

# *Protect, Promote and Prevent*

*“Spearheading Social Protection Initiatives for All”*

SWRC SOCIAL PROTECTION BULLETIN



PUSAT PENYELIDIKAN KESEJAHTERAAN SOSIAL  
Social Wellbeing Research Centre (SWRC)

The Perspective

## **OLD AGE EMPLOYMENT**

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## The Perspective

# Old-Age Employment: Balancing the Need between Sustaining Living Standards and Addressing Structural Labour Shortages

**M**alaysia's population is rapidly ageing. As life expectancy increases and birth rates decline, the proportion of the population aged 60 and older grows. Over the last two decades, the share of the population aged 60 and above has risen substantially, from 6.2 per cent in 2000 to 11.1 per cent in 2020 and is expected to continue rising to 15.3 per cent by 2030. This raises two conflicting and interrelated challenges: maintaining living standards for the elderly and tackling structural labour shortages.

Malaysia's life expectancy at 60 has consistently grown throughout the years as healthcare and living conditions have improved. According to DOSM estimates for 2022, the life expectancy at age 60 in Malaysia was 17.5 years for men and 20.1 years for women. This indicates that, on average, Malaysians aged 60 may expect 20 more years of life. Research by the Asia Development Bank (ADB) indicates that in 2050, life expectancy for 60-year-old Malaysian women will be 24.9 years, and 22.4 years for 60-year-old Malaysian men.

### Sustaining Living Standards for Older Persons

In Malaysia, a high majority of retirees do not get any monthly retirement income. In 2024, the ADB reported that only approximately 14 per cent of older individuals received a contributory pension, while the remaining 86 per cent received neither a contributory nor a social pension.

Retirement savings are frequently insufficient for informal workers or those with a fragmented work history. Even among formal workers in the private sector, as of October 2024, Employees' Provident Fund (EPF) figures reveal that only 36 per cent of active members fulfil the existing baseline savings requirement of RM240,000 at the age of 55.[1] Approximately half of EPF members under the age of 55 have savings of less than RM10,000, which is partially due to the exceptional withdrawal during the recent COVID-19 outbreak.[2]

As the population ages, the escalating costs of healthcare and long-term care present a formidable challenge, intensifying the financial burden on both citizens and the government. Malaysia's health spending is predicted to expand at a compound annual growth rate (CAGR) of 8.7 per cent between 2023 and 2028, implying that health expenses are rising faster than many other sectors, as well as faster than GDP growth. Older-age healthcare expenses are projected to triple by 2030, from RM3.8 billion to RM12 billion, putting significant upward pressure on public and private healthcare spending.[3] The increasing prevalence of non-communicable diseases (NCDs) and multimorbidities among older adults leads to a dual increase in demand: both the intensity of care required per patient and the overall number of older people needing care.

1. Employees Provident Fund (EPF). (2024). EPF releases Belanjawanku 2024/2025 and Retirement Income Adequacy Framework [Press release]. EPF Malaysia.

2. Ministry of Finance (MOF). (2023). 6.3 million EPF contributors under 55 have less than RM10,000 in savings [Press release]. Malay Mail.

3. Haron, S. A., Koris, R., Orhun, N. M., Nur, A. M., Aljunid, S. M., & Shafie, A. A. (2024). Economic Burden of Healthcare Utilisation by Older Persons Living in the Community in Malaysia. *Journal of Health Policy & Outcomes Research*, 1(1), 3–15. <https://doi.org/10.7365/JHPOR.2024.1.1>

Out-of-pocket expenses demonstrate that individuals, not only the government, endure additional obligations, which can have an influence on older people's living standards, savings adequacy and financial security. The wide range of monthly aged-care prices from RM1,500 to RM12,000 [4] indicates that long-term care for the elderly is becoming a considerable financial burden, particularly for those who rely on private services

**Psychosocial Factors**

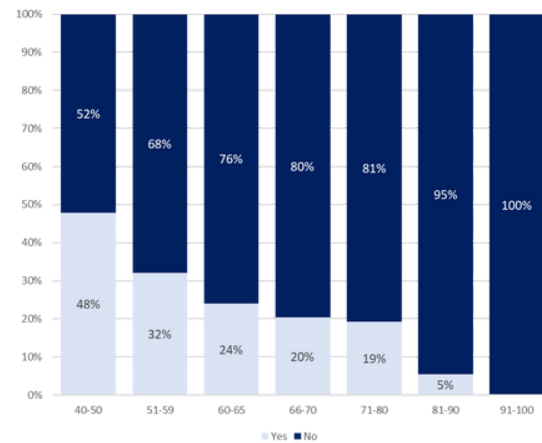
Aside from economic need, psychosocial work factors may be important predictors of post-retirement employment. Malaysia Ageing and Retirement Survey (MARS) found that 90% of respondents are "willing to continue working as long as their health permits." It illustrates that the elderly's engagement in the labour market is not necessarily motivated by financial need. Work provides individuals with meaningful social relationships, a sense of purpose, and dignity. This demonstrates a strong alignment between policies supporting long-term labour participation and the aspirations of older Malaysians, who view work as fundamental to leading a meaningful and dignified life.

In many nations, people in their 60s and 70s are physically and mentally more capable than previous generations of the same age. For example, the International Monetary Fund (2025) found that in a sample of 41 advanced and emerging economies, a 70-year-old's cognitive ability in 2022 was equivalent to that of a 53-year-old in 2000, a shift related to increasing labour market attachment, hours worked and earnings.[5] Cognitive abilities often remain robust well past the age of 60, meaning that the capacity to work is retained even among those who are not actively employed. Supporting this finding, a study by Mansor et al. calculated the predicted 'health capacity to work' for older Malaysians and discovered that both older males (60+) and those with lower education levels are more likely to retain the capacity to continue working, regardless of their current employment status.[6]

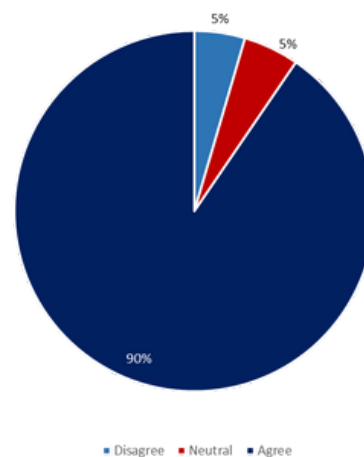
**Malaysia Ageing and Retirement Survey (MARS) Wave 2 2021-2022**



**Question from MARS: Do you still want to work?**



**Question from MARS: I will continue working as long as my mental and physical capability permit**



4. Ministry of Health (MOH); Jabatan Kebajikan Masyarakat (JKM); MIDF Research. (2025). Aged care – Opportunities in the silver economy  
 5. International Monetary Fund. (2025). World Economic Outlook April 2025: The Rise of the Silver Economy (Chapter 2). International Monetary Fund.  
 6. Mansor, N., Awang, H., & Park, D. (2024). Health Capacity to Work among Older Malaysians. *Asian Development Review*, 41(1), 147–168



*“ Deputy Minister of Human Resources, Datuk Seri Abdul Rahman Mohamad, stated that under the Thirteenth Malaysia Plan (2026–2030), the government has set a target to reduce the proportion of foreign workers to 10 per cent by 2030, and further to 5 per cent by 2035, through the implementation of several measures. ”*

*Datuk Seri Abdul Rahman Mohamad,  
Deputy Minister of Human Resources.  
featured in Berita RTM on 03 November 2025*

In summary, enhancing employment prospects provides crucial support, allowing older people to sustain their income, preserve their dignity and maintain meaningful social participation. Ultimately, these measures help align the individual's working life with their increasing life expectancy.

