

Malaysia: Workers' union wants investigation into EPF's financial standing

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A workers' union today calls for the government to initiate an independent committee to investigate the financial standing of the Employees Provident Fund (EPF).

This came as EPF said it would need to sell some assets to fund contributors' withdrawals from their Account 1.

Union Network International - Malaysia Labour Centre (UNI-MLC), in a statement, said the move has indirectly shown that EPF does not have 'reserved fund' (sic) or cash flow in hand.

"We are shocked to read media reports that EPF wants to sell its assets to be able to accommodate withdrawals from Account 1 and Account 2 by contributors, and we strongly oppose the move.

"UNI-MLC sees this as a serious matter, and it looks like EPF is desperate and has no other choice.

"It also indirectly shows that EPF does not have 'reserved fund' or the cash flow, which forces them to take drastic and unconventional action by selling their assets to fund withdrawals during the Covid-19 pandemic," said UNI-MLC president Mohamed Shafie Mammal.

On Tuesday, it was reported that EPF would [continue to sell its assets](#) to make funds available to depositors who are withdrawing from their Account 1 and Account 2.

The government had in its Supply Bill 2021 tabled in the parliament on Nov 6 proposed to allow EPF Account 1 withdrawals, aimed only for contributors who are in dire straits financially.

According to *Bernama*, under EPF's i-Lestari scheme, contributors could withdraw RM500 per month up to RM6,000 from their Account 2.

The i-Sinar scheme allows those who lost their jobs, were given no-pay leave, or have no other source of income to withdraw up to 10 percent of their Account 1 savings, as long as they leave a minimum of RM100 in their accounts.

"UNI-MLC views the decision to sell off assets as raising the question: Where did all the contributions have gone to all this while? And is EPF in dire straits?" If EPF does not have enough funds and has to sell its assets, we suspect that the body is facing issues in its savings liquidity.

"Thus, UNI-MLC calls for the government to set up an independent committee as soon as possible to investigate the standing of EPF financial and funds, and present a thorough report to protect the interest of contributors," Shafie added.

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