Malay Mail - EPF, Uber Ink Pact To Entice Drivers To Save

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KUALA LUMPUR — The Employees Provident Fund (EPF) yesterday signed a memorandum of understanding (MoU) with Uber Malaysia to encourage its ride-sharing driver-partners to save for their retirement through the 1Malaysia Retirement Savings Scheme (SP1M).

SP1M is designed to allow individuals who are self-employed, or without fixed monthly income, such as taxi drivers, petty traders, farmers, housewives and freelancers as well as Malaysians working abroad, to contribute to a retirement fund managed by the EPF.

EPF chief executive officer Datuk Shahril Ridza Ridzuan said: "We introduced SP1M in 2010 in response to the growing number of Malaysian informal sector workers who do not have enough savings or financial assets to provide for their retirement. We are pleased that Uber shares our concerns and has agreed to partner with us.

"In addition, Uber has agreed to other areas of collaboration, including facilitating a series of financial planning talks by EPF and allowing EPF to promote retirement planning to its driver-partners."

Uber Malaysia and Singapore general manager Warren Tseng said: "We are thrilled to partner with EPF to help driver-partners make better choices for their retirement plans and future financial security.

"While driver partners have contributed greatly to improving urban mobility and connectivity, we now want to encourage them to take charge and be in the driver's seat of their own retirement."

Under SP1M, individuals may voluntarily contribute a minimum of RM50 into their SP1M account, up to a maximum of RM60,000 a year, and will be entitled to earn dividends on their savings. Uber driver partners who become members of SP1M will also enjoy the same benefits enjoyed by current EPF members such as the RM2,500 death benefit (subject to terms and conditions).

On top of yearly dividends and EPF benefits, the government will contribute 10% of annual contributions to a maximum of RM120 per year until end of this year for members below age 55. The EPF is currently in discussions with the government to continue extending this benefit.

The Statistics Department revealed that out of Malaysia's working population of 22 million, a total of 6.8 million actively contributes to EPF, and another 1.7 million are covered by the public pension scheme.

The remaining 13.7 million comprise individuals who are self-employed or freelancers who are not covered by any formal social protection programme in the country.

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