Encourage re-employment

PETALING JAYA: The government should introduce a national re-employment policy to encourage companies to employ those above 60 on a voluntary basis instead of increasing the mandatory retirement age to 65.

Malaysian Employers Federation executive director Datuk Shamsuddin Bardan said they will be re-employed in a different capacity but their expertise will still be utilised.

“They may be employed on a part-time basis but we will still use their expertise. The most important thing is for the employees and employers to remain in the labour market,” he told theSun yesterday.

He also said that since the government had increased the retirement age from 55 to 60 in July 2013, graduates have found it difficult to gain employment.

Increasing retirement age counterproductive, say employers federation

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“From July 2013 to June 2018, about one million people should have retired at 55 but have continued to work until 60. Because of this, it is difficult for those new to the labour market to get a proper job.

“If we repeat this process, the same thing will happen and young people (will get) frustrated because there are no jobs for them.”

Shamsuddin said with the re-employment policy, only those fit, are good performers and have contributed to the company will be employed beyond 60.

“Increasing the retirement age will just encourage the laggards to stay on beyond 60, don’t have to work hard, which is counterproductive.”

Shamsuddin was responding to a proposal by the Malaysian Trades Union Congress to increase the mandatory retirement age to 65.

In response, Human Resources Minister M. Kula Segaran said the government will study the proposal to increase the retirement age and will discuss the matter with the Finance Ministry before making a decision.

Meanwhile, economist Prof Dr Barjoyai Bardai said the decision to work beyond 60 years of age should be voluntary instead of mandatory.

“This is so employees can be given an option to retire or continue,” he said.