### **Addressing Structural Labour Shortages**

Demographic shifts are reshaping the labour market, necessitating a careful and strategic response. The overarching goal is to sustain or enhance industrial performance, supporting economic growth while simultaneously creating decent job prospects for citizens. The labour market must cultivate sufficient flexibility to resist the stresses of demographic transformation, embrace technological disruption and accommodate cross-border labour mobility. As the labour market alone may lack the flexibility required to manage this dynamic, institutional intervention and support are crucial.

Encouraging the continued participation of older people in the workforce is not simply a social policy; it is also an economic strategy for maintaining development and productivity in an ageing society. The goal is to enable older people to work longer by choice, while also helping companies adapt to demographic change. The challenge is to encourage older people to remain economically active whilst not pushing those who are unable to work, lowering pay or crowding out younger workers. The objective is choice and competence, not coercion.

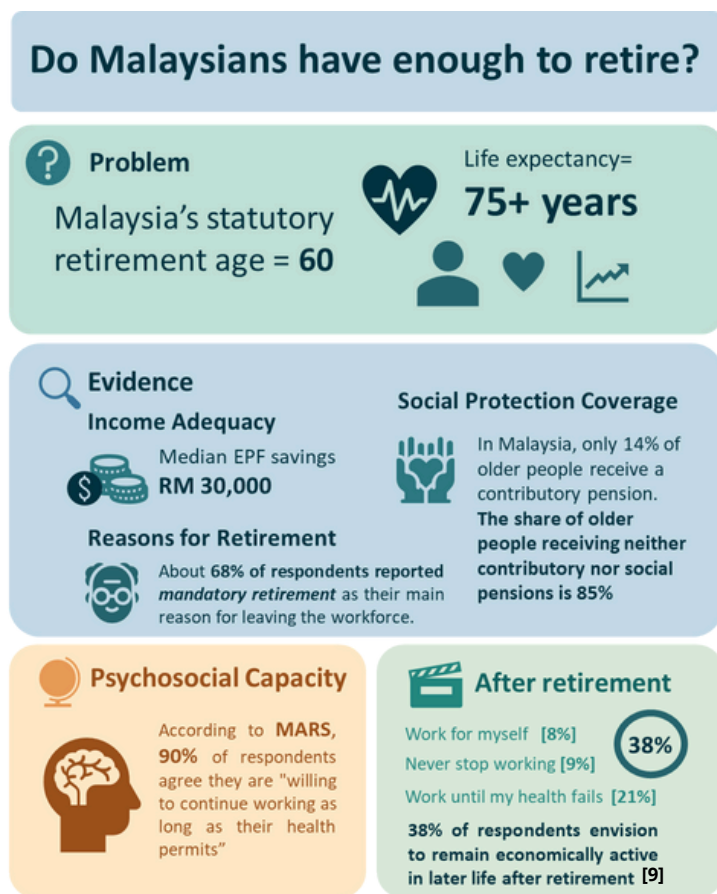
As the pace of labour force growth slows down, key economic sectors, including healthcare, agriculture, services and manufacturing are increasingly facing worker shortages. Without a significant improvement in labour-saving technologies, ongoing economic growth will depend on rising labour demand. As a result, an increase in the number of foreign workers is inevitable to keep up with GDP growth.

Retaining older workers, for example, through reskilling, flexible work arrangements, and age-friendly workplaces, may help alleviate these disparities. Furthermore, increasing age-diverse workforces aids knowledge transfer and productivity continuity.

Demographic shifts are currently pushing labour market dynamics beyond the traditional notion of a workforce. Both demand and supply for senior labour are crucial. Income and psychosocial variables positively influence the elderly's propensity to work. On the demand side, employing older people will help alleviate the country's labour shortage. Furthermore, recruiting senior people would help increase productivity by leveraging their skills and experiences. However, the existing lack of data limits our ability to understand the dynamics of the older labour market and carry out further studies.

The official "working age" definition ends at 64, and the 60+ population is rarely recorded separately, restricting longitudinal studies on that demographic. Although the retirement age is 60, approximately 448,600 individuals remained employed. Malaysia's labour force participation rate (LFPR) for those aged 60 to 64 was around 36.5 per cent in 2017 and 39.2 per cent in 2020.[7] The 2020 male LFPR is 55.3%, compared to 23.1% for females. However, most of the other years' data are missing. Although a large percentage of people over the age of 65 continue to work, precise employment statistics are unknown.

Meanwhile, a sizable share of persons aged 60 to 64 are self-employed. According to the World Bank, 43.1 per cent of male older workers aged 60 to 64 are self-employed, compared to 50 per cent for women.[8]



