

Article from The Star – Business Section (14 December 2014)

Private retirement scheme's assets under management rises to RM595m



KUALA LUMPUR: Interest in Malaysia's Private Retirement Scheme (PRS) has continued to attract strong interest, with RM595mil of assets under management (AUM) at end-November.

According to data provided by the Private Pension Administrator Malaysia (PPA), this was an increase of RM95mil from the RM500mil recorded at end-October.

The number of members who have sought to put their money in the voluntary long-term retirement saving and investment scheme rose from 100,000 members at end-October to 111,266 at-end November.

With just two weeks toward the end of the year, there could be more signing up to invest their savings in the scheme to qualify for the maximum RM3,000 tax relief per annum.

The eight PRS providers are AffinHwang Asset Management Bhd; AIA Pension and Asset Management Sdn Bhd; AmInvestment Services Bhd; CIMB-Principal Asset Management Bhd; Kenanga Investors Bhd; Manulife Asset Management Services Bhd; Public Mutual Bhd and RHB Asset Management Sdn Bhd.

PPA said the 46 PRS funds as at Nov 30 comprised of 33 core funds and 13 non-core funds. There are 28 conventional funds and 18 Shariah-based funds.

It said the benefits of the PRS are that it allows Malaysians to save additional and adequate funds for retirement.

Another incentive is the tax relief where for individuals, it is up to RM3,000 tax relief per annum while the assessment years are from 2012 to 2021.

As for corporations, there is a tax deduction above and beyond EPF statutory rate up to 19% of the employees' remuneration.



There is also the PRS Youth Incentive scheme targeted at those aged between 20 and 30 years and they have to contribute a minimum of RM1,000 within a calendar year. To encourage them to invest in the PRS, they will receive a one-off incentive worth RM500 in units from the government which will be invested into their PRS accounts. The effective years are from 2014 to 2018.

The PRS is for Malaysians aged 18 years and above and covers those who are privately employed, government servants, self-employed and also retirees.

For more details, visit:

<https://www.facebook.com/PrivateRetirementScheme>

<http://www.ppa.my/>

