



Malaysia: EPF measures to address COVID-19 pandemic

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Malaysia's Employee Provident Fund (EPF) has announced two measures aimed at responding to the COVID-19 pandemic. The measures will allow individuals to increase the amount they can drawdown from their EPF account, and introduce a one-year reduction in the employees' statutory EPF contribution. The EPF manages the compulsory savings plan and retirement planning for private sector workers in Malaysia.

Highlights

Increased EPF drawdown

The EPF will increase the amount that eligible members can choose to drawdown from MYR 9,000 to MYR 10,000 (the total amount that can be withdrawn from Account 1 will be capped at MYR 60,000). Further details about the scheme (called "i-Sinar") will be published soon, and the drawdown facility is expected to open in mid-December 2020, with the first payments likely to start in January 2021.

The i-Sinar scheme was announced in Budget 2021 and aims to provide financial support to members facing financial hardship due to COVID-19. It is restricted to active and inactive members who meet the following eligibility criteria: Loss of employment, self-employment, leave without pay, and individuals without any other income source.

Temporary reduction of EPF employee contribution rate

The employees' statutory contribution rate to the EPF will be temporarily reduced to 9% (from 11%) for a period of one year (January to December 2021) for members younger than age 60; the contribution rate remains unchanged for members aged 60 and older. Members could choose to maintain their contribution at 11%, subject to filing forms with the EPF. The reduction aims to alleviate financial pressures arising from the COVID-19 pandemic.

Related resources

- [Announcement of reduced employee contribution](#) (EPF, 28 Nov 2020)
- [Expanded coverage and maximum withdrawal](#) (EPF, 26 Nov 2020)

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