



TOWARDS SUSTAINABLE WELL-BEING FOR GIG WORKERS

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Agenda



EPF OVERVIEW



ISSUES AND CHALLENGES



MOVING FORWARD



EPF Vision – a holistic approach towards members well-being

VISION

Helping members achieve
A BETTER FUTURE

MISSION

SAFEGUARDING
members' savings and
DELIVER
excellent services



COMPONENTS OF A BETTER FUTURE



To build adequate
and sustainable

WEALTH



To care
for their

HEALTH



To lead a

**PURPOSEFUL AND
MEANINGFUL LIFE**



EPF at a glance



14.8M
MEMBERS

1.4% ▲
(2019: 14.6M)



7.5M
ACTIVE MEMBERS

1.3% ▼
(2019: 7.6M)



534k
EMPLOYERS

2.3% ▲
(2019 : 522.3K)



68
BRANCHES
(2018: 68)

52
(WITH RAS)
(2018: 28)



167M
TOTAL CUSTOMER
INTERACTIONS

108M
2019 TOTAL
INTERACTIONS



9.1M
i-AKAUN SUBSCRIBERS
MEMBERS: 8,535,559
EMPLOYERS: 531,005

12.3% ▲
(2019: 8.1M)
MEMBERS: 7,594,329
EMPLOYERS: 518,935



KWSP | EPF

Source: EPF Internal Data as at November 2020

Current EPF offerings



SAVINGS

- ▶ Mandatory contribution
- ▶ Contribute more than the statutory rate
- ▶ Self contribution
- ▶ i-Saraan
- ▶ i-Suri
- ▶ Incentives from third party organisations



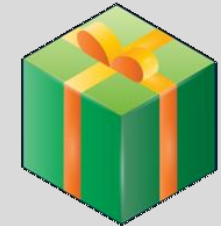
PRE-RETIREMENT WITHDRAWALS

- ▶ Housing
- ▶ Health
(Critical illness and fertility)
- ▶ Education
- ▶ Hajj
- ▶ i-Lestari
- ▶ Age 60
- ▶ More than RM1 million savings



INVESTMENT

- ▶ Unit Trust Funds
- ▶ Asset Management Companies
 - Members can now make investments through **i-INVEST** (on i-Akaun)

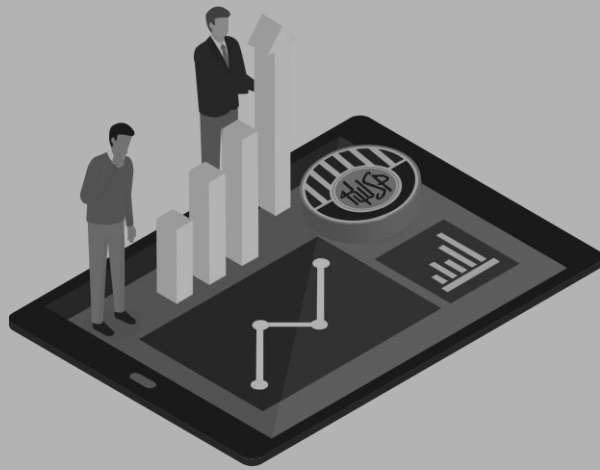


VALUE ADDED SERVICES

- ▶ Simpanan Shariah option
- ▶ Death Benefit
- ▶ Incapacitation Benefit
- ▶ Member Advisory Services
- ▶ Nomination



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ISSUES AND CHALLENGES



MOVING FORWARD



Prevailing issues and challenges faced by Malaysians



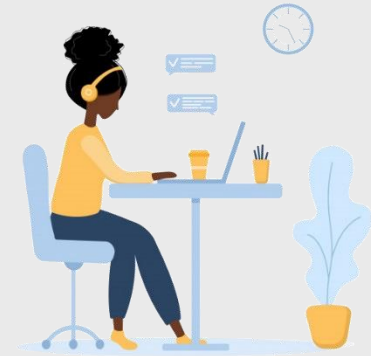
1

**SILVER TSUNAMI
and our preparedness**



2

**LOW COVERAGE for
OLD AGE PROTECTION**



3

**RISE OF
INFORMAL SECTOR**

1 The SILVER TSUNAMI is coming



MALAYSIA is currently an **AGEING NATION**

(elderly population >7%)

- ▶ Population age >60 : **10.7%**
- ▶ Population age >65 : **7.0%**



By **2030** (next **10 years**),
we are expected to be an

AGED NATION

(elderly population >14%)

1 in 3

children of
Gen-Y will live
beyond 100

1 BIL

OCTOGENARIANS
(age 80 – 89)
globally by 2050

4 MIL

CENTENARIANS
(age >100)
globally by 2050

80Y/O

Malaysians'
LIFE EXPECTANCY
at age 60

1 : 4

Estimated **OLD AGE
DEPENDENCY
RATIO** in 2050



1 Malaysians ARE NOT READY to face ageing



1

Increase in
COST OF AGEING

13.6%
(2018: 12.4%)

