

REVIEW OF CHAPTER 9 SNA 1993

FURTHER COMMENTS POSTED ON DEC 5, 2006

Chapter 9 – ISSUE 2; EMPLOYER’S PENSION SCHEMES

We would like to share the following pertaining to the situation in Malaysia.

- a. In Malaysia, government servants are given two options, namely the **pension scheme** and the **Employees Provident Fund (EPF) scheme**. For a government servant who opts for the EPF, the government will pay a lump sum on retirement at age 55 or 56. A government servant who opts for the pension scheme will get a monthly allowance after retirement. Age of commencement of payment of monthly allowance depends on age of retirement. The government also provides an option for government servants to retire earlier, from 40 years old for women and 45 years old for man. However, they will be given the pension payment only at age 45 for women and 50 for man. The amount of monthly payment after retirement is normally half of the last basic monthly salary - the actual amount is based on the total number of years of service.
- b. Employees in the private sector are provided only with the **EPF** scheme. They will be paid a lump sum on retirement depending on the age of retirement. However, in the private sector, age of retirement is more flexible than that of the civil service. The private sector also subscribes to the **Social Security Organization (SOCSO)** to take care of the social safety of its workers.

We sincerely hope that the above aspects could be adequately addressed in the recommendations.

Chapter 9 – ISSUE 37; GRANTING AND ACTIVATION OF LOAN GUARANTEES

In the case of Malaysia, various issues have to be clarified, especially concerning the proposed treatment of guarantees, namely guarantees covered by financial derivatives, standardized guarantees and one-off guarantees.
