



PPRS
Youth Incentive

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PRS Youth Incentive

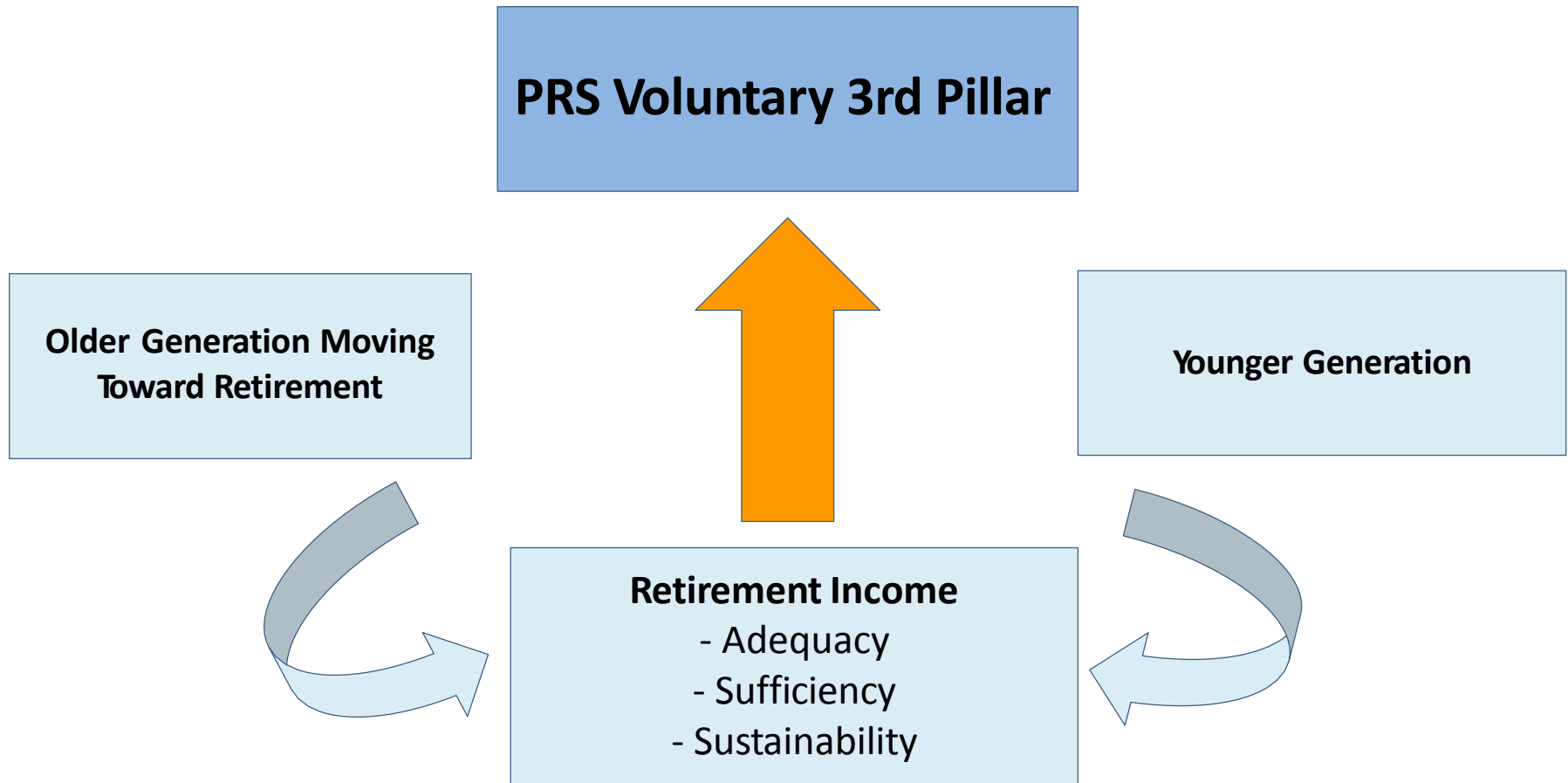
INTRODUCTION:

- Recognising the need to cultivate a retirement savings culture amongst the younger demographics whilst appreciating the financial constraints faced by this group, the Government will make a one-off contribution to provide a head start for Malaysian Youth between the ages of 20-30
- The Government will contribute RM1,000 per person into the PRS accounts of youths, who have accumulated RM1,000 within 2017 -2018.

