



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

檳城消費人協會 பிளாங்கு பயனீட்டாளர் சங்கம்

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Press Statement

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Government must be prudent regarding EPF withdrawal

The Consumers' Association of Penang (CAP) expresses its support for a recent statement made by the Employees Provident Fund (EPF) chief executive officer Tunku Alizakri Alias reminding the contributors that their savings "are for the future" and should not be withdrawn.

He pointed out that 71.4 per cent of the self-employed have less than one month's worth of savings while 82.7 per cent of those working in the private sector have less than two months' worth of savings to support themselves.

Statistics from the Finance Ministry (MoF), the government showed that as on 17 April there were 1.5 million applications approved out of 2.8 million applicants eligible to withdraw the RM500 from Account 2 of the under the economy stimulus package.

The 2.8 million applicants are a significant number because it constitutes 23 per cent (almost a quarter) of the 12 million contributors in the country. The 2.8 million applicants did not include three large categories: those who are not aware of the programme, the computer illiterates, and those who do not have an I-Akaun with the EPF.

Many of the EPF contributors are literally scraping the bottom of the barrel to survive and if the government allows them to withdraw then they would hardly have anything left in their savings when the need arises in the future especially when medical needs arise.

We are concerned and urge the government to be prudent in allowing the withdrawal by the contributors in order to protect their long-term interest. The purposes of Account 2 laid down by EPF have been very specific: to meet the need to pay for house purchase, education, medical care and for some other critical needs.

Mohideen Abdul Kader
President
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