KERATAN AKHBAR

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PSD to lead study on retirement age

AGEING NATION

PSD TO LEAD STUDY ON RETIREMENT AGE

Review is part of government's plans under 13MP tabled last week

Chief Secretary to the Government Tan Sri Shamsul Azri Abu Bakar says an in-depth study on the mandatory retirement age is needed before any decision can be made. BERNAMA PIC

PUTRAJAYA

THE Public Service Department (PSD) will lead a study on the mandatory retirement age as the country's transitions to an ageing nation.

Chief Secretary to the Government Tan Sri Shamsul Azri Abu Bakar said this on the sidelines of a public lecture yesterday.

"There has been no study on the proposal. So, PSD will conduct one first," he said, adding that an in-depth study was necessary before any decision could be made.

The government plans to review the mandatory retirement age under the 13th Malaysia Plan (13MP) that was tabled last week.

In May, Minister in the Prime Minister's Department (Law and Institutional Reform) Datuk Seri Azalina Othman Said said the government was considering raising the retirement age from 60 to 65.

She said the change was reasonable as many individuals aged 60 and above remained active.

Various stakeholders have welcomed the proposal, saying it could help Malaysians boost their retirement savings and was in line with trends in other countries.

In the past two decades, Malaysia's retirement age has undergone three key revisions, each of which took several years of debate and consultation before implementation.

The first major revision came in 2001, when the government raised the public sector retirement age from 55 to 56.

The second amendment in 2008 increased the age further to 58 for public servants.

In the private sector, discussions on raising the retirement age gained traction in the mid-2000s, but it wasn't until 2012 that Parliament passed the Minimum Retirement Age Act 2012.

The law officially came into effect on 1 July 2013, raising the minimum retirement age from 55 to 60 for private sector employees.