ELIGIBILITY:

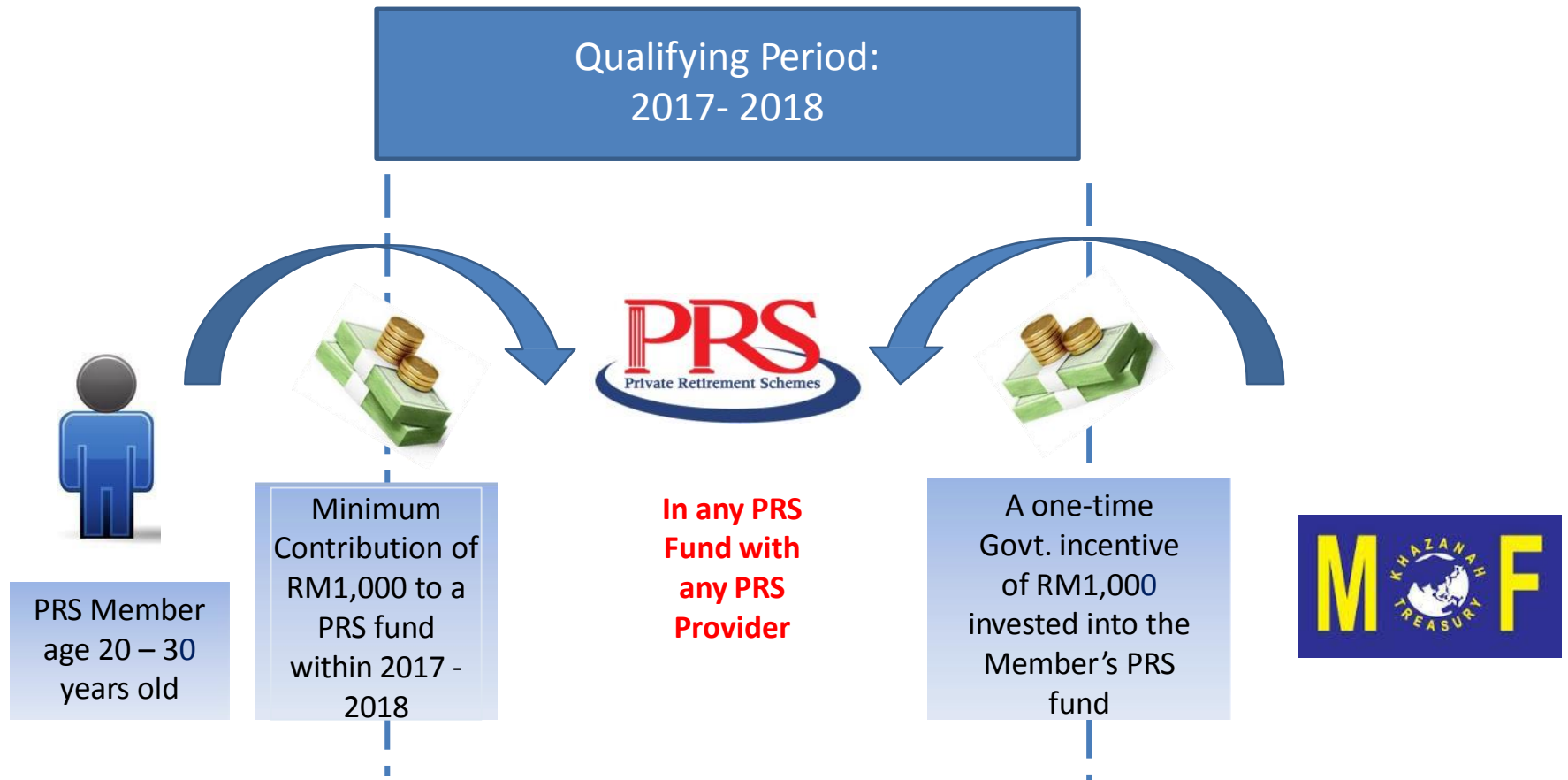
- Malaysian with existing PPA account or new member
- Individual between ages of 20 to 30 (based on birthdate)
- Minimum RM1,000 gross contribution in two (2) years within 2017 -2018
- Effective period – 2017 to 2018