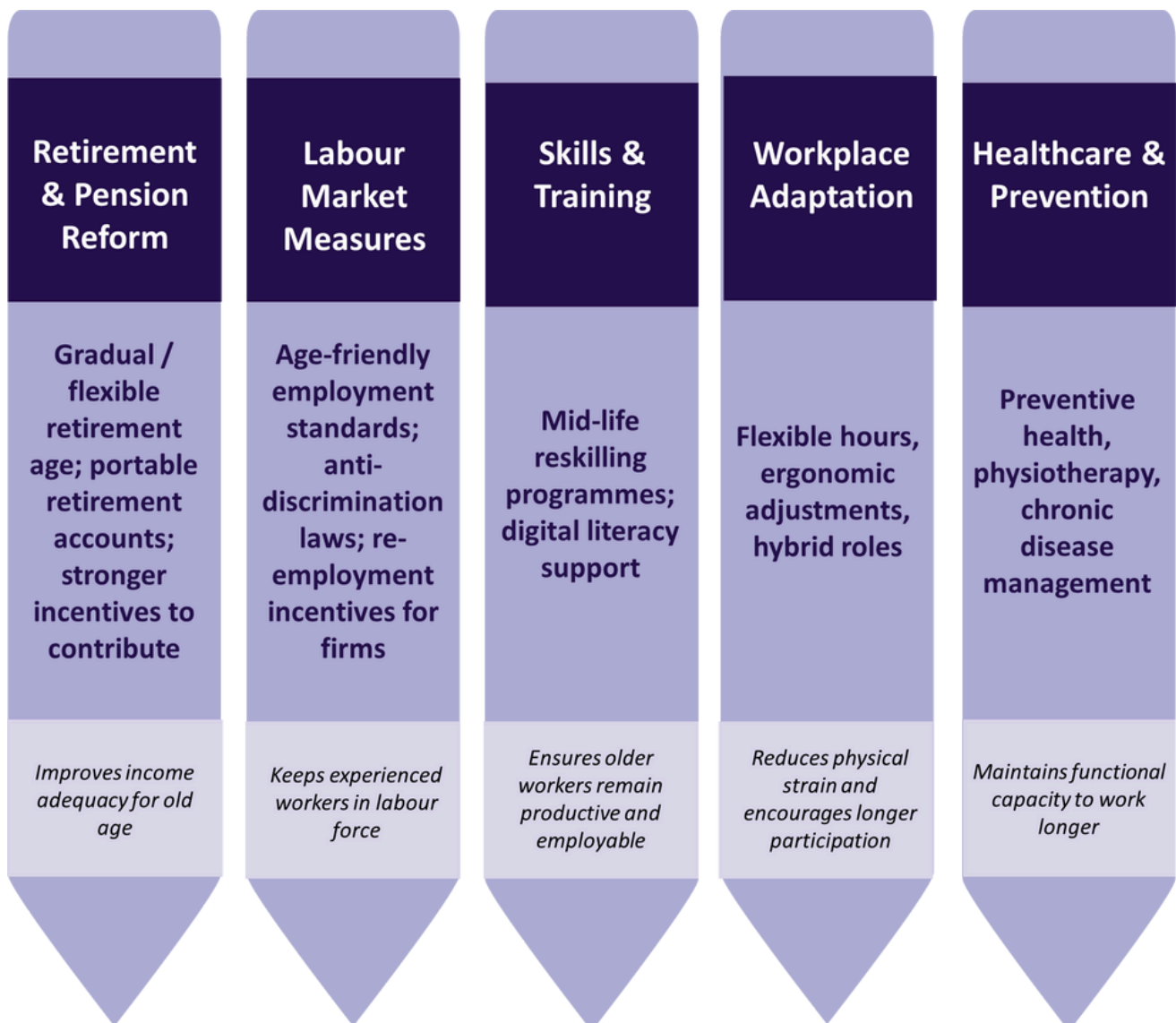
7. Department of Statistics Malaysia, DOSM (2021); Future of Employment (UNESCAP) — PDF: [https://www.unescap.org/sites/default/d8files/event-documents/Future\\_employment\\_20220602\\_draft.pdf](https://www.unescap.org/sites/default/d8files/event-documents/Future_employment_20220602_draft.pdf)  
 8. DOSM; MOH; JKM; World Bank. (2020). A Silver Lining: Productive and Inclusive Aging for Malaysia. The World Bank. Retrieved from World Bank Open Knowledge Repository: <https://hdl.handle.net/10986/34887>  
 9. Social Wellbeing Research Centre (2022), Malaysian Ageing Retirement Survey (MARS).

### Policy Approaches to Encourage Older People to Stay Economically Active

The significance of encouraging older persons to willingly engage in the labour market is apparent. It helps both people and the economy as a whole. Therefore, policy support is crucial. Diagram 1 presents potential policy actions that might maximize the advantages of older people's engagement in the labour market.



Diagram 1: Policy Approaches to Encourage Older People to Stay Economically Active

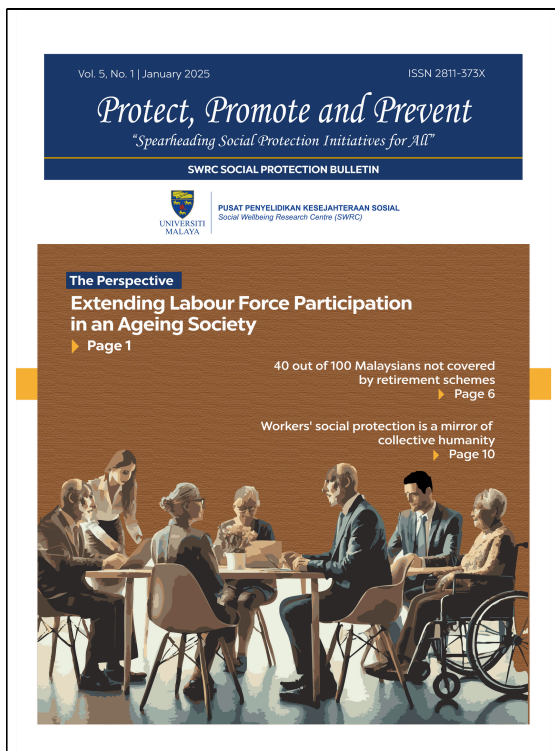


## Bulletin Showcase

**SEE ALSO>>** *Our previous work related to this **Perspective***

# Extending Labour Force Participation in an Ageing Society

Vol. 5, No. 1, 2025



For more information, please visit:

[https://umcms.um.edu.my/sites/social-wellbeing-research-centre%20swrc/bulletin/SWRC%20Social%20Protection%20Bulletin%20Vol.%205%2C%20No.%201%20\(January%202025\).pdf](https://umcms.um.edu.my/sites/social-wellbeing-research-centre%20swrc/bulletin/SWRC%20Social%20Protection%20Bulletin%20Vol.%205%2C%20No.%201%20(January%202025).pdf)

## SUMMARY

Malaysia's rapid transition into an ageing society presents significant economic challenges, including a shrinking labour force and a looming retirement income crisis, with data showing a quarter of seniors have no monthly income. To address this, the article argues for a policy shift to extend labour force participation among older generations. This can be achieved by either raising the official retirement age or promoting flexible re-employment after retirement. Such measures are crucial to harness the "longevity dividend"—the vast human capital and expertise of older workers—which would boost individual retirement savings, reduce the need for government social assistance, and strengthen overall economic productivity. By learning from other aged societies and implementing these strategies, Malaysia can transform its demographic challenge into an opportunity for greater economic security and prosperity.



or scan here

# Retirement/Pension and Re-employment of Selected Countries

|   | PENSIONABLE AGE<br><small>*Age where they are eligible to receive pension</small> | REEMPLOYMENT   |
|---|---|--|
|    | 60 years old  | As of now, there is <b>no widely publicised, re-employment laws</b> in Malaysia.   |
|    | 67 years old  | After reaching the national pension age in <b>Netherlands</b> , a worker <b>may continue working</b> under a new contract — employer may also terminate previous contract at pension age ("pension dismissal") if no new contract is offered.  |
|    | Currently = 63 years old<br>In 2025 = 64 years old<br>In 2030 = 65 years old      | <b>Currently in Singapore</b> the reemployment is up to 68 years old and raised to 69 years old in 2026 and 70 years old in 2030 under the <b>Retirement &amp; Re-employment Act</b> .   |
|   | Currently = 66 years old<br>In 2028 = 67 years old<br>In 2044 = 78 years old      | The previous "default retirement age" (DRA) of age 65 was <b>abolished in 2011</b> . But there is <b>no guarantee or universal entitlement</b> to re-employment after retirement in the <b>United Kingdom</b> .  |
|  | Currently = 65 years and 10 months<br>In 2031 = 67 years old                      | According to a 2025 report, <b>Germany</b> is further incentivising post-retirement work: retirees who wish to continue working may get partial income tax relief (up to €2,000/month tax-free) <b>starting 2026</b> .   |
|  | 67 years old  | Since the 1986 amendment, mandatory retirement age in the <b>United States</b> for most private-sector jobs has been abolished.<br><br><small>*But will only receive pension at age 67</small>   |
|  | 65 years old  | <b>Canada</b> no longer has a mandatory retirement age in many jurisdictions. Canada does <b>not</b> have a formal nationwide "re-employment after retirement" mandate.<br><br><small>*But will only receive pension at age 65</small>   |
|  | 65 years old or 67 years old<br>(depends on birth year)                           | In <b>France</b> , after retiring (i.e., after liquidation of pension), a retiree can resume professional activity and combine pension + work income, <b>if conditions are met</b> .   |
|  | 60 years old  | Under Japan's <i>Stabilization of Employment of Older Persons Law</i> , employers are <b>required to secure continued employment for workers who wish to keep working until age 65</b> . The law does <b>not specify</b> that continuation must be based on seniority or performance, only that the <b>opportunity must be provided</b> to those who wish to work. |



