



**For Immediate Release**

**PPA Entrusted to Operationalise Government's PRS Incentive  
for Young Working Adults**

*Kick-Starts RM500 Youth Incentive with A&P Campaign and Logo Launch*

**PETALING JAYA, 5 March 2014** – Private Pension Administrator Malaysia (PPA), the country's central administrator for voluntary Private Retirement Schemes (PRS), has been appointed by the Securities Commission Malaysia (SC) to administer disbursement of the RM500 PRS Youth Incentive (YI 500) for young working adults contribution of a minimum RM1,000 to the PRS. To promote awareness and inculcate the habit of saving among young working adults, PPA is kick-starting the PRS YI 500 Advertising & Promotion (A&P) Campaign with a distinctive logo to create greater visibility for the incentive.

The incentive, was announced by the Prime Minister during the tabling of Budget 2014 in October 2013 to encourage young working adults from ages 20 to 30 years to start saving early for their retirement. The incentive, which is effective starting 2014 for a period of five years, is a timely boost to establishing the PRS as the voluntary Third Pillar of the country's pension framework.

"The Government recognises the importance of providing a supportive incentive structure to encourage young adults to allocate retirement savings early in their working years to enable them to have a financially secured retirement," said PPA Chief Executive Officer Dato' Steve Ong at the event's press conference.

According to the United Nations, a country is deemed an aging nation when 10 per cent or more of its population is above 60 years old. Based on PPA's research, Malaysia is expected to be an aging nation with more than 10 per cent of its population over the age of 60 in year 2020.

"The Government is mindful of the impending concerns of an aging nation which will have profound implications on the economy and society, and as such is encouraging Malaysians to save sufficiently for their retirement by voluntarily supplementing their mandatory pension savings through PRS. A two-third replacement ratio of last drawn income is needed to maintain existing lifestyle in their retirement."



“Young working adults who start PRS saving in their 20s for their retirement are certainly at an advantage due to 30 to 40 years of compounding returns. The significant amount of funds saved and invested in PRS, to a big extent, will help to address the concerns of adequacy (of two-third replacement income ratio), sufficiency (to last the entire retirement period) and sustainability (to ensure savings is not eroded by inflation) to replace their earned income during their retirement years,” expressed Ong.

To be eligible for the RM500 one-off incentive, contributors must be Malaysians between the ages of 20 to 30 (based on birthdate). PRS members, be it new or existing, must accumulate a minimum of RM1,000 in a single PRS fund within a calendar year. PPA, as the central administrator of PRS, is responsible for disbursing the incentive to eligible PRS contributors twice a year by making disbursements to members PRS account with their respective Providers. The RM500 incentive will be given as additional PRS contributions and credited into members’ accounts.

“To address the affordability issue of contributing to PRS, young adults can make it easy for themselves by starting to set aside 5% of their monthly pay into their PRS account. The RM1,000 contribution works out to only about RM85 a month. Think of it as setting aside just RM3 daily as future spending for their dream retirement. With the RM500 incentive, members stand to increase their PRS savings from RM1,000 to RM1,500. In addition, the RM1,000 contribution is also eligible for tax relief,” added Ong.

To promote PRS YI 500 and reach out to the nation’s 4.2 million Malaysians aged between 20 and 30, PPA has launched an A&P campaign which comprises of advertisements in online and social networking media. A market survey commissioned by PPA revealed that the media consumption habit of that age group leans heavily toward online (81% of respondents) and social networking media (83%) compared to other media such as magazine (33%), newspapers (58%) and radio (64%).

Aside from the A&P campaign, PPA will also embark on year-long nationwide roadshows and go on on-ground activation campaigns to engage and educate young adults. PPA also launched a youth incentive logo for easy association as well as a dedicated page on its website with comprehensive information on PRS YI 500 in three languages – English, Bahasa Malaysia and Chinese – for people who wants to find out further details.



Together with the PRS YI 500 campaign, PPA will also continue with its integrated mass market A&P campaign. The PRS A&P campaign which was launched in August 2013, had successfully raised the awareness level to 25%. With the launch of the PRS YI 500 campaign, PPA expects it will further boost PRS awareness levels to accelerate the growth of the PRS industry.

For more information, visit the PPA website at [www.ppa.my](http://www.ppa.my) or e-mail [askPPA@ppa.my](mailto:askPPA@ppa.my) or call the hotline at 1300 131 PPA (772).

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#### **About Private Pension Administrator Malaysia (PPA)**

Private Pension Administrator Malaysia or PPA is the central administrator for the PRS industry. PPA is a body approved by the Securities Commission Malaysia and is established to administer, oversee, and promote the growth and operation of the PRS industry.

PPA's task is to facilitate and maintain all PRS-related transactions via a life-time PPA account for PRS members. PPA is also responsible for the promotion and general awareness on PRS and serves as a one-stop resource centre for the PRS industry and PRS members in Malaysia. The PPA plays a significant role in enabling infrastructure for supplementary retirement savings. It promotes an efficient administration to help account holders conveniently monitor their PRS funds.

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