

# RETAIN YOUR EMPLOYEES WITH THE PRS

PUBLIC MUTUAL'S PRS VESTING PROGRAMME  
FOR EMPLOYERS & SALARY DEDUCTION  
PROGRAMME FOR EMPLOYEES



**PUBLIC MUTUAL**  
WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK



**Brains, like hearts,  
go where they are appreciated.**

~ Robert McNamara,  
former president of Ford Motor Company

# RETAIN YOUR EMPLOYEES WITH THE PRS

## Employees in Malaysia: TOP 3 REASONS TO STAY<sup>1</sup>

1   
ATTRACTIVE  
SALARY &  
BENEFITS

2   
HEALTHY  
WORK-LIFE  
BALANCE

3   
STRONG  
MANAGEMENT



A survey<sup>1</sup> highlights that an attractive salary and benefits are the main reasons for employees in Malaysia to stay with a company.

If a staff leaves, the process of hiring and onboarding someone new can be tedious and costly. As a caring employer, you may retain your employees by offering them additional benefits through our Private Retirement Scheme (PRS) Vesting Programme.



**Our PRS is open to both employers and employees via**



**PRS Vesting Programme**

(For Employers)



**Salary Deduction Programme**

(For Employees)

<sup>1</sup> 2022 Employer Brand Research Report – Malaysia by Randstad



# PRS Vesting Programme

## What is the PRS Vesting Programme?

PRS Contributions (Additional contributions on top of EPF)

- Voluntary
- Employers to decide the contribution amount and vesting conditions

## EPF Contributions

- Mandatory
- 12% - 13% of employees' remuneration
- Vested immediately



## What Are the Benefits for Employers?



**TALENT  
RETENTION**

Retain talents by rewarding your loyal employees.



**RIGHTS TO  
CONTRIBUTIONS**

You can claw back your contributions if the employees do not fulfill the vesting conditions.



**TAX  
DEDUCTION**


Enjoy tax deductions on your contributions to employees' PRS (up to 6% - 7% of employees' remuneration).

The Vesting Programme is also beneficial to the employees as they get to enjoy free Personal Accident insurance/Takaful coverage<sup>2</sup> when you contribute to their PRS. On top of that, the savings in PRS is also protected from creditors.

<sup>2</sup> Subject to terms and conditions

## How to Contribute?

You can make contributions according to the customised vesting terms that fit your needs. Here are three unique ways:




### Immediate Vesting

**Your contributions will be vested immediately to the employee.**

Illustration:  
Assuming the employer contributes RM1,000 to an employee yearly.

Timeline: 1 Jan 2023, 1 Jan 2024. Contribution date/Date of units being vested.




### Straight Vesting

**Upon fulfilling the number of years of service, all unvested contributions prior to the vesting date and subsequent contributions will be immediately vested to the employee.**

Illustration:  
Assuming the employer contributes RM1,000 yearly to an employee with a vesting period of 2 years.

Timeline: 1 Jan 2023, 1 Jan 2024, 31 Dec 2024, 1 Jan 2025. Contribution date/Date of units being vested.



### Revolving Vesting

**The contributions will be vested to the employee upon the completion of every x years of service and the vesting schedule repeats itself.**

Illustration:  
Assuming the employer contributes RM1,000 yearly to an employee with a vesting period of every 2 years.

Timeline: 1 Jan 2023, 1 Jan 2024, 31 Dec 2024, 1 Jan 2025, 1 Jan 2026, 31 Dec 2026. Contribution date/Date of units being vested.

# Salary Deduction Programme

## What Are the Benefits of the Salary Deduction Programme for Employees?

Employees will enjoy the following benefits for their self-contributions to the PRS



### PERSONAL TAX RELIEF<sup>3</sup>

Enjoy personal tax relief of up to RM3,000.



### FREE PERSONAL ACCIDENT INSURANCE / TAKAFUL COVERAGE<sup>2</sup>

Applicable to Public Mutual PRS members aged between 18 - 59.



### MONEY AND ACCRUED BENEFITS IN PRS ARE PROTECTED FROM CREDITORS

As stipulated in Section 139ZA of the Capital Markets and Services Act 2007.

## How to Contribute?



### Salary Deduction

- Employers to provide the payroll deduction facility
- Employees will determine the amount to be deducted from their monthly salary

## How Does the Scheme Work?

### CONTRIBUTIONS CAN BE MADE UNDER

#### DEFAULT OPTION / PRE-DETERMINED SELECTION

Contributions will be automatically allocated to the core fund that corresponds with the pre-determined age group<sup>4</sup>.

#### NON-DEFAULT OPTION / MY OWN SELECTION

Actively select one or more funds from the core or non-core funds regardless of age.

