

CAGAMAS UNVEILS RETIREMENT SCHEME

Stamp duty on transaction documents for reverse mortgage exempted in first 2 years

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CAGAMAS Bhd has introduced a market-first financing solution for retirees called Skim Saraan Berkagar (SSB) that has an initial fund of RM100 million to help the elderly fund their retirement.

Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz, who launched SSB yesterday, said the government must

recognise the importance of retirees and their contribution to the economy.

He said the ministry was looking to develop the right policies and structural reforms to ensure the independence of the ageing population and create a more inclusive society.

As such, the Social Protection Council has been reactivated and is looking at options for a comprehensive and integrated social security policy.

"We must realise that a healthy

ageing population can participate in and contribute to the nation's sustainable and productive growth.

"To that end, SSB is part of the country's broader efforts to provide a robust retirement plan that will allow senior citizens to continue leading a productive life in their golden years."

He also announced the exemption of stamp duty on transaction documents executed by the parties involved to reduce the financial burden on potential applicants.

This exemption, applicable for the first two years after the scheme is launched, will help reduce the cost for retirees.

Cagamas chairman Datuk Bakarudin Ishak said the SSB represented the company's continuous efforts to address financial gaps in the marketplace.

"This comprehensive and integrated solution focuses on retirees who may be affected due to a lack of savings and is aimed at helping them maintain their standard of living.

"In designing the offering, we have considered the experiences and lessons learnt from South Korea and Hong Kong to formulate product features localised to Malaysian needs.

"The SSB will help retirees unlock the value of their homes safely to receive guaranteed

monthly payouts throughout their lifetime," he said.

Cagamas has also taken a collaborative approach with its strategic partners, the Employees Provident Fund (EPF) and the Credit Counselling and Debt Management Agency (AKPK) in striving towards a common goal of increasing financing access to the elderly.

There will be easy access to SSB through EPF offices while AKPK will provide financial education to the applicants.

The SSB, also known as reverse mortgage, is available in South Korea, Hong Kong, Japan, Australia, Canada and the United States.