Establishing the 3rd Pillar



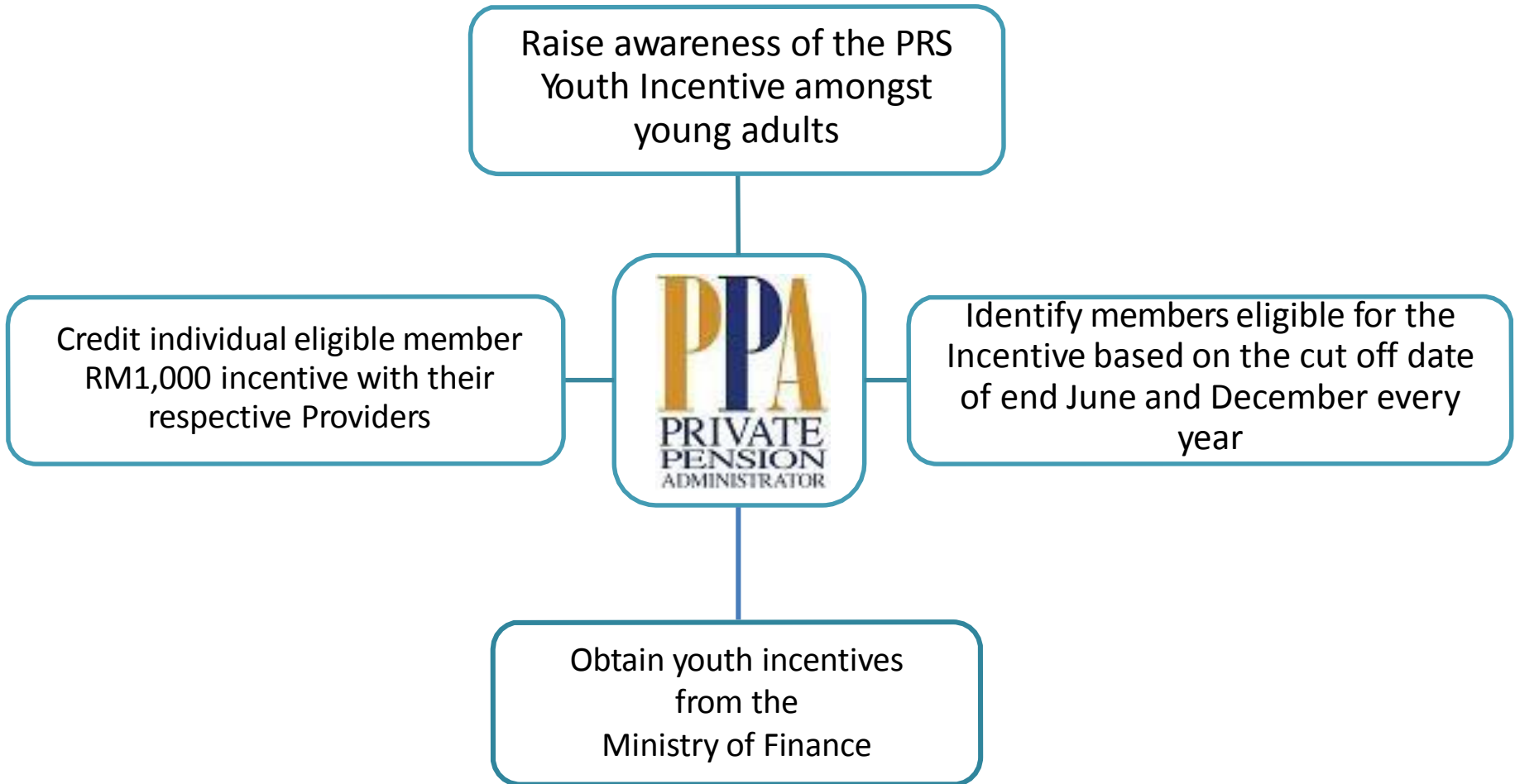
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