Mixed reactions over proposals

Employers wary of MTUC’s Cola and raising retirement age call

By HANIS ZAINAL
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KUALA LUMPUR: Employers are wary of the suggestion by MTUC for the government to introduce a minimum monthly RM5600 cost of living allowance (Cola) for all workers in Budget 2020.

But the other proposal to increase the mandatory retirement age to 65 received the full backing of National Council of Senior Citizens Organisations Malaysia (Nascom).

Malaysian Employers Federation executive director Datuk Shamshuddin Bardan said the introduction of Cola — but without an increase in productivity from employees — would lessen the competitiveness of Malaysian companies.

Shamshuddin pointed out that RM5600 Cola a month would increase labour cost to about RM4880 per year.

He also said that should Cola be introduced for the private sector, employers would then have to pay Cola twice — as in the 1970s.

Then prime minister Tun Abdul Razak Hussein had asked for Cola to be absorbed into an employer’s basic salary.

“The existing salary package already contains Cola elements, and to introduce another will mean that employers are paying double Cola. It will be unfair,” he said when contacted.

On MTUC’s suggestion to increase the mandatory retirement age to 65, Shamshuddin said it would lead to an increase in unemployment among the younger generation.

“In July 2013, the (then) government had increased the mandatory retirement age to 60, leading to a loss of about one million job openings that should have come from people who had then mandatory retirement age,” he said.

In fact, unemployment among the younger generation rose by over three times, based on data collected between July 2013 and June last year.

Nascom president Datuk Dr Soom Ting Kham said there were many senior citizens who were still able to contribute to the national economy.

“They above 60 are now enjoying better health and longer life expectancy.

“And a mandatory retirement age of 65 would go in line with the government’s agenda of active and productive ageing,” he said.

SME Association of Malaysia president Datuk Michael Beang echoed Shamshuddin’s views that introducing Cola would lead to a drop in competitiveness.

“Workers should instead change their mindset into improving their productivity and increasing their skills to earn more,” said Kiang, adding that the current mandatory retirement age of 65 was sufficient.

Associated Chinese Chambers of Commerce and Industry of Malaysia president Tan Sri Yee Leong Yap said although Cola would benefit employees, the government also needed to factor in the difficulties faced by employers.

“In recent years, businesses have been absorbing high employment and operating costs such as higher minimum wages, levy payments and the Employment Insurance System.

“The proposed Cola would add to the burden, which is a major component in the cost of production,” he said.

For cleaner air:
Kulasegaran: (in blue), Ahsan, Suandi and Kulasegaran’s right and other officials watching schoolchildren planting trees at D.R. Seenivasagam park in Ipoh, Perak.

Kula: Govt will study proposals

By MANUJ KAIL
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EPISODE: The government will study the suggestion by the Malaysian Trade Union Congress (MTUC) to raise the mandatory retirement age to 65, said Human Resources Minister M. Kulasegaran.

Kulasegaran said MTUC’s suggestion for a cost of living allowance (Cola) of RM5600 for all workers would also be discussed at the same time.

“The suggestions will be discussed in detail with the Finance Ministry to determine its viability and on so.”

Only minority has given our views to the Finance Ministry on the matter and in-depth discussions will be carried out soon before the Budget announcement,” Kulasegaran told reporters during a tree-planting event held at D.R. Seenivasagam park here yesterday.

Present at the event were Kepong assemblyman Dato’ Dr Ke Chiong Sen and Ipoh Mayor Datuk Ahsan Abdul Rashid.

On Sunday, MTUC secretary-general J. Solomon made the suggestion on the monthly Cola allowances, stating it was the government’s responsibility to lower the cost of living.

In calling for a higher retirement age, he cited the lack of sufficient income to sustain life after retirement due to the expected increase in life expectancy in the future to 80.

Kulasegaran added that Singapore recently announced the raising of the retirement age to 65 (by around 2030).

“There will be some announcements made during Budget next month,” he said, adding that the unemployment rate stood at 3.3%.

Two Immigration officers assaulted by Chinese nationals

By FARKH ZOLEKILI
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PUTRAJAYA: Two Immigration Department officers were assaulted by two male Chinese nationals at the KL International Airport building for foreign visitors prohibited from entering the country.

The two men along with another female Chinese national were issued the Not To Land (NTL) order at about 12.30am on Saturday as they did not meet the necessary requirements and their reasons for entering the country were also suspicious.

Instead of waiting at the designated male section of the holding area, the pair stayed at the waiting area instead and only for males.

The two immigration officers who spotted that then asked the man to leave and wait at the area allocated for females.

However, the two men started to raise their voices and act aggressively.

They punched the officers and got into a scuffle.

Immigration director-general Dato’ Khairul Damsani Badd said other immigration officers rushed to the waiting area and broke up the scuffle.

“Both officers had scratches and bruises on their face,” Khairul also added that all three Chinese nationals had been deported and blacklisted from entering Malaysia.

The two officers also lodged a police report.