

# PERSPECTIVE INSIGHTS

## Articles

### FUTURE-PROOFING YOUR WORKFORCE: KEY UPDATES EMPLOYEES NEEDS TO KNOW THIS YEAR

Posted on January 06, 2026 by Dzulfadhl Bin Lamin

**“The latest EPF and SOCSO updates signal a shift toward stronger financial resilience and broader protection, requiring employers to actively communicate changes that directly impact employees’ long-term security.”**

The Employees Provident Fund (EPF) and Social Security Organisation (SOCSO) has introduced policies and product enhancements to help Malaysians save more effectively, support gig workers and housewives, and provide enhanced workers protection.

On 31 December 2025, the EPF released a statement confirming several initiatives aim to strengthen retirement savings, expand social protection, and improve the overall member experience.

Official EPF Statement:

[https://www.kwsp.gov.my/en/w/news/epf-policy-product-enhancements-2026?utm\\_source=copilot.com](https://www.kwsp.gov.my/en/w/news/epf-policy-product-enhancements-2026?utm_source=copilot.com)

#### **EPF - Key Highlights:**

- New Retirement Benchmarks (RIA Framework): EPF has introduced the Retirement Income Adequacy (RIA) framework. The new Basic Savings target is now being phased in, starting at RM290,000 for 2026. This target will increase annually to reach RM390,000 by 2028 to ensure savings keep pace with the cost of living.
- Enhanced Hajj Withdrawal: Muslim members can now withdraw up to RM10,000 from Akaun Sejahtera to fund their pilgrimage (previously only RM3,000). The process has also been simplified where individuals no longer need to