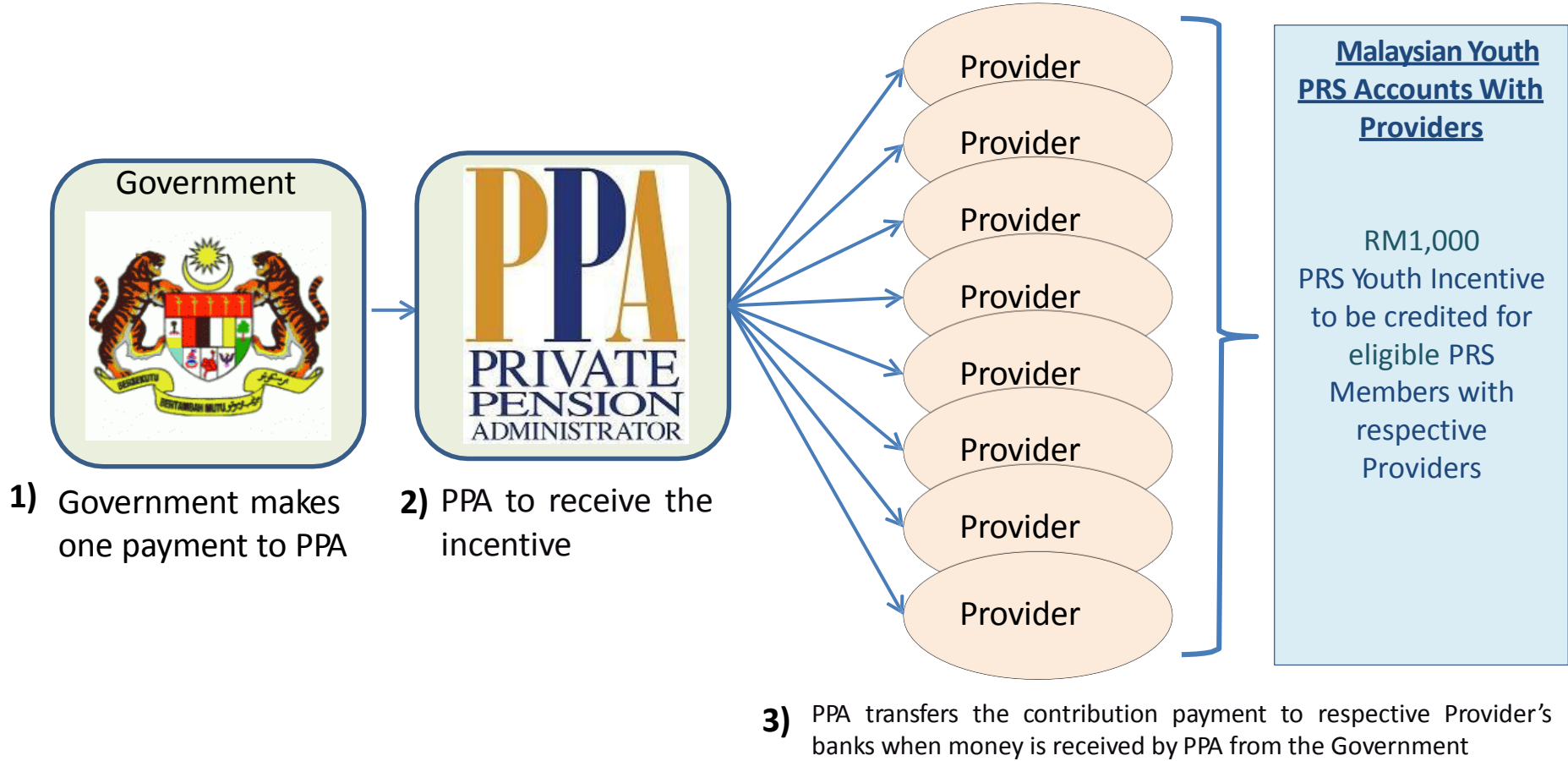
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PPA's Appointed as Administrator for PRS Youth Incentive