**MEDICAL
INFLATION RATE**

(Aon Global Medical Trend Report, 2019)

**1 in 6
ELDERLY**

Limited from performing
EVERYDAY ACTIVITIES

(National Health and Morbidity Survey, 2018)



2

Lack of
OLD-AGE INCOME

64%

Those ≥ 60 working in
**LOW PAYING /
INFORMAL JOBS**

(MARS, 2020)

RM150

Median amount of
**MONTHLY
CONTRIBUTION**
from children

(MARS, 2020)



3

Increase in
DEPENDENCY

5 in 6

Live with **FAMILY
MEMBERS**

(MARS, 2020)

3 in 4

Not prepared to live
in **ASSISTED
LIVING** facilities

(MARS, 2020)

Estimated **SLOWING GROWTH OF GDP TO 2.4%** by 2050
with **PUBLIC FINANCING ON PUBLIC PENSION AND AGED CARE** to rise



2 Prevailing GAPS in COVERAGE, perpetuated by changing work landscape



**Low coverage of
LABOUR FORCE**

60%
(9.3 mil)

of labour force covered by
statutory pension scheme
(EPF, KWAP, LTAT, SOCSO)

Total labour force: 15.6 mil



**Drop in REGULAR
CONTRIBUTORS**

(has not recovered to pre-Covid levels)

50%
(5.4 mil)

of **formal sector workers**
contribute regularly to **EPF**

Total formal sector: 10.8 mil



Rising GIG ECONOMY

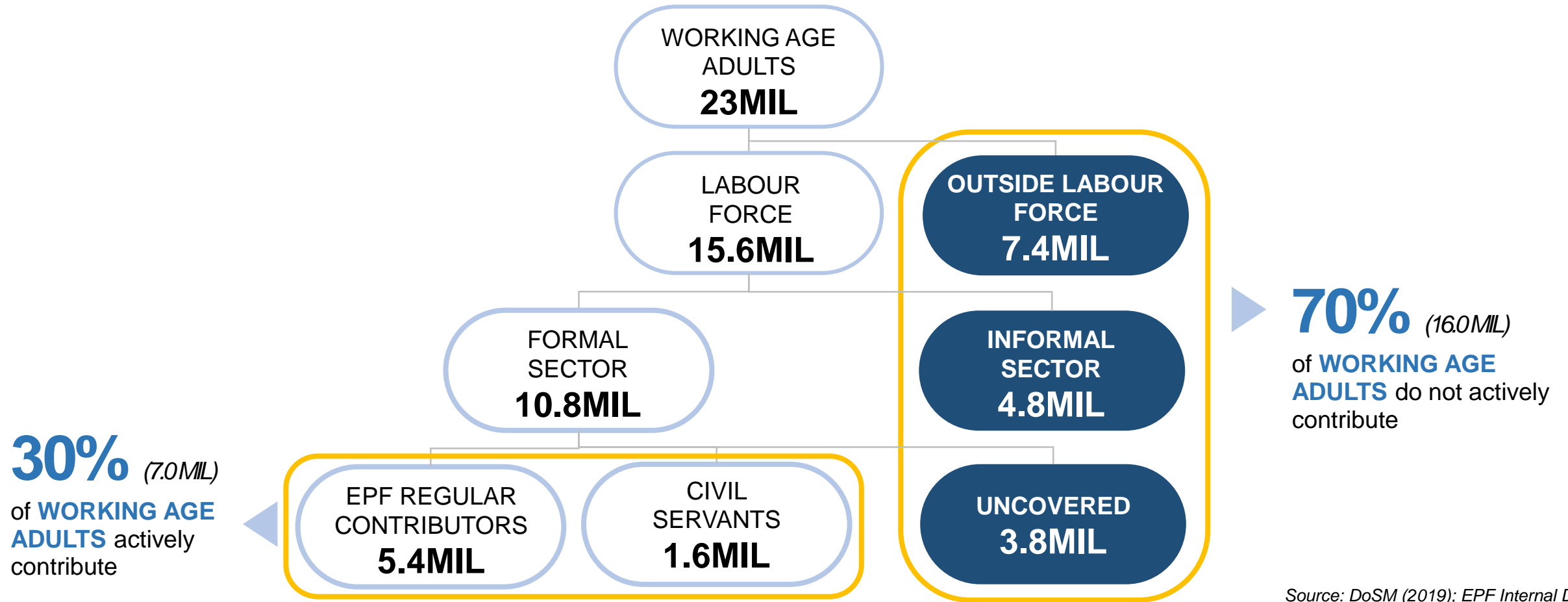
↑ 25%

GROWTH
over the past 10 years and
is **expected to grow faster**

No formal pension scheme



3 Significant number of working age adults are STILL UNCOVERED



Source: DoSM (2019); EPF Internal Data

Onboarding **EMPLOYERS WHO AVOID MANDATORY OBLIGATION** and **INFORMAL SECTOR** will be key