Featured Article 1

# Working until 65: A financial lifeline for older Malaysians or a broken ladder for the young?

*as featured in Malay Mail, on 03 November 2025 by Milad Hassandarvish*

**A** proposal to raise Malaysia's retirement age from 60 to 65 has ignited a national debate, pitting the urgent need to support an ageing population against fears of stifling opportunities for the younger generation.

Proponents argue that with rising life expectancy, extending work life is a crucial step toward financial security. Critics, however, warn it could block pathways for young graduates entering a competitive job market.

The most compelling argument for raising the retirement age is the precarious financial state of many older Malaysians. Experts point to insufficient retirement savings as a looming crisis.

"Our own centre's data shows that a large percentage of Malaysians above 60 are still working, but informally. "That shows the majority do not have enough savings to retire," said Professor Emeritus Datuk Norma Mansor, director of the Universiti Malaya Social Wellbeing Research Centre.

She also cited the Employees Provident Fund's (EPF) equally alarming data, which showed that 6.3 million contributors under 55 have less than RM10,000 in retirement savings.

"This group faces financial challenges if they cannot continue working," she said, highlighting a study in which four in 10 respondents said they relied on supplementary income from their children. Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai agreed, noting that allowing people to work longer provides additional years to contribute to EPF, improving post-retirement stability.

Beyond individual savings, retaining older workers benefits the economy. Professor Emeritus Mohd Nazari Ismail from UM's Faculty of Business and Economics said it helps counteract a declining labour force participation rate, while Soh added that it preserves institutional knowledge and enhances productivity.

## PROTECT, PROMOTE AND PREVENT

### Later retirement could stall youth careers

The primary concern is the potential bottleneck it could create for youth employment. The youth unemployment rate currently sits around 10.2 per cent as of mid-2025, marginally down from previous months but still elevated compared to the overall national unemployment rate of about 3.0 per cent.

“Older workers might restrict job opportunities for young job seekers,” warned Mohd Nazari.

“Younger employees may face fewer promotion opportunities. If the economy expands, this issue may be less severe, but economic stagnation could exacerbate youth unemployment.”

Soh echoed these sentiments, noting that with over 300,000 graduates entering the workforce annually, retaining senior employees could delay promotions and limit entry-level roles, particularly in the public sector and large corporations. Furthermore, businesses could face higher operational expenses.

“If older employees are not healthy, employers may face higher healthcare costs,” Mohd Nazari explained, adding that retraining them for new technologies would also increase expenses.

Soh also argued that a higher retirement age in the public sector could increase the government’s long-term financial obligations in wages, pensions, and healthcare. Soh also argued that a higher retirement age in the public sector could increase the government’s long-term financial obligations in wages, pensions, and healthcare.

### Finding a middle ground

Rather than a blanket mandate, the experts all called for a phased, flexible, and well-

supported implementation. In particular, Norma cautioned against an abrupt increase. “A gradual rise would allow industries to adjust,” she suggested, recommending an initial move to 62 before further adjustments.

Soh stressed that any extension must be paired with “forward-looking labour market policies.” He advocated for a voluntary re-employment system beyond age 60, structured succession planning, and expanded access to upskilling programmes to foster intergenerational collaboration.

“In this way, Malaysia can ensure that raising the retirement age complements, rather than competes with, the nation’s broader goals of inclusive growth and sustainable employment for all generations,” he said.

Ultimately, Norma challenged the notion of direct competition, arguing that an intergenerational workforce creates unique value.

“The older workers bring in different knowledge and expertise, which cannot be compared to the younger staff,” she concluded. Having senior employees can, in fact, be beneficial to the company and complement the younger workforce.”




*“We often speak of retirement as a reward — a well earned rest after years of contribution. But in Malaysia today, retirement is no longer a guarantee. For many, it is a privilege they may never reach.”*

Datuk Seri Dr Mohammed Azman Aziz  
Mohammed. CEO SOCSO

*featured from The Edge on 23 July 2025.*

## Featured Article 2



## World Bank recommends raising EPF withdrawal age to 65

*as featured in New Straits Time on 30 October 2025 by Mahanum Abdul Aziz*

**T**he current retirement savings withdrawal age of 55 under the Employees Provident Fund (EPF) is considered too low given Malaysia's aging demographic, according to the World Bank.

The international financial institution said setting the withdrawal age between 65 and 70 would better align with Malaysia's demographic profile, in its latest report titled 'Should Malaysia expand its social pension? Global evidence, design issues and options', launched today.

A higher withdrawal age would also allow retirees to receive larger average benefits from social pensions, the report noted.

The World Bank suggested gradually increasing the eligibility age for social pensions to between 65 and 70 to ensure the sustainability of Malaysia's social protection system in line with longer life expectancy.

Currently, the social pension eligibility age is 60, which is lower than in most countries and no longer aligned with the increase in healthy life expectancy since the scheme's introduction in 1982.

According to the World Bank's analysis using the 2022 Household Income and Expenditure Survey (HIES) data from the Department of Statistics Malaysia (DOSM), raising the eligibility age could also help better target support to elderly citizens who truly need it.

"HIES data shows relative poverty rates increase significantly with the age of household heads — 24 per cent for those 60 and older, 42 per cent for 65 and older, and 49 per cent for 70 and older. This indicates the risk of poverty rises with age," the report stated.

The World Bank added that increasing the eligibility age would be justified if combined with broader coverage of the social pension scheme to include those without retirement savings or fixed pensions.

From a political economy perspective, implementing both measures simultaneously — expanding coverage and raising the eligibility age — is considered more suitable than expanding first and delaying the age increase, which could affect public trust and increase fiscal pressure.

## PROTECT, PROMOTE AND PREVENT

A new eligibility age between 65 and 70, it said, better reflects Malaysia's demographic reality, with people living longer and healthier lives compared to four decades ago.

To avoid negative impacts on current recipients, they would continue receiving benefits, while new recipients would be subject to the higher eligibility age.