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PPA Administrating of PRS Youth Incentive



In giving instructions to Providers, PPA must inform Providers to create units in sub-accounts A of the respective funds

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PRS Affordability

RM 1,000 Minimum Contribution

(within 2017 -2018)



Approximately **RM42** */ month



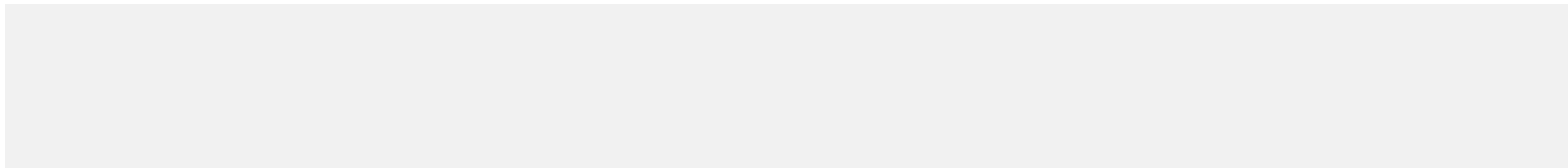
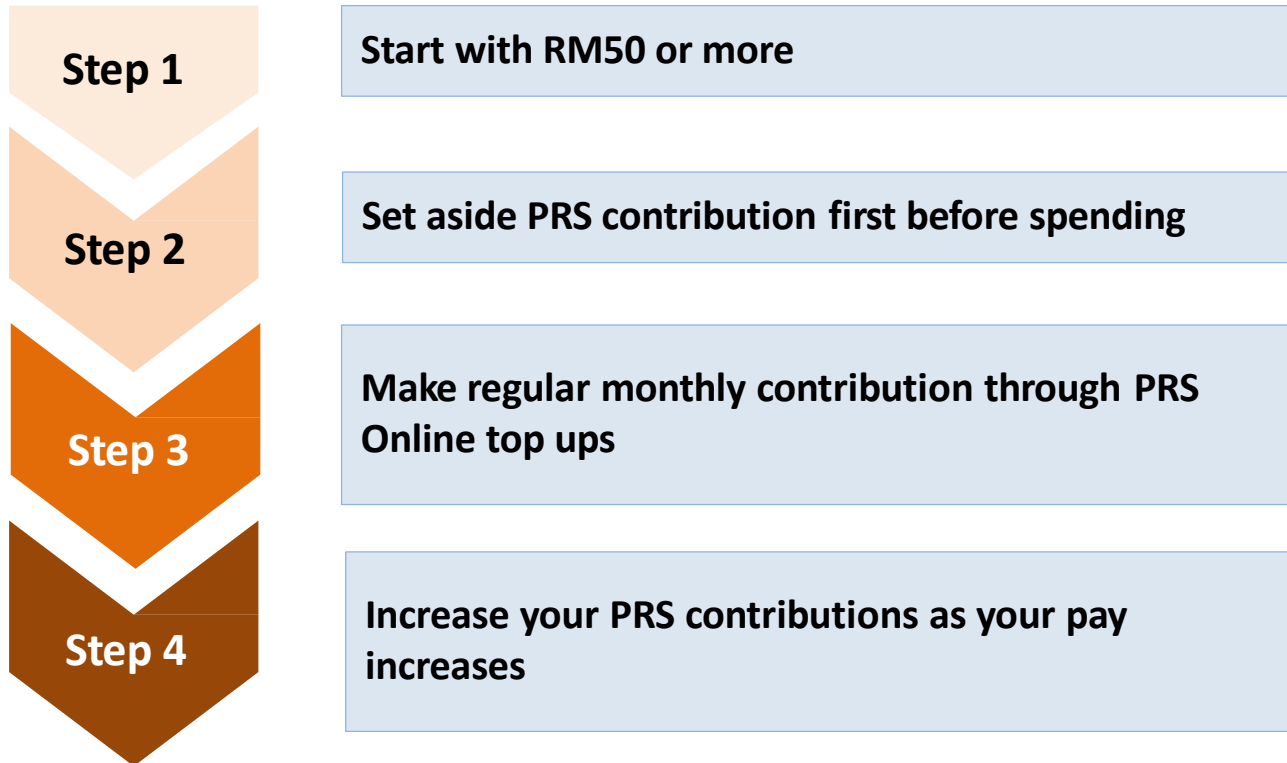
Approximately **RM1.40** / day