Agenda



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ISSUES AND CHALLENGES



MOVING FORWARD



Strategic Initiatives towards sustainable well-being for Gig Workers



1

i-SARAAN

- ▶ Safeguard retirement well-being
- ▶ Enhance retirement income



2

MEMBER ADVISORY SERVICES

- ▶ Financial and retirement advisory
- ▶ Product advisory



FINANCIAL LITERACY TOOLS AND GUIDES

- ▶ Belanjawanku
- ▶ Financial planning information kit / module



A retirement savings programme designed for self-employed and gig workers

i-SARAAN



Launched in
**JANUARY
2010**

OBJECTIVE

For self-employed and those who
do not earn a regular income

**SAVE FOR THEIR
RETIREMENT**

TOTAL REGISTERED

297,869

BENEFITS

▶ EPF ANNUAL DIVIDEND

▶ GOVERNMENT INCENTIVES

- 15% subjected to maximum RM250 annually (2018-2022)

▶ TAX RELIEF

- Up to RM4,000 per year

▶ VALUE ADDED SERVICES

- Death benefit of RM2,5000
- Nomination services to protect your loved ones

▶ NEW OFFERINGS (IN PIPELINE)

- Discounts / special prices for EPF members



KWSP | EPF

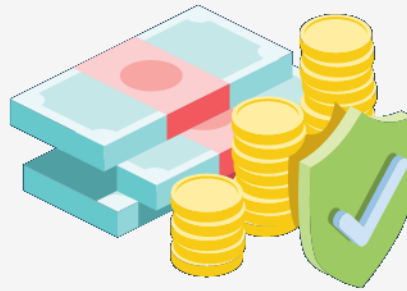
Supported by Government's **economic recovery plan** (PENJANA)

Multiple savings channels for Gig Workers to increase their savings



CONTRIBUTIONS THROUGH PLATFORM PROVIDERS

- ▶ **DEFAULT** deductions; or
- ▶ **CUSTOMISED** deductions



GOVERNMENT INCENTIVE

- ▶ **15%** subjected to maximum RM250 annually

** Note: Initiatives in the pipeline*



OTHER SAVINGS CHANNELS

- ▶ **SELF** contribution
- ▶ **THIRD PARTY** top up
- ▶ ***POINTS CONVERSION**
- ▶ ***MICRO SAVINGS**



Personalised financial planning advisory at no charge



RETIREMENT ADVISORY SERVICES

- ▶ EPF savings management and options
- ▶ Retirement needs in total
- ▶ Lifestyle options during retirement
- ▶ EPF savings at retirement age (55 / 60)
- ▶ Monthly expenses required during retirement

MEMBER ADVISORY SERVICES



**RETIREMENT
ADVISORY**



**EPF PRODUCT
ADVISORY**



**WITHDRAWAL
ADVISORY**



**FINANCIAL
ADVISORY**



**HOUSING
ADVISORY**



**INVESTMENT
PLANNING**



**PROTECTION
PLANNING**



**ESTATE
PLANNING**



**EDUCATION
PLANNING**

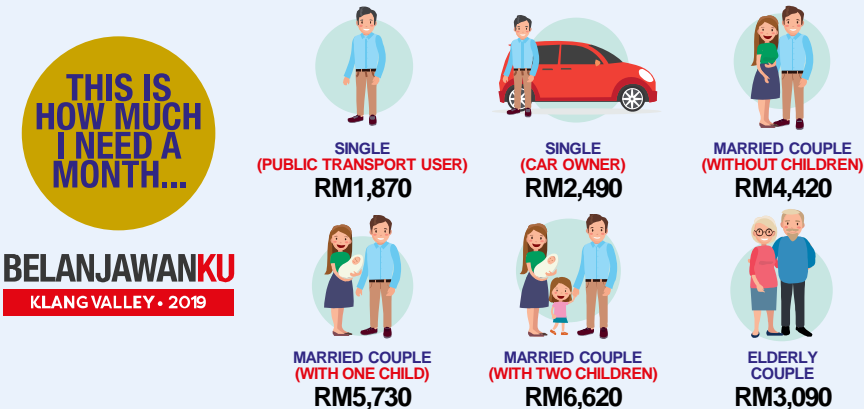


BelanjawanKu Expenditure Guide in helping members manage their finances



BELANJAWANKU

Expenditure Guide For Malaysian Individuals & Families



What is BELANJAWANKU?

- ▶ An expenditure guide, providing estimated minimum monthly expenses on various types of goods and services and recommendations on savings level for different households in Malaysia
- ▶ Launched in 2019 for Klang Valley
- ▶ Having enough money to meet basic needs
- ▶ Living a purposeful and meaningful life
- ▶ Being involved in community activities and gatherings of families and friends



Other initiatives to enhance members' financial literacy



1

My Money Matters

- ▶ A reference guide to make informed financial decisions



2

Belanjawanku App

- ▶ An interactive financial planning tool to manage your expenditure



3

Financial Planning Platform

- ▶ A full-fledged financial management tool





HELPING MEMBERS ACHIEVE A BETTER FUTURE

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