This approach would also allow the government to offer higher social pension rates to eligible recipients without significantly increasing fiscal burdens.

Studies by Khazanah Research Institute (KRI) and the Social Wellbeing Research Centre (SWRC) indicate that this approach balances citizens' welfare with the country's financial responsibilities.

In the future, social pension eligibility could be automatically adjusted according to increases in healthy life expectancy, as is practiced in several advanced OECD countries.



*"If Malaysia is serious about preparing for a 100-year life, we must fundamentally rethink how we work, save, engage and care, across all stages of life"*

*Ahmad Zulqarnain Onn, CEO EPF*

*featured in MalayMail on Wednesday, 18 Jun 2025*

**Ruangan Bahasa Melayu****Lensa Jaringan Keselamatan Sosial**

# Umur pengeluaran KWSP wajar dinaikkan kepada 60 tahun - Pakar

*Diterbitkan di Harian Metro pada 11 November 2025 oleh Alzahrin Alias*

Umur pengeluaran simpanan Kumpulan Wang Simpanan Pekerja (KWSP) wajar dinaikkan daripada 55 kepada 60 tahun, sejajar dengan realiti ekonomi semasa dan umur persaraan rasmi yang kini mencecah 60 tahun bagi kebanyakan sektor. Pakar Pusat Penyelidikan Kesejahteraan Sosial (SWRC) Universiti Malaya, Dr Amjad Rabi berkata, sistem sedia ada yang bergantung sepenuhnya kepada simpanan individu tidak lagi mencukupi untuk menjamin kehidupan pesara, terutamanya bagi mereka yang mempunyai caruman rendah atau tidak konsisten sepanjang tempoh bekerja.

"Gabungan antara simpanan wajib seperti KWSP dan skim pencen sosial yang disokong kerajaan akan mewujudkan keseimbangan antara tanggungjawab individu dan peranan negara dalam menjaga kebajikan warga emas," katanya dalam Forum Menjamin Martabat Warga Emas anjuran Institut Penyelidikan Ekonomi Malaysia (MIER) di sini, semalam. Turut hadir Pengerusi MIER, Tan Sri Mohd Effendi Norwawi dan Pengarah Eksekutif MIER, Tan Sri Dr Sulaiman Mahbob.

Amjad berkata, Malaysia juga disaran memperkenalkan sistem persaraan sosial baharu atau skim pencen yang lebih menyeluruh dan mampan melalui pendekatan gabungan simpanan KWSP serta dana awam berasaskan cukai bagi memastikan kesejahteraan warga emas selepas bersara terjamin.

Menurutnya, dalam hal ini, Malaysia perlu meneroka sistem baharu pencen sosial yang menggabungkan elemen 'Life Annuity' yang diurus secara awam menggunakan simpanan KWSP serta skim 'Contributory National Pension' (CNP).

Beliau menjelaskan, pendekatan itu bertujuan mewujudkan aliran pendapatan berterusan selepas pesara menghabiskan simpanan KWSP mereka, sekali gus mengurangkan risiko kehabisan wang dalam tempoh persaraan yang semakin panjang berikutan peningkatan jangka hayat rakyat Malaysia.

Katanya, peserta sistem itu akan menerima bayaran secara berperingkat, bermula dengan pengeluaran RM1,000 sebulan daripada simpanan KWSP sebaik mencapai umur 60 tahun, menggantikan sistem pengeluaran sekali gus yang diamalkan ketika ini.

"Sistem yang dicadangkan mempunyai dua kategori iaitu jangka masa pendek dan jangka masa panjang. Bagi jangka masa pendek, sebaik mencecah umur persaraan 60 tahun, RM100,000 simpanan KWSP akan dibayar secara ansuran selama 10 tahun (bagi simpanan melebihi RM100,000).

## PROTECT, PROMOTE AND PREVENT

"Pada usia 70 tahun pula, pencarum akan mula menerima bayaran tambahan di bawah skim 'Socially Oriented Age Pension Fund' (SOAPF) yang dibiayai kerajaan melalui hasil cukai, bagi memastikan setiap warga emas terus mendapat perlindungan asas sehingga akhir hayat.

"Namun secara jangka masa panjang pula, adalah dicadangkan pelaksanaan menggunakan kaedah 'Life Annuity' iaitu gabungan simpanan KWSP serta skim CNP untuk semua warga emas, bukan hanya pencarum KWSP saja," katanya.

Sementara itu, Pengarah Pusat Penyelidikan Kesejahteraan Sosial (SWRC) Universiti Malaya, Datuk Prof Emeritus Dr Norma Mansor berkata, antara dasar yang perlu diberi perhatian bagi menghadapi fenomena negara menua adalah usaha memperkukuh sistem perlindungan sosial agar golongan warga emas di Malaysia dapat menikmati taraf hidup yang lebih baik dan bermaruah.

Beliau berkata, ramai pesara kini berdepan dengan situasi simpanan KWSP cepat habis selepas bersara dan terpaksa bergantung kepada anak-anak atau bantuan kewangan kerajaan. Justeru, katanya, kerajaan boleh mempertimbangkan model pencen sosial seperti yang diamalkan di beberapa negara jiran di mana golongan pesara tidak hanya bergantung kepada bantuan kerajaan semata-mata. "Apabila kita mempunyai skim pencen ini, ia juga dapat membantu kumpulan 'generasi sandwich'. Kebergantungan warga emas kepada anak-anak boleh dikurangkan sekali gus memberikan peluang untuk anak-anak menyalurkan semula bantuan atau pendapatan yang diterima bagi menyokong keperluan lain. "Pendekatan sebegini bukan sahaja membantu warga emas, tetapi turut menyumbang kepada pertumbuhan ekonomi secara menyeluruh," katanya.



SWRC In the News

## My Say: Ageing Malaysia needs stronger fiscal planning

*as featured in The Edge on 1 July 2025, written by Sum Dek Joe and Norma Mansor*

“

“Malaysia’s fully funded, defined-contribution Employees Provident Fund (EPF) system has helped contain fiscal risks often associated with pay-as-you-go defined-benefit schemes. However, retirement adequacy remains a key concern. Only 36% of active formal EPF members met the basic savings target of RM240,000 by age 55, the minimum level required for a dignified retirement. A sizeable portion of the workforce falls short of this threshold, raising the prospect of increased reliance on tax-financed support in the future. Furthermore, the EPF scheme permits multiple pre-retirement withdrawals and full withdrawal at age 55, both of which may contribute to insufficient retirement savings. Addressing these pressures through more strategic policy development would enhance preparedness and resilience”.

”

## SWRC In the News

# Health spending must be treated as investment”

as featured in *The Edge* on October 14, 2025,

written by Muhammad Aizat Zainal Alam and Norma Mansor

“

Based on the working paper "*Universal in Name, Equitable in Quality: Re-Framing Malaysia's Public Healthcare Expenditure From Spending To Investment*" from the **Social Wellbeing Research Centre (SWRC)** at Universiti Malaya, Malaysia's public healthcare system is under severe strain. Despite its reputation for universality, the system is challenged by rising demand, an ageing population, and chronic diseases.