* Some Providers may impose minimum RM50 per contribution.

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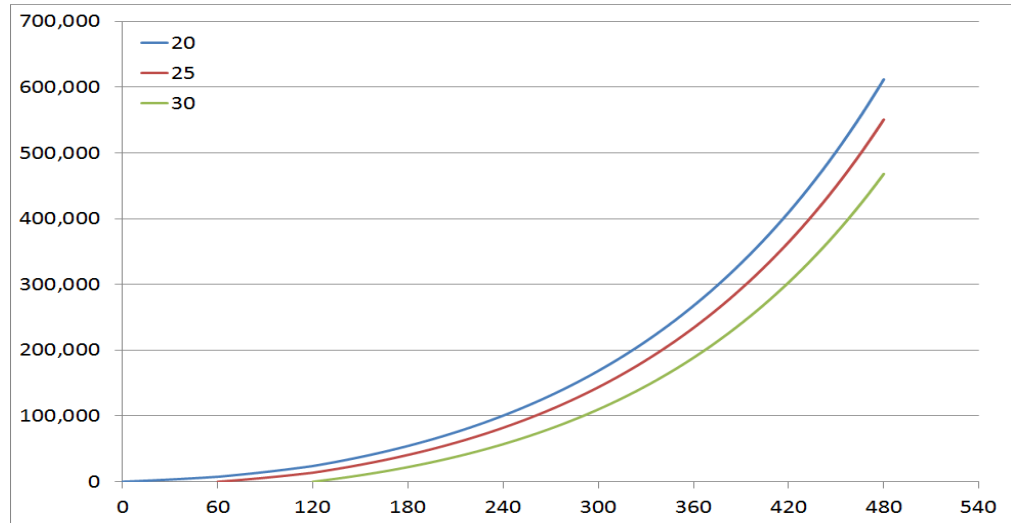
PRS Affordability



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Power of Compounding

If you invest in a PRS fund that provides you an average of 6.0% p.a. compounding growth, by 60, you will have accumulated



| Retirement Fund at age 60 | Monthly Contributions | | |
|---------------------------|-------------------------------|-------------------------------------|-----------------|
| | Savings Accumulated at age 60 | Regular Monthly Savings Contributed | Compound Growth |
| Starting Age | | | |
| 20 (5.0%) | 736,000 | 279,000 (38%) | 457,000 (62%) |
| 25 (7.5%) | 674,000 | 272,000 (40%) | 402,000 (60%) |
| 30 (10.0%) | 585,000 | 260,000 (44%) | 325,000 (56%) |

Computation assumes a starting salary of RM2000, with an salary increment of 5%.

The above computation is for illustration purpose only. Please seek advice for your retirement plan

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Cost of Starting Late

Delaying saving for your retirement will end up forcing you to play catch-up later in life with higher contributions.

| Retirement Fund at age 60 | Savings Accumulated at age 60 | Starting Age = 35 | Starting Age = 40 | Starting Age = 45 |
|---------------------------|-------------------------------|-------------------|-------------------|-------------------|
| Starting Age | | | | |
| 20 (5.0%) | 736,000 | 15.5% | 20.0% | 27.4% |
| 25 (7.5%) | 674,000 | 14.2% | 18.3% | 25.1% |
| 30 (10.0%) | 585,000 | 12.4% | 15.9% | 21.8% |

PPA recommends regular monthly contributions of 5% for members below 25 years old, 7.5% for 25-30 years old, 10% for members above 30 years old

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The End

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