

Date: 25 Apr 2024

EPF Account Restructuring Set to Address Members' Life Cycle Needs



KWASA DAMANSARA, 25 APRIL 2024: The Employees Provident Fund (EPF) has announced a restructuring of its members' accounts effective 11 May 2024 that seeks to enhance their income security after retirement while addressing members' current life cycle needs.

Member accounts will be restructured from two (2) accounts namely Account 1 and Account 2 to three (3) accounts: -

- **Akaun Persaraan** to accumulate savings that will serve as income during retirement;
- **Akaun Sejahtera** to address life cycle needs that contribute to wellbeing during retirement; and
- **Akaun Fleksibel** as a new account that provides flexibility for short-term financial needs. Savings in this account can be withdrawn at any time according to members' needs.

EPF Chief Executive Officer, Encik Ahmad Zulqarnain Onn said, "The main focus of the EPF Account Restructuring initiative is to empower members in making decisions to balance future needs for retirement between short-, medium- and long-term financial needs. This initiative will also help increase members' retirement savings so that they will have sufficient retirement income to sustain their needs after retirement."



Mechanics of the EPF Account Restructuring

All contributions after 11 May 2024 will be allocated into the new accounts in the following manners: 75% into Akaun Persaraan, 15% into Akaun Sejahtera and 10% into Akaun Fleksibel.

Between 11 May 2024 and 31 August 2024, members will have a one (1) time option to transfer part of the savings balance in their Akaun Sejahtera (previously Account 2) as an initial amount to Akaun Fleksibel. If the member does not choose to opt-in for an initial amount, no transfer will be made and the existing balance will remain in Akaun Sejahtera.

Akaun Fleksibel will start with new contributions that will be credited into the member's account after the implementation date. If the member chooses to opt-in for an initial amount, the transfer of the initial amount to Akaun Fleksibel and other accounts (if applicable) is based on the balance in the member's Akaun Sejahtera on the date the opt-in application is made. The transfer method is according to the breakdown as below:

Balance in Akaun Sejahtera of RM3,000 and above

Transfers will be made as follows:

- Ten out of thirty (10/30) of the balance in Akaun Sejahtera will be transferred to Akaun Fleksibel;
- Five out of thirty (5/30) of the balance in Akaun Sejahtera will be transferred to Akaun Persaraan; and
- Fifteen out of thirty (15/30) will be retained in Akaun Sejahtera.

Balance in Akaun Sejahtera below RM3,000

Transfers will be made as follows:

- Akaun Sejahtera with balance of RM1,000 and below, all amount will be transferred to Akaun Fleksibel.
- Akaun Sejahtera with balance of more than RM1,000 and less than RM3,000, the amount transferred to Akaun Fleksibel is RM1,000, while the remainder is retained in Akaun Sejahtera.
- No distribution will be made to Akaun Persaraan for savings balance below RM3,000.

The difference in this distribution method is to enable members with low savings balance to also have a meaningful initial amount in their Akaun Fleksibel.

A summary of the initial amount distribution is as illustrated below:



Members can only choose to opt-in for the transfer of the initial amount to Akaun Fleksibel one (1) time starting from the effective date until 31 August 2024, after which the opt-in cannot be cancelled. Members who wish to take advantage of this opt-in can submit their application through the KWSP i-Akaun application or the Self-Service Terminals at any EPF branches nationwide.

Encik Ahmad Zulqarnain added that, "This initiative is not just EPF's response to current needs, but is a proactive step to help members facing the changing job landscape and demographics of the population as well as the life cycle needs of EPF members. With these enhancements, the EPF strives to ensure that every EPF member can manage their finances with confidence and resilience in this dynamic and challenging environment."

Akaun Fleksibel Withdrawal

order for withdrawal transactions from Akaun Fleksibel to be made.

Akaun 55 and Akaun Emas

Similar to the current practice, all savings in Akaun Persaraan, Akaun Sejahtera, and Akaun Fleksibel of members who have reached age 55 will be merged into Akaun 55. New contributions received by members from the age of 55 will be credited into Akaun Emas.

Members can fully access the system on 12 May 2024. For more information on the EPF Account Restructuring initiative, members can visit any EPF branches nationwide, or refer to the EPF official website at www.kwsp.gov.my or through KWSP i-Akaun.

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Refer to Appendix 1: [Note to Editors: Summary of EPF Account Restructuring Initiative](#)

About the Employees Provident Fund (EPF)

The Employees Provident Fund® (EPF®) is Malaysia's premier retirement savings fund, helping its members achieve adequate savings for a comfortable retirement. This is in line with EPF's vision to help members achieve a better future and its mission to safeguard members' savings and deliver excellent services. The EPF has evolved significantly from a transaction-centric to a professional fund management organisation with a strong focus on retirement security. The EPF is guided by a robust and professional governance framework when making investment decisions. It continues to play a catalytic role in the nation's economic growth and seeks to cultivate a savings and investment culture among its members to improve the country's financial literacy level.



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