

Unconditional i-Sinar withdrawal is timely

KUALA LUMPUR: The government's announcement that it is taking steps to remove all conditions for withdrawals under the Employees Provident Fund's (EPF) i-Sinar facility is timely, given that those who have been affected by the Covid-19 crisis are in urgent need of the funds.

Universiti Putra Malaysia Faculty of Economics and Management associate professor Dr Anuar Shah Bali Mahomed said this is important in light of the fact that the unemployment rate had increased in the fourth quarter of 2020. However, he noted that there would be a short-term impact on EPF's investments due to the soon-to-be-implemented unconditional withdrawal.

"But in the long run, the EPF can collaborate on government development projects to increase its income and savings," he said.

Anuar Shah said the life expectancy of Malaysians has now increased to 75 years, thus they would require a large amount of savings after they retire.

"If an employee retires at the age of 55 or 60 years, he or she would have about 15 years to 20 years of life post-retirement, and if they follow the projection, they need a total of RM240,000 to RM300,000 to continue surviving during that period," he said.

Meanwhile, the Malaysian Youth Council (MBM) president Jufitri Joha said the government needs to address the country's unbalanced social protection system. — Bernama