

**GUIDELINES**  
**ON THE IMPLEMENTATION OF**  
**MINIMUM RETIREMENT AGE ACT 2012**

**[This translation is done by Malaysian Employers Federation (MEF)  
and not an official translation from the Ministry of Human Resources]**

## **1. INTRODUCTION**

- 1.1 Section 4 of the Minimum Retirement Age Act 2012 (Act 753) provided that the **minimum** retirement age of an employee shall be upon the employee attaining the **age of sixty (60) years**.
- 1.2 Employer may at any time fix a higher retirement age than 60 years for their employees.

## **2. COMMENCEMENT OF THE ACT**

Minimum Retirement Age Act 2012 comes into force on **1 July 2013** based on the gazette notification PU (B) 422 dated 26 December 2012 on all employers in Malaysia who employ employees regardless of the amount of salary paid, except for the categories of employees as stipulated in the Schedule to section 2 of the Act.

## **3. OPTIONAL RETIRMENT**

### **Section 6 of Act 753 –**

Early Retirement Age before the minimum retirement age can be fixed by the employer with the consent of the employee as agreed in the contract of service or collective agreement. An employee may choose to retire when he attains the said optional retirement age.

## **4. INVALIDITY OF TERMS ON RETIREMENT AGE IN THE EXISTING CONTRACT OF SERVICE AND COLLECTIVE AGREEMENT**

### **Section 7 of Act 753 –**

Employers need to amend the retirement age in the contract of service or collective agreement to the minimum retirement age of 60 years if the existing retirement age is lower.

## **5. NON-APPLICATION OF THE ACT**

The minimum retirement age does not apply to employees who are listed in the Schedule to section 2 of Act 753 as follows:

- (a) a person who is employed on a permanent, temporary or contractual basis and is paid emoluments by the Federal Government, the Government of any State, any statutory body or any local authorities;
- (b) a person who works on a probationary contract;
- (c) an apprentice who is employed under an apprenticeship contract;
- (d) a non-citizen employee;
- (e) domestic servant;
- (f) a person who is employed in any employment with average hours of work not exceeding seventy percent of the normal hours of work of a full-time employee;
- (g) a student who is employed in any contract for a temporary term of employment but does not include employee on study leave and employee studying on part-time basis;
- (h) a person who is employed on a fixed term contract of service inclusive of any extension, of not more than twenty-four months; and;
- (i) a person who before 1 July 2013 has retired at the age of fifty-five years or more and is subsequently re-employed after his has retired.

## **6. APPLICATION FOR DEFERMENT OF IMPLEMENTATION OF MINIMUM RETIREMENT AGE 2012**

- 6.1 Employers who require an extension of time to make the necessary preparation may apply for a deferment of the commencement of the implementation of this Act to the Ministry of Human Resources.
- 6.2 The Application Evaluation Committee chaired by the representative of the Government and comprising representatives of employers, employees and representatives of the Ministry of Human Resources, will evaluate and consider the application for deferment of the date of implementation by the employer, before recommendation for the approval of the Honourable Minister of Human Resources.

## Methods of Application for Deferment of Implementation

- 6.3 Application must be accompanied with strong basis and justifications in writing and addressed to the Ministry of Human Resources as follows:

Setiausaha  
Bahagian Dasar  
Kementerian Sumber Manusia  
Aras 7, Blok D3, Kompleks D  
Pusat Pentadbiran Kerajaan Persekutuan  
62530 PUTRAJAYA

Tel. No: 03-8886 5355

Fax: 03-8889 2377

- 6.4 The following documents shall be submitted with the application for deferment to the Ministry of Human Resources for appropriate consideration:

- The Company's Profile as issued by Companies Commission of Malaysia (SSM);
- A list of employees with identification number as at 28 February 2013 who will attain the age of 55 years between:
  - 1 July 2013 to 31 December 2013;
  - 1 January 2014 to 31 December 2014, and
- Any other information which are deemed necessary to support the application of the employer.

- 6.5 Applications must be received by the Ministry of Human Resources **not later than 30 April 2013**.

- 6.6 Any application received by MoHR after that date shall **NOT** be considered.

- 6.7 If the employers application is to be considered, deferment may be granted until **31 December 2013** in the form of a conditional exemption from the application of the Act to the employer and in pursuant to section 18 of the Act 753.

## **Disclaimer**

- 6.8 Application submitted by any employer shall not be deemed as a stay of implementation of this Act but only as an administrative consideration by the Honourable Minister in exercising the powers provided under section 18 of the Act. Therefore, any decision made by the Honourable Minister is final and any rejection cannot be appealable in Court.