

## RETIREMENT BENEFITS

### 1. PENSION SCHEME

Staff who choose the Pension Scheme will obtain the following benefits:-

1. Payment of gratuity [length of service in months x the last basic salary x 7.5%]
2. Monthly pension
  - (a) For length of service 30 years or more, the monthly pension is 60% of last drawn basic salary; and
  - (b) For length of service less than 30 years, the monthly pension is calculated as [length of service (in months) x the last basic salary] ÷ 600
3. Medical benefits subject to the University of Malaya 2004 Medical Service Scheme (husband/wife inclusive).

### 2. EPF SCHEME

Staff who choose the EPF Scheme will obtain the following benefits:

1. The EPF contribution plus the dividend added every year
2. The EPF contribution part is given tax exemption up to RM5000 (including Life Insurance premium). Withdrawal from the EPF savings under various withdrawal schemes are also exempted from income tax.
3. Staff contributes 11% of their monthly income to EPF and the University contributes another 12% to the staff's EPF savings.
4. Additional payment is paid from the EPF income itself and not from the member's savings for the following:
  - (a) RM 5000 will be paid to the staff if the staff qualifies to withdraw all his savings on grounds of disability.
  - (b) Death benefit totaling RM2500 will be paid to a staff's dependent upon the death of the staff.

### 3. LEAVE ENCASHMENT

1. Encashment of leave to a maximum of 150 days is given for leave not taken because of exigency of service (effective from 1<sup>st</sup> January 2009).
2. Annual leave that can be converted to leave encashment, that is the total that can be accumulated in a year is limited to 15 days or half of the annual leave due for the year.
3. Encashment of leave is allowed for staff under both the Pension and EPF Schemes.
4. The calculation formula is as follows:-

$$\frac{1}{30} \times (\text{basic pay} + \text{fixed allowance}) \times \text{total number of days accumulated} \\ \text{[subject to a maximum of 150 days]}$$