

PRS Sets Record-Breaking 2018 with Growth in New Members

KUALA LUMPUR (January 15): Last year was a watershed year for Malaysia and the Private Retirement Schemes (PRS). Despite economic challenges domestically and internationally, more people saved with PRS in 2018 than in any previous years since the inception of the voluntary retirement saving schemes. The total number of PRS Members grew by 38% to 416,913 last year, up from 301,279 in 2017. Total Net Asset Value (NAV) for PRS funds also rose by 20% to close the year at RM2.66 billion.

“Last year, I said it will not be easy to continually grow the PRS industry in the range of 30% annually, but we sustained the growth momentum in spite of 2018’s challenging environment. This means that more people are aware that PRS is a long-term savings scheme and are less worried about short term market volatility,” said Husaini Hussin, chief executive officer of the Private Pension Administrator Malaysia (PPA), the central administrator for PRS.

Almost 40% of PRS Members are aged 30 and below, which Husaini added is heartening to see because this share of the youth segment reflected in the PRS membership base indicates that more young adults are taking retirement planning seriously.

“The youth incentive has ended, but the drive to continue encouraging the youth to save for their future remains. We will continue to reach out to the youth through social media and community programmes, as well as collaborate with public and private universities across the country to improve financial literacy among students. PPA will also work with the industry to make it more affordable for the youth segment to start saving with PRS,” Husaini said.

Last year, PPA launched PRS Online Enrolment to allow individuals to sign up and save via www.ppa.my. Prior to that, PRS Members could already make further contributions to their PRS funds online through PRS Online Top Up, which was introduced in 2016. Since its rollout, PRS Online has seen tremendous traction and more PRS Members are now using the platform to manage their accounts. myPPA, a mobile app, is available too for PRS Members to review and monitor their savings with their smart devices.

This year, PPA intends to introduce more value-added services and digital initiatives to provide PRS Members an easy, convenient and secure avenue to automate their savings by setting aside a fixed sum for their retirement fund every month. This push into financial technology (Fintech) will be another step forward in shaping individuals’ savings behaviour positively.

Another key area for PPA is advocating Corporate Malaysia to make retirement planning and financial wellbeing an essential component of workplace policy.

Awareness about PRS’ benefits to employers needs to be enhanced and PPA will be doubling its efforts to introduce PRS at work. Some of these initiatives include employers contributing to the employees’ PRS accounts, facilitating bulk enrolments at workplaces and encouraging PRS contribution via salary deduction.

As for 2019’s growth targets, Husaini aims to see PRS grow by a similar trajectory through all channels including digital initiatives, financial literacy programmes and corporate participation. He is



positive that the concerted efforts by PPA, all PRS Providers and Distributors, along with Securities Commission Malaysia as the regulator, will help spur the PRS industry further.

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About PPA

Private Pension Administrator Malaysia (PPA) is the central administrator for the Private Retirement Schemes (PRS). PPA is a body approved by the Securities Commission Malaysia and is established to administer and promote the growth of the PRS industry.

A significant role of PPA is to manage a life-time central account for PRS Members. PPA continually advocates the importance of retirement savings through PRS by being a one-stop resource centre for the public on retirement learning and PRS in Malaysia. These include the implementation of value-added initiatives such as driving greater awareness through marketing programmes and collaboration with stakeholders covering universities, media and government agencies to synergistically elevate and encourage Malaysians to save more for the future with PRS. The PRS Online services developed by PPA further allows the public and PRS Members to enrol and top-up their PRS contributions from the computer and smart devices in an easy, convenient and secure way.

About PRS

The Private Retirement Schemes (PRS) is a voluntary long-term savings and investment scheme designed to help Malaysians save more for their retirement. PRS seeks to enhance choices available for all Malaysians whether employed or self-employed to supplement their retirement savings under a well-structured and regulated environment. There are eight PRS Providers offering a choice of 56 retirement funds, from which individuals may choose to invest in based on their own retirement needs, goals and risk appetite. The fund options under PRS are intended to enhance long-term returns for members within a regulated framework. Malaysians have the option of saving in PRS through multiple channels such as PRS Online, the PRS Providers and over 21,000 PRS Consultants.

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