

FOR IMMEDIATE RELEASE

## Two-Fold Increase in New Members using PPA’s PRS Online Service to Save for Retirement

Prize recipients of PPA’s online enrolment treats contest cite unpredictable year and online option among factors in their decision to start saving for their future



**Petaling Jaya (29 Jan 2021):** In a sign of the times we live in, where e-commerce traffic, streaming services usage and cloud storage demand have surged in the past year, so too are more people turning to online avenues to save for their retirement. In 2020, twice as many new members year-on-year enrolled for a Private Retirement Schemes (PRS) account using the PRS Online service developed by Private Pension Administrator Malaysia (PPA) – the central administrator for PRS.

“Whether it is via PPA’s PRS Online or through one of our eight PRS Providers, it is wonderful to see more Malaysians choosing to include PRS in their retirement savings portfolio,” said Husaini Hussin, CEO of PPA. “Last year’s ‘Jom PRS, Get Treats’ online enrolment contest was designed to give Malaysians an additional reason to save, and so this higher adoption of financial technology, or fintech, is a welcome trend.”

### The Importance of Saving

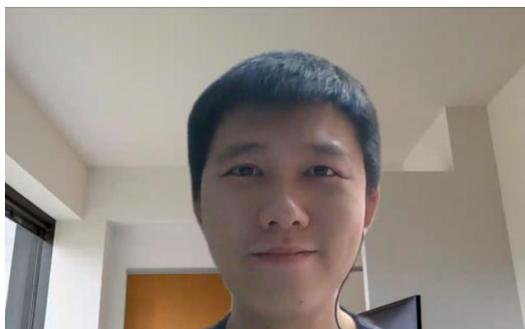


Figure 1: Chan Yi Hui, Grand Prize Recipient

The Grand Prize recipient, Chan Yi Hui, who took home RM3,000 in PRS units, said events of the past year is a good wake up call and reminder to always have adequate savings. “You can never know what will happen in the future, so it is definitely important to set aside some of your income to be prepared,” said Chan, an aggressive saver who sets aside 30 – 50% of his income every month.

This sentiment was also shared by 2<sup>nd</sup> Prize recipient Kho Wen Lin and 3<sup>rd</sup> Prize recipient Lai Pei Yee, who received a RM2,000 and RM1,000 boost respectively to their PRS savings. Both said the experience of going through a pandemic made them

more cautious with their personal finances, but the series of movement control orders has also inadvertently increased their capacity to save.

“Because of the pandemic, I cut down on a lot of transportation cost, outside food spending and hotel stays because there was no opportunity to travel,” said Kho, who envisions a worry-free retirement where his savings generate enough passive income to cover living expenses. “So I decided to save the extra money in PRS.”

### Additional Savings from PRS Tax Relief

Aside from having some extra money to save, as well as an easy, convenient and secure way to do so with PRS Online, all prize recipients also said the PRS Tax Relief by the government is an encouraging factor for them to save in PRS. Chan, for instance, said he did the calculations and realised that the tax benefit is substantial. Kho echoed that he sees the tax relief as a good way to save more for the future. As for Lai, she decided to put her salary increment last year to good use by saving in PRS to give herself that additional tax relief.

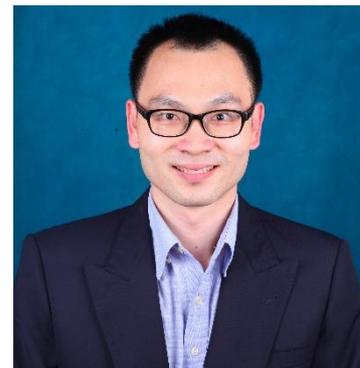


Figure 2: Kho Wen Lin, 2nd Prize Recipient

The PRS Tax Relief of up to RM3,000 per year will benefit retirement savers for many years to come, as it was recently extended until 2025. To get a more detailed illustration of your potential tax savings through the PRS Tax Relief, visit PPA’s website at <https://www.ppa.my/prs-tax-relief/>

### PRS Fund Performance



Figure 3: Lai Pei Yee, 3rd Prize

Moving forward, Lai said she will be monitoring her PRS fund performance once every few months. “I opted for the high risk, high return option as I am still young,” said Lai, who first learnt about PRS from her colleagues and will not hesitate to recommend it to any friends or family members looking to save additionally for their future.

Below is a snapshot of how PRS funds, according to categories, have performed in 2020 as well as the annualised returns since inception:

PRS Funds Category	Returns Jan – Dec 2020	Returns Annualised since inception
Conservative	13.80 %	4.71 %
Moderate	22.05 %	7.01 %
Growth	31.22 %	7.92 %
Non-Core Conventional	23.36 %	11.54 %
Non-Core Shariah	39.31 %	10.05 %

Source: Morningstar – as of 31 Dec 2020

Besides the Top 3 Prizes, another 120 new PRS Members and 23 referrers also received the Monthly PRS Treats worth RM100 in PRS units throughout the six-month “**Jom PRS, Get Treats**” contest period. Each month, 20 PRS Treats were awarded via monthly draws to individuals who enrolled via PRS Online and answered three questions. All enrolments during the contest period were then automatically entered into the Grand PRS Treats Draw for the Grand Prize, 2<sup>nd</sup> Prize and 3<sup>rd</sup> Prize.

As a voluntary scheme regulated by Securities Commission Malaysia, the PRS industry remained resilient despite a challenging year. The growth of new PRS Members increased by 25% year-on-year, and the total net asset value of PRS funds rose by more than 37% to RM4.8 billion in the same period. Building on this momentum, Malaysians can look forward to more financial education-related contents, PRS webinars and exciting campaigns from PPA this year.

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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 57 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 close to 25,000 PRS Consultants nationwide.

## PRIVATE PENSION ADMINITRATOR MALAYSIA

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