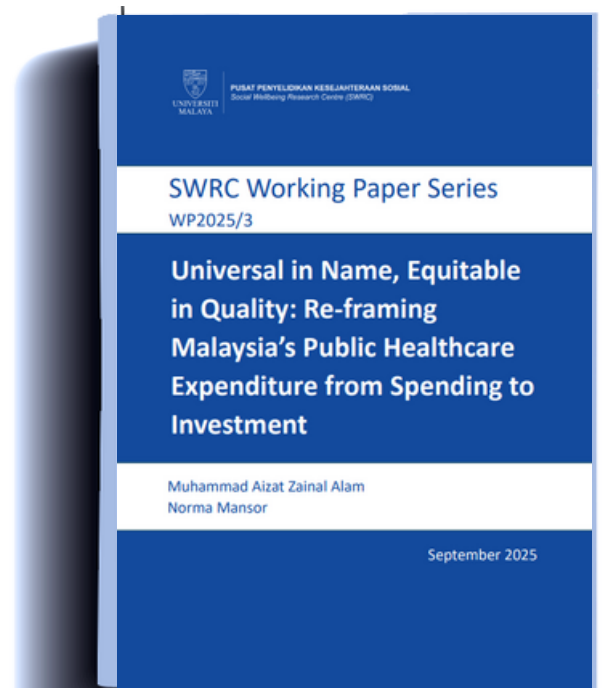
The paper warns that without decisive reform, the country risks a two-tier system where quality private care is only for the affluent, leaving the public sector underfunded and overstretched. To prevent this, the SWRC advocates for a fundamental paradigm shift: public health expenditure must be reframed from a mere cost into a strategic investment in the nation's human capital and long-term economic prosperity.

”

## Featured Working Paper Series

# Universal in Name, Equitable in Quality: Re-framing Malaysia's Public Healthcare Expenditure from Spending to Investment

Malaysia's public healthcare system is at a critical juncture. The system, while providing *de jure* universal coverage, is severely strained by systemic underinvestment, with public health expenditure at only 2.83% of GDP—significantly below the global average of 4.27%. This chronic underfunding has led to a vicious cycle of overstretched infrastructure, critical staff shortages, and low morale, causing a brain drain of medical professionals and creating a risk of a two-tiered system where quality care is only for those who can afford private services. The authors argue that to preserve the principle of equity, health spending must be fundamentally reframed from a recurrent cost into a strategic investment in national resilience, human capital, and social protection. To achieve this, the paper proposes major fiscal and governance reforms, including establishing a Social Protection Floor, reintroducing a reformed GST to create predictable revenue, rationalizing universal subsidies to free up funds, and creating a Solidarity Fund. These measures are essential to transform the healthcare system from one that is universally accessible in name only to one that delivers equitable, high-quality services for all Malaysians.



For more info: please visit our website  
<https://swrc.um.edu.my/Reports%20and%20Books/Sandwich%20generation.pdf>



or scan here

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# Activities and Gallery

Highlights of SWRC's Activities from June - December 2025



## 21 JULY 2025 | APRU SDG4GC 2025 On-SITE PROGRAMME

→ The panel session entitled "How University Students Can Contribute to SDG Progress in Social Protection" during the APRU SDG4GC 2025 On-Site Programme at Universiti Malaya featured SWRC's speakers Dr Amjad Rabi and Dr Aizat Zainal Alam, and was moderated by Professor Yong Zulina Zubairi. The participants were university students from different ASEAN countries. This diverse group of students, representing various ASEAN member states, came together to engage in meaningful discussions and share their unique perspectives on social protection within the framework of the Sustainable Development Goals (SDGs).

The session highlighted the importance of youth engagement in social protection and how students from across ASEAN collaborated to address regional and global challenges. By bringing together students from multiple ASEAN countries, the panel fostered intercultural dialogue and teamwork, promoting a shared commitment to advancing social protection and inclusivity in the region.

The interaction among students from different ASEAN cities enriched the discourse, reflecting the varied socio-economic contexts and experiences within the region, while building solidarity and collective action toward achieving the SDGs. This session was part of a broader programme that emphasised diversity, equity, and inclusivity, empowering students as global citizens ready to contribute innovative solutions to community and sustainability issues.

Overall, the panel session served as an important platform for ASEAN university students to express their insights, collaborate on social innovations, and contribute to progress on SDG goals, strengthening youth leadership and regional cooperation in social protection.



# 4- 5 AUGUST 2025 | KONGRES SOCIAL SYNERGY 2025 - SEARCH & SERVE HOLISTICALLY

→ The Social Wellbeing Research Centre (SWRC) played an active and integral role in the PERKESO Kongres Social Synergy 2025. Professor Datuk Norma Mansor contributed her expertise as a panelist, while Dr. Halimah Awang and Dr. Zulkipli Omar served as distinguished judges. Through their involvement, SWRC demonstrated its commitment to advancing social protection initiatives and providing expert evaluation throughout the event. This participation underscores SWRC's dedication to collaborating with PERKESO and other key agencies, strengthening Malaysia's social protection ecosystem through advisory and evaluative contributions during the congress's discussions and activities.





## 9-12 SEPTEMBER 2025 | CAMBODIA SOCIAL SECURITY EXPOSURE VISIT TO MALAYSIA

→ The Cambodia Social Protection for All (SP4ALL) coalition organised a four-day exposure visit to Malaysia, facilitated by the Social Wellbeing Research Centre (SWRC), Universiti Malaya, to strengthen knowledge and capacity in advancing Cambodia's social protection reforms. The visit drew lessons from Malaysia's well-established social protection ecosystem, which includes the Employees Provident Fund (EPF), Social Security Organisation (SOCSO), Retirement Fund Incorporated (KWAP), Department of Social Welfare (JKM), the Ministry of Health, the Ministry of Finance, civil society organisations and the Malaysian Bar Association.

The objectives of the visit were to enable knowledge exchange across diverse institutions, enhance the technical expertise of Cambodian policymakers, civil society leaders and practitioners, establish sustainable networks between Cambodian and Malaysian actors, and gain practical insights into operational frameworks, financing models, and legal systems that support social protection. Discussions and engagements focused on extending social protection coverage to informal workers and vulnerable groups, promoting rights-based approaches, ensuring fund sustainability through investment and financing models, leveraging digital technology for efficiency and outreach, and enhancing policy integration across social insurance, social assistance, health, and labour market measures.

The delegation comprised 18 representatives, including members of SP4ALL, Oxfam, and 12 local organisations representing trade unions, NGOs, Indigenous communities, and networks working on labour rights, gender equality, youth, and ageing populations.



## 23-25 SEPTEMBER 2025 | LEVEL 3: PRPP: CERTIFIED INTERNATIONAL PENSION & RETIREMENT PROFESSIONAL

→ The Certified International Pension & Retirement Professional (CIPRP) course, held from 23–25 September 2025 at Wyndham Grand, Bangsar marked a significant milestone in SWRC's ongoing efforts to strengthen our social protection ecosystem. Bringing together professionals from key institutions - PERKESO, EPF, KWAP, LTAT, UiTM and PPA - the course created a dynamic and collaborative environment for knowledge exchange, critical dialogue and capacity building.

