

Higher retirement age only suitable for certain sectors

KUALA LUMPUR: The proposal to raise the retirement age to 65 should be limited only to specific sectors that require expertise and intellectual skills, according to economist Dr Ahmed Razman Abdul Latiff.

Ahmed Razman, who is from Universiti Putra Malaysia's Putra Business School, said the move should not be implemented across the board, as there are sectors that require physical strength, which may burden workers as they age.

"Sectors such as education, administration or consultancy are more suitable for considering a higher retirement age, as they rely on experience and critical thinking. But for jobs requiring physical labour, it may not be practical," he told Bernama.

On Wednesday, Chief Secretary to the Government Tan Sri Shamsul Azri Abu Bakar announced that the Public Service Department will carry out a comprehensive study on the proposal to raise the mandatory retirement age for civil servants to 65.

He said the proposal is still at a preliminary stage and requires in-depth scrutiny before any decision is made.

Ahmed Razman said the retirement age issue requires careful consideration, as

Employees Provident Fund statistics revealed that the majority of contributors from the private sector do not have sufficient savings for retirement.

He noted that any increase in the retirement age must be implemented as part of a multi-pronged strategy, including strengthening social protection, utilising wakaf (endowment) assets and introducing the concept of a time bank to address the challenges of caring for an ageing population, as Malaysia is expected to become an aged nation by 2043.

He explained that a time bank allows individuals to contribute time and effort while they are young, which can later be credited and redeemed as care services in old age, thereby reducing care costs and easing the government's fiscal burden.

Previously, Prime Minister Datuk Seri Anwar Ibrahim, when tabling the 13th Malaysia Plan in the Dewan Rakyat on July 31, stated that the mandatory retirement age will be reviewed in line with Malaysia's transition towards an aged nation.

The review will involve various aspects, including financial implications and the impact on job opportunities, which must be considered before a final decision is made.