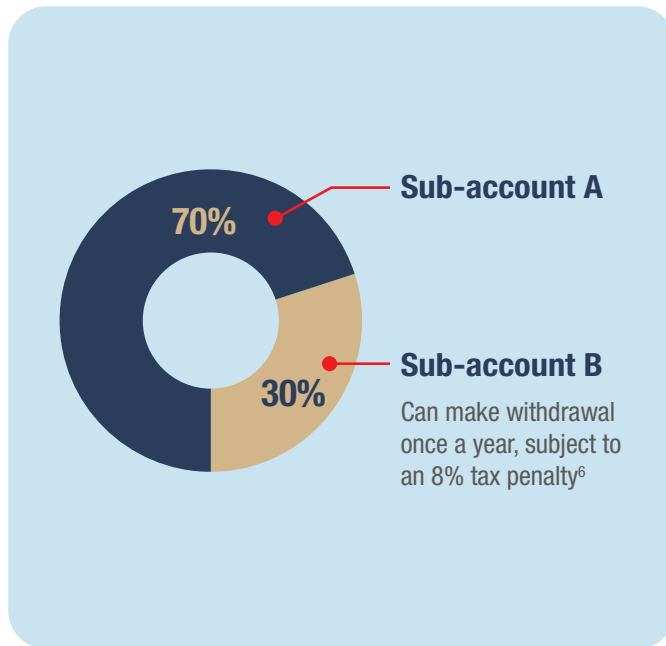
Employees have the right to choose their preferred funds based on their financial goals and risk appetite. Where an employee does not make a fund selection, the Default Option applies.

<sup>2</sup> Subject to terms and conditions.

<sup>3</sup> Including tax relief for deferred annuity. Tax relief is valid until year 2025.

<sup>4</sup> The age group may be subject to change from time to time as may be determined by the relevant authorities.

## PRS Contributions Will be Maintained in Two Separate Sub-accounts:



Full withdrawal (from both sub-account A and B) can be made upon:

- Reaching retirement age<sup>5</sup>
- Death
- Permanent departure from Malaysia
- Permanent Total Disablement (PTD) / Serious Disease (SD) / Mental Disability (MD)

You can make pre-retirement withdrawals for the following purposes (without the 8% tax penalty)<sup>7</sup>

- Housing purposes (From sub-account B)
- Healthcare purposes (From sub-account B)

## Choices of PRS Funds

Public Mutual offers 6 core funds and 3 non-core funds:

### Core Funds (Open for Default and Non-Default Options)

AGE GROUP <sup>4</sup> (Default Option)	CONVENTIONAL SERIES	SHARIAH-BASED SERIES
Below 45	Public Mutual PRS Growth Fund (PRS-GRF)	Public Mutual PRS Islamic Growth Fund (PRS-IGRF)
45 to below 55	Public Mutual PRS Moderate Fund (PRS-MDF)	Public Mutual PRS Islamic Moderate Fund (PRS-IMDF)
55 and above	Public Mutual PRS Conservative Fund (PRS-CVF)	Public Mutual PRS Islamic Conservative Fund (PRS-ICVF)

### Non-core Funds (Open for Non-default Option only)

CONVENTIONAL SERIES	SHARIAH-BASED SERIES
Public Mutual PRS Equity Fund (PRS-EQF)	Public Mutual PRS Islamic Strategic Equity Fund (PRS-ISEQF)
Public Mutual PRS Strategic Equity Fund (PRS-SEQF)	

<sup>4</sup> The age group may be subject to change from time to time as may be determined by the relevant authorities.

<sup>5</sup> You are eligible to make a full withdrawal upon reaching the age of 55. Securities Commission Malaysia may specify any other age threshold from time to time.

<sup>6</sup> A withdrawal can be made once every calendar year. The first withdrawal can be made after the first year. Subject to terms and conditions.

<sup>7</sup> Subject to terms and conditions.



## Why choose Public Mutual's PRS?



No. 1\* in unit trusts and the Private Retirement Scheme (PRS)



Trusted by 5 million accountholders nationwide



Has a wealth of more than 40 years fund management experience



A wholly-owned subsidiary of Public Bank

\* In terms of total retail fund size managed amongst private unit trust companies and PRS providers in Malaysia. Source: The Edge-Lipper, 14 August 2023.

## Get in Touch with us



**PRS Consultant**



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**[www.publicmutual.com.my](http://www.publicmutual.com.my)**

Contributors are advised to read and understand the contents of the Disclosure Document for Public Mutual Private Retirement Scheme – Conventional Series and the Disclosure Document for Public Mutual Private Retirement Scheme – Shariah-Based Series dated 28 August 2023 as well as the relevant fund's Product Highlights Sheet (PHS) before contributing.

Contributors should understand, compare and consider the risks, fees, charges and costs involved in contributing in the PRS fund(s). A copy of the Disclosure Document and PHS can be viewed at our website [www.publicmutual.com.my](http://www.publicmutual.com.my). Contributors should make their own assessment of the merits and risks of the contributions. If in doubt, contributors should seek professional advice.

Please refer to [www.publicmutual.com.my](http://www.publicmutual.com.my) for our investment disclaimer.



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