Service Pension Scheme for civil servants, said Datuk Seri Amir Hamzah.

He added that the low level of savings among EPF members also needs to be addressed to ensure that they can retire comfortably and meaningfully in their old age. Therefore, it is important that the current situation is addressed by bridging the savings and coverage gap that exists in the pension and retirement system in Malaysia.

### **Key highlights of Budget 2024:**

#### **1. Increase of Government's matching incentive for i-Saraan programme**

The EPF welcomes the initiative by the Government to extend the i-Saraan programme beyond 2023 and increase the annual maximum incentive limit from RM300 to RM500 per year. Additionally, the i-Saraan programme has also been enhanced where eligible Malaysians in the informal sector,

including housewives and those with no fixed income, under the age of 60 years old will have the opportunity to receive a lifetime incentive of RM5,000 per individual, with a capping of RM500 per year. This incentive is set to benefit more than 350,000 current and new i-Saraan participants.

## **2. Expanding the i-Sayang programme to husbands**

Beginning 2024, the i-Sayang programme will be expanded to include husbands, in which working wives will also have the option to allocate 2% of their monthly EPF contributions (employee's portion) to their husbands' EPF accounts. The i-Sayang programme, launched in March 2023, allows husbands to voluntarily allocate 2% of their monthly EPF contributions (employee's portion) to the EPF accounts of their wives. Since its launch, about 34,000 husbands have registered and participated in i-Sayang, equivalent to a cumulative savings of RM14.7 million.

## **3. Extension of i-Suri programme with matching contributions and maximum incentive amount for housewives**

Acknowledging the contribution of housewives to family development and in nation building, the Government seeks to enhance the Government incentives for the i-Suri programme, in which a matching incentive will be provided for every ringgit contributed into the EPF Scheme by housewives under the age of 60 years old registered in the e-Kasih database. In addition, participants of the i-Suri programme will have the opportunity to receive a lifetime incentive of up to RM3,000 per individual, subject to a capping of RM300 matching incentive per year.

## **4. Restructuring of EPF Account**

In line with the rapid aging phenomenon and the increasingly informal work landscape in Malaysia, the EPF continues to review the EPF Scheme to ensure that EPF members can meet their lifecycle needs without affecting their savings for retirement. To help members balance short, medium, and long-term needs, EPF members' accounts will be restructured to further strengthen their retirement savings for their old-age wellbeing. At the same time, the EPF will also introduce a Flexible Account as a new account that can be accessed by members at any time, especially in times of emergency.

Datuk Seri Amir Hamzah said the EPF is confident and believes that this initiative can help Malaysians increase their retirement savings and foster harmony and wellbeing in the family unit.

"As a retirement fund, the EPF supports and will work with the Government in realising the aspirations of Malaysia Madani to ensure the retirement life of Malaysians is secured," said Datuk Seri Amir Hamzah, adding that the initiatives announced during Budget 2024 are subject to Parliament's approval.

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**Corporate Affairs Department**

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### **About the Employees Provident Fund (EPF)**

The Employees Provident Fund® (“EPF®”) is one of the oldest retirement funds in the world. Established in 1951, the EPF® is a social-security organisation focused on safeguarding member savings and delivering excellent services. In recent years, in line with its vision of helping members achieve a better future, the EPF® has expanded its role to encompass the creation of a comprehensive social well-being ecosystem. Today, the EPF® remains steadfast in its commitment to members through consistent efforts to update and improve itself, in order to build the foundation for sustainable, holistic and equitable well-being for all Malaysians.

