

## A BILL

*intituled*

An Act to amend the Statutory and Local Authorities Pensions Act 1980.

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BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the Statutory and Local Authorities Pensions (Amendment) Act 1990. Short title.

2. The Statutory and Local Authorities Pensions Act 1980, which in this Act is referred to as the "principal Act", is amended by inserting after section 6 the following new section 6A: New section 6A. Act 239.

"Exercise of option.

6A. (1) An employee appointed on or after the commencement of this section shall, before being confirmed in his appointment, be entitled to opt for the Employees Provident Fund Scheme.

(2) The option under subsection (1) shall be made to the appropriate appointing authority in such manner as may be determined by the pensions authority.

(3) The exercise of the option by an employee under this section shall take effect on his being confirmed in his appointment and shall thereupon be irrevocable.

(4) Where an employee opts for the Employees Provident Fund Scheme, the provisions of this Act, except this section, shall not apply to such employee.

(5) An employee who opts for the Employees Provident Fund Scheme shall retire from the service of a statutory or local authority on attaining the age of fifty-five years.

(6) An appropriate authority may, with the consent of the pensions authority, require an employee who opts for the Employees Provident Fund Scheme to retire from the service of a statutory or local authority in any circumstances referred to in paragraphs (a), (b), (c), (d), (e) and (f) of subsection (5) of section 10.

*Act 272.* (7) In this section "Employees Provident Fund Scheme" refers to a provident fund established under the Employees Provident Fund Act 1951, including a fund declared by the Employees Provident Fund Board under section 16 of that Act to be an approved fund."

Amendment  
of section 7.

3. Section 7 of the principal Act is amended by substituting for the words "permanently transferred" in paragraph (c) the words "permanently transferred by appointment".

Amendment  
of section 10.

4. Section 10 of the principal Act is amended —

(a) by deleting the word "or" at the end of paragraph (d) of subsection (5);

(b) by substituting for the full stop at the end of paragraph (e) of subsection (5) the words "; or"; and

(c) by inserting after paragraph (e) of subsection (5) the following new paragraph (f):

"(f) on the ground that the employee had, for the purpose of his appointment to the service of a statutory or local authority;—

(i) made any statement or given any information, whether orally or in writing, whether on oath or otherwise; or

(ii) supplied any document,

which was false, erroneous, inaccurate, incomplete, or misleading or likely to mislead, and his appointment into the service of a statutory or local authority was made partly or wholly in reliance on that statement, information or document:

Provided that retirement under this paragraph shall not be effected unless the

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employee has been given a reasonable opportunity to make representations thereon to the said appropriate authority."; and

(d) by inserting after subsection (5) the following new subsection (6):

"(6) Paragraph (f) of subsection (5) shall apply only to employees appointed to the service of a statutory or local authority after the commencement of this subsection."

5. The principal Act is amended by substituting for section 12 the following:

Substitution  
of section 12,

"Optional retirement. 12. (1) An appropriate authority may, with the approval of the pensions authority on the employee's application, consent to the retirement of an employee on or after attaining the age of forty years.

(2) Where an employee who is appointed before the commencement of this section retires under subsection (1), such employee may be granted a pension, gratuity or other benefit only on attaining the age of—

(a) forty-five years for—

(i) a female employee; and

(ii) an employee of the fire service holding the rank of sub-officer and below; or

(b) fifty years for a male employee, other than an employee referred to in subparagraph (ii) of paragraph (a).

(3) Where an employee who is appointed after the commencement of this section retires under subsection (1), such employee may be granted a pension, gratuity or other benefit only on attaining the age of fifty-five years.

(4) Where an employee who has retired under subsection (1) dies before attaining forty-five years of age, fifty years of age or fifty five years of age, as the case may be, the Minister may forthwith grant to the person prescribed in the regulations a derivative pension of not less than one-fifth of the deceased employee's last drawn salary and a derivative gratuity or a derivative gratuity only.

(5) Subject to section 17, a derivative pension granted in the circumstances of subsection (4) shall be payable for a period not exceeding twelve and a half years from the date immediately following the date of death of the employee; and thereafter the recipient, provided he is a resident in Malaysia, shall continue to receive seventy percent of the amount granted."

Amendment of  
section 14.

6. Section 14 of the principal Act is amended by substituting for the words "in the public interest" the words "under section 10(5)(d) or section 10(5)(f)".

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#### EXPLANATORY STATEMENT

This Bill seeks to amend the Statutory and Local Authorities Pensions Act 1980 (hereinafter referred to as "the Act").

2. *Clause 2* seeks to amend the Act by introducing a new section 6A to provide that new employees appointed on or after the coming into force of this Act, before being confirmed in his appointment, will be given an option to opt for the Employees Provident Fund Scheme. If such employee opts for the Employees Provident Fund Scheme, the provisions of the Act, except the provisions stated under that clause, which relates to compulsory retirement and retirement under subsection 5 of section 10 of the Act, shall not apply to him. The exercise of the option is irrevocable.

3. *Clause 3* seeks to amend section 7 of the Act to provide that only a pensionable officer under the Pensions Act 1980 or any other written law who is permanently transferred by appointment to a statutory or local authority shall be deemed to be a pensionable employee for the purposes of the Act. At present the only requirement for such an officer to become a pensionable employee is that he must be permanently transferred to a statutory or local authority.

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4. *Clause 4* seeks to amend section 10 of the Act to include another ground for the appropriate authority to retire an employee from the service of a statutory or local authority. Any employee who, at the time of his appointment, made any statement or gave any information or supplied any document which is found to be false, erroneous, inaccurate, incomplete, or misleading or likely to mislead, may be retired under section 10 of the Act.
5. *Clause 5* seeks to substitute section 12 of the Act to lower the optional retirement age from forty-five years of age for women and fifty years of age for men to forty years of age for women and men. However, a pension, gratuity or other benefit may only be granted to such employees on attaining the age of forty-five years, or fifty years, or fifty-five years, as the case may be, as specified under that clause.
6. *Clause 6* seeks to amend section 14 of the Act to clearly specify the power to pay pension, gratuity or other benefit to an employee who is retired under section 10(5)(d) and to provide for power to pay pension, gratuity or other benefit to an employee who may be retired under the proposed section 10(5)(f).

*FINANCIAL IMPLICATIONS*

This Bill will not involve the Government in any extra financial expenditure. [PN. (U<sup>2</sup>) 1482.]