Over the three-day intensive programme, participants were exposed to a multidisciplinary curriculum that combined theoretical foundations with practical applications. Expert speakers from the SWRC and the United Nations enriched the sessions with evidence-based insights and global perspectives, allowing participants to reflect on both domestic challenges and international best practices in pension design, social security reform and ageing policy.

What set this course apart was its ability to foster cross-sectoral engagement. Participants from academia, government agencies, and financial institutions engaged in meaningful discussions, shared institutional experiences and worked collaboratively on policy simulations and case studies. This not only deepened their technical understanding but also laid the groundwork for potential inter-agency partnerships moving forward.



## 29 SEPTEMBER - 3 OCTOBER 2025 | WORLD SOCIAL SECURITY FORUM 2025

→ As a prominent expert in social wellbeing, Professor Datuk Norma Mansor served as a panellist during the WSSF 2025 summit on the topic of "Menaikkan Lantai - Mobiliti Sosial dan Kesejahteraan Rakyat."

th September - 3<sup>rd</sup> October'. The graphic includes three concentric circles representing 'ILO Pension Coverage' (80% of the world's senior citizens), 'Malaysia's Coverage' (18.6% of older Malaysians), and 'WSSF 2025' (SWRC's recent article in The Star). The hashtag #WSSF2025 is at the bottom."/>

**WORLD SOCIAL SECURITY FORUM**  
KUALA LUMPUR 2025

**WORLD SOCIAL SECURITY FORUM 2025**  
"Shaping social security for a world in transition"  
29<sup>th</sup> September - 3<sup>rd</sup> October

**ILO Pension Coverage**  
Nearly 80% of the world's senior citizens are covered by some form of periodic pension income.

**Malaysia's Coverage**  
Only 18.6% of older Malaysians receive a pension. This excludes EPF, since the ILO does not count lump-sum withdrawals as pension coverage

**WSSF 2025**  
SWRC's recent article in The Star "Malaysia at the centre of a global social security conversation" highlights Malaysia's leadership at #WSSF2025 to renew social security's relevance for a world in transition.

Source: ILO, SWRC. #WSSF2025





## 11 NOVEMBER 2025 | MIER BROWN BAG TALK: SECURING DIGNITY IN AGEING

→ This event is a formal seminar organised under a “Brown Bag Talks Series” by the Malaysia Institute of Economic Research (MIER). The session focuses on the topic of “Securing Dignity in Ageing: A Paradigm for Malaysia’s Integrated Old-Age Income Protection in Advancing RMK13” and explores how Malaysia can enhance its system of income security for seniors in anticipation of the 13<sup>th</sup> Malaysia Plan (RMK13).

The programme features a panel discussion involving experts associated with social wellbeing research and economic policy analysis, from key members of SWRC including the Director Professor Datuk Norma Mansor and visiting expert Dr Amjad Rabi. The event was also moderated by Senior Fellow Dr Zulkipli Omar.

With emphasis on a developing framework regarding monthly pension payments, EPF withdrawals and ageing expenditure, the event addressed the urgent policy implications of Malaysia's rapid transition into an aged society.



## **18 NOVEMBER 2025 | SWRC/PEM SHARING SESSION: YOUTH MINIMUM WAGES AND PUBLIC/PRIVATE WAGE SPILLOVERS: A DISCUSSION OF CONTEMPORARY WAGE SETTING ISSUES IN AUSTRALIA**

→ The sharing session featured Dr Martin O'Brien from the University of Wollongong as the speaker. Dr O'Brien is a respected labour economist and senior lecturer, presented on the topic "Youth Minimum Wages and Public/Private Wage Spillovers: A Discussion of Contemporary Wage Setting Issues in Australia." This talk explored the dynamics of minimum wage policies, with a particular focus on youth wages and how wage changes in the public and private sectors impact broader labour market outcomes.

The session was attended by key stakeholders, including members of the Malaysian Economic Association, Majlis Perundingan Gaji Negara, representatives from the World Bank, the Ministry of Human Resources, Permodalan Nasional Berhad Research Institute and Bank Negara Malaysia.

Dr O'Brien's research highlights issues such as youth unemployment, wage spillovers between sectors, and labour market adjustments to minimum wage changes, emphasising empirical evidence and practical policy considerations. The session was valuable for all attendees in understanding current wage-setting challenges and potential strategies for effective labour market regulation.



## 18 NOVEMBER 2025 | SWRC/PEM SHARING SESSION WITH UNIVERSITY OF WOLLONGONG'S MBA STUDENTS

→ With a group of Master of Business Administration (MBA) students from the University of Wollongong accompanying Dr. Martin O'Brien on an academic visit to the Social Wellbeing Research Centre (SWRC), Dr. Zulkipli Omar, Senior Fellow at SWRC, conducted a comprehensive sharing session examining the evolving structure of Malaysia's economic sectors. The session was designed to provide the visiting students with a deeper understanding of the broader economic context regarding Malaysia's development trajectory.

In his presentation, Dr. Zulkipli Omar elaborated on the nation's transition through key phases of economic transformation, including both the historical processes of tertiarisation and industrialisation and the implications of these shifts for Malaysia's future direction. By highlighting contemporary trends within a historical narrative, he offered a cohesive explanation of how the economy has diversified and adapted over time.

Overall, the session delivered contextually grounded information, introducing participants to significant milestones in Malaysia's economic evolution and the strategic challenges and opportunities within the country's outlook.

## ARE WE SPENDING ON THE RIGHT THINGS?



DR MUHAMMED ABDUL KHALID



DR AMJAD RABI

# 30 October 2025 | Consider This: Budget 2026: ARE WE SPENDING ON THE RIGHT THINGS?

→ Three weeks after the tabling of Budget 2026, the dust is settling and it's time to assess how well Malaysia's fiscal priorities align with the 13th Malaysia Plan, as this is the first under the 5-year plan. Budgets are not just about numbers; they reveal what a country values, and who it chooses to protect. What does Budget 2026 reveal about Malaysia's priorities? On this episode of #ConsiderThis Melisa Idris speaks with Dr Amjad Rabi, Social Security Economist with Universiti Malaya's Social Wellbeing Research Centre; and Dr Muhammed Abdul Khalid, Research Fellow at UKM's Institute of Malaysian and International Studies (IKMAS) and World Inequality Lab Fellow at the Paris School of Economics.



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# Join us @ Pension and Retirement Professional Programme (PRPP) 2025!

The Pension and Retirement Professional Programme (PRPP) is a three level course designed by the Social Wellbeing Research Centre (SWRC), Universiti Malaya. The programme equips social social protection practitioners to become specialists in the retirement and pension industry.



