

EMPLOYEES PROVIDEND FUND (“EPF”) UPDATE

**References
EPFA 1991**

TYPES OF WITHDRAWALS

(A) AGE 50 WITHDRAWAL

- Purpose – This withdrawal allows members to withdraw in full or in part of their savings from Account 2 upon reaching age 50.

(B) AGE 55 YEARS WITHDRAWAL

- Purpose – This scheme enables you to withdraw all your EPF savings upon reaching age 55.

(C) AGE 60 YEARS WITHDRAWAL

- Purpose – Account Emas is an extension to the current Age 55 withdrawal in accordance with the minimum retirement age of 60 years old.

(D) REDUCE/REDEEM HOUSING LOAN BALANCE WITHDRAWAL

- Purpose
 - i. Individual Purchase – Withdrawal of savings from Account 2 to reduce / redeem housing loan balance from financial institutions approved by the EPF; or
 - ii. Joint Purchase – With immediate family members (husband / wife, parents, parents-in-law, step-parents, foster parents, children, stepchildren, foster children or siblings / other individuals OR to assist husband / wife).

(E) INCAPACITATION WITHDRAWAL

- Purpose – This withdrawal allows members to fully withdraw from their EPF savings if they become physically or mentally incapacitated to work, having achieved Maximum Medical Improvement (MMI).

(F) LEAVING THE COUNTRY WITHDRAWAL

- Purpose
This withdrawal allows the withdrawal of savings by:
 - i. Malaysian members who have renounced / revoked their Malaysian citizenship in order to migrate to another country; or
 - ii. Non-Malaysian members who are no longer employed in this country and intend to return to their home country.

(G) EDUCATION WITHDRAWAL

- Purpose – This withdrawal allows members to use their savings in Account 2 to fund for their own education or that of their children, including stepchildren and legally adopted children, at higher learning institutions either locally or abroad.

(H) MEMBERS INVESTMENT SCHEME

- Purpose
 - i. This scheme allows members to transfer a portion of their savings from Account 1 for investments in order to enhance their retirement savings.
 - ii. Members may invest no more than 30% from the savings in excess of the Basic Savings Amount in Account 1 through appointed Fund Management Institutions (“**FMI**”).
 - iii. Approved FMIs under the scheme includes Unit Trust Management Companies (including Amanah Saham Nasional Bhd), Asset Management Companies and Lembaga Tabung Haji.

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- iv. Unit Trust Management Companies provide members the option for their investment to be invested in Unit Trusts.
- v. Members may elect for their investment to be managed by Asset Management Companies through private mandate.

(I) PURCHASE A HOUSE WITHDRAWAL

- Purpose – This withdrawal allows members to withdraw from their savings in Account 2 to finance the purchase of a house so members can own at least a home in preparation for their retirement.

(J) SAVINGS MORE THAN RM1 MILLION WITHDRAWAL

- Purpose – This withdrawal is an option for members with savings exceeding RM1.05 million to withdraw the excess in savings for own management.

(K) HEALTH WITHDRAWAL

- Purpose – This withdrawal allows members to withdraw savings from Account 2 to cover the medical expenses for critical illnesses suffered by the members or members' family and/or to buy healthcare equipment approved by the EPF.

(L) PENSIONABLE EMPLOYEES AND OPTIONAL RETIREMENT

- Purpose – This withdrawal allows a civil servant under the pension scheme to be entitled to withdraw all of the savings from the employee's contribution whereby the employer's contribution (*i.e.* the Government) will be returned to the Retirement Fund Incorporated (KWAP).

(M) PR1MA HOUSING WITHDRAWAL

- Purpose – To assist EPF Members to purchase a home via the Perumahan Rakyat 1 Malaysia (PR1MA) Scheme by utilizing the members' EPF savings as well as future monthly contributions.

(N) DEATH WITHDRAWAL

- Purpose – This withdrawal allows member's nominees/ administrators/ next-of-kin to make full withdrawal of the member's EPF savings in the event of the member's death.

(O) HAJJ WITHDRAWAL

- Purpose
 - i. During the 2013 Budget tabled on 28 September 2012, the Government has introduced the Hajj Withdrawal initiative to EPF members whereby members can withdraw their savings from Account 2 to perform their Hajj.
 - ii. The Hajj Withdrawal is intended to supplement the basic expenses to perform Hajj and not the entire cost. The rationale is to ensure that the withdrawal does not affect members' retirement savings.

(P) FLEXIBLE HOUSING WITHDRAWAL

- Purpose
 - i. The Flexible Housing Withdrawal is a process to ring fence or set aside a part of savings in member's Account 2 to the Flexible Housing Withdrawal Account to enable the member obtain a higher housing loan amount to purchase/build a house.
 - ii. The concept or the facility of the Flexible Housing Withdrawal is to utilise the current and future EPF's savings/contribution value in consideration of providing loan by the Financial Institution.
 - iii. Based on this concept, the monthly contribution to the EPF is considered as an income. Therefore, the member can obtain a higher loan amount since the credit assessment on the net income also takes the EPF contribution into consideration (employee and employer's share). As a result, the member can purchase/build a house with a higher price

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since this would enable them to obtain a higher loan to finance the purchase/building a house.

EPF MEMBERS CAN BENEFIT TILL AGE 100

- Upon members reaching the eligible age to make full withdrawal of their EPF savings, members may, according to their own retirement needs and planning, choose for lump-sum, partial, monthly or a combination of partial and monthly withdrawal on their EPF savings at any stage into their retirement. Members may also choose to only withdraw their annual dividends and keep the remaining portion of their savings with the EPF.
- Following the enhancement to the EPF Act which took effect on 1 January 2017, it was announced that members would continue to earn dividends for the remaining portion of their EPF savings till the age of 100.
- This measure was introduced to ensure that members who choose to maintain a portion of their savings with the EPF would continue to benefit from the compounding effect of receiving the dividend until their EPF savings are fully withdrawn.

For further enquiries or additional information regarding the types of withdrawals above, kindly contact the EPF Contact Management Centre at **03-89226000** or log on to EPF's website at www.kwsp.gov.my or visit the nearest EPF branch office. **Please quote your EPF number or Identification Card number and the type of withdrawal applied for when contacting the EPF.**

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