Keep over-60s at work with tax relief, says bosses’ lobby

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Malaysian Employers Federation says the population of Malaysians over 60 years old will reach 5.8 million by 2030.

PETALING JAYA: The federal government should provide tax relief for older workers and double deductions for employers who keep older workers in the work force beyond retirement age, says the Malaysian Employers Federation.

MEF executive director Shamsuddin Bardan said that keeping those over 60 in employment could also help reduce the need for foreign workers.

“The number of those above 60 years is fast rising and is expected to double to 15% of the population by 2030. Those above 60 years will number about 5.8 million by 2030,” he said.

However, there was no national policy in place for harnessing the older workforce.

About 200,000 employees reach 60 years and retire every year, he said. Only a small percentage of retired employees remain employed and are usually placed on fixed-term contracts.

Shamsuddin said Singapore had implemented a rehiring policy for those up to 65 years old, and will soon raise the age limit to 67 years.

He said keeping on older workers would ensure that they are not dependent on their children and siblings and will provide them with some sense of economic independence.

The government should provide incentives to both employers and employees.

Employers should be given double tax deduction on the cost of employing such older employees, while older employees should be given full tax relief on their income. “After all they would have been paying tax, perhaps for about 30 to 35 years of their working life.”