## Programme Objectives



Promote economic development and social wellbeing



Prepare practitioners to meet the evolving needs of an ageing society



Develop a robust and dynamic workforce in the field of pension and retirement services

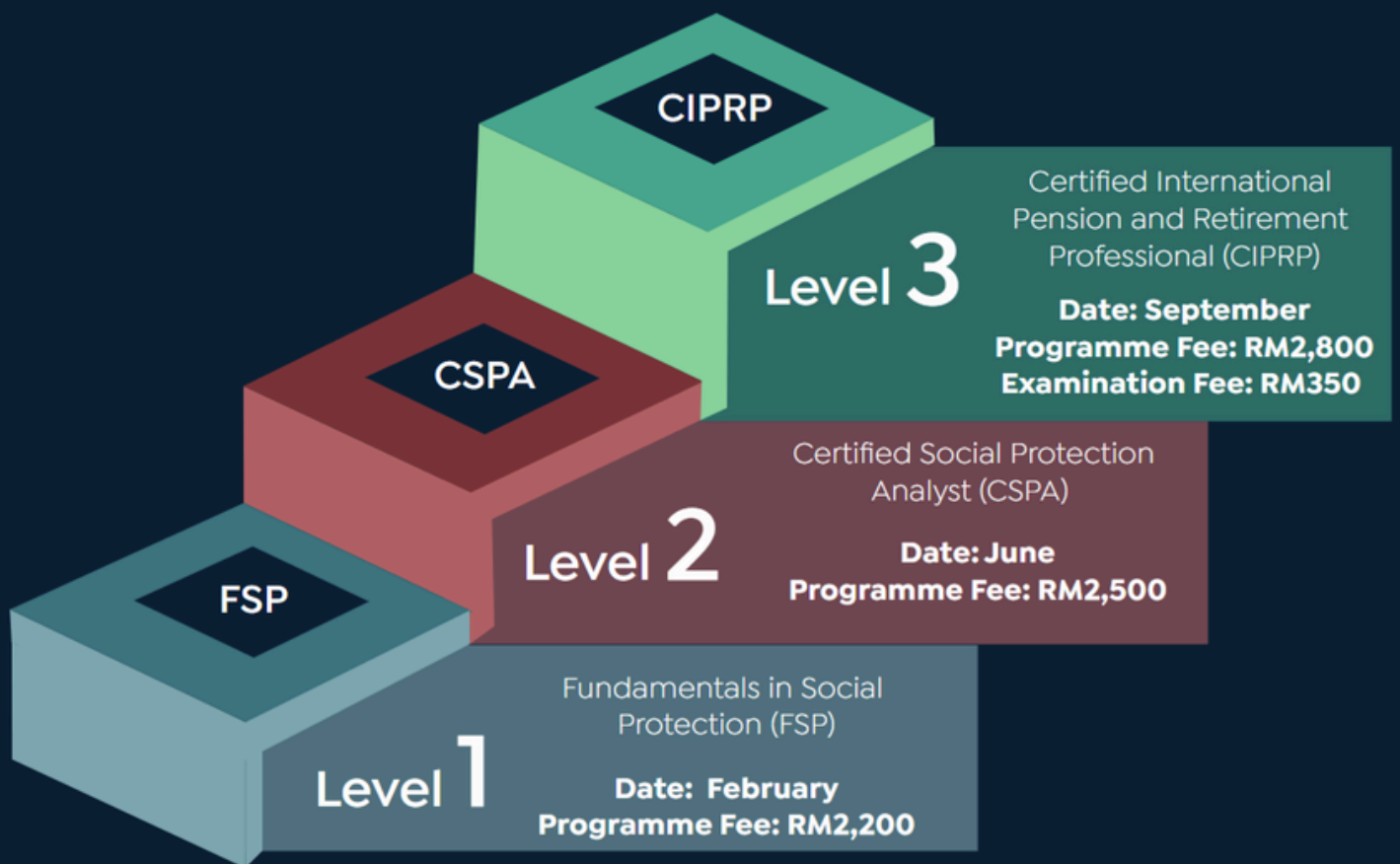
# Programme Delivery

- engaging face-to-face lectures
- hands-on practical sessions
- immersive case studies
- interactive workshops

Participants will benefit from the expertise of both local and international academics, as well as industry professionals specialising in retirement and social protection

## Levels of Certification

To ensure a dynamic learning experience, SWRC has developed three progressive levels\* of certification, which are:



\*daytime course over **three days**

## About Social Wellbeing Research Centre (SWRC)

The Social Wellbeing Research Centre (SWRC) is an academic multi-disciplinary research entity, focusing on conceiving and implementing research in social security and old age financial protection.

SWRC has been providing evidence-based expertise and consulting in the aforesaid domains to elevate economic development on social cohesion in Malaysia.

The Centre supports research in social protection in general and old-age financial protection, in particular. The Employees Provident Fund (EPF) of Malaysia has graciously provided an endowment fund to create the nation's first endowed Chair in Old Age Financial Protection (OAFPC), now known as Social Wellbeing Chair (SWC) at Universiti Malaya.

### STRATEGIC PARTNERS



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**Protect, Promote and Prevent**

*"Spearheading Social Protection Initiatives for All"*

# FLAGSHIP PROJECTS



**Malaysia Ageing and Retirement Survey (MARS)** is a major research undertaking by the Social Wellbeing Research Centre (SWRC) to produce nationwide longitudinal micro-level data relating to ageing and retirement involving personal interviews of individuals aged 40 years and older in Malaysia.

MARS is carried out every 2 years and is part of the harmonised database parallel with leading international family studies, namely, Health and Retirement Survey, USA; Survey of Health, Ageing, and Retirement Europe (SHARE); and Japanese Study of Ageing and Retirement.

MARS collects information on vital issues impacting their lives which include personal (background characteristics, etc.), family (relationship with spouse, parents, children, siblings, transfers, etc.), health (health status, diagnosed illness, healthcare utilisation, physical measurement, etc.), economic (work, employment, retirement, income, etc.) and other social factors (friends, social participation, etc.).

## Interested in MARS dataset?

Data request is available through SWRC website ([swrc.um.edu.my/mars-data](https://swrc.um.edu.my/mars-data)) and the Gateway to Global Aging Data (<https://g2aging.org/>).



**Belanjawanku** is an expenditure guide that provides estimated minimum monthly expenses on various types of goods and services for different family sizes in Malaysia. It is a budget that can be used for information or as a guide for personal finance. It is known as a reference budget or a budget standard, that contains household expenditure, basket lists of goods and services and their cost thereof, a guide for a family of a specific size and composition to attain a decent standard of living.

The first wave of Belanjawanku (2019) covers the cities and districts in Klang Valley. The second and third wave of Belanjawanku was conducted between 2019-2022 and covered the additional cities including Alor Setar, Kota Kinabalu, Johor Bahru, Kuala Terengganu, Kuching, Georgetown, Kuantan, Kota Bharu, Ipoh, Seremban and Malacca City.

Belanjawanku App was launched in 2023. The app provides a medium for users to track their expenses and plan their budget smartly to achieve a dignified standard of living.



**Belanjawan** *ku*

Belanjawan kini lebih mudah



For iOS



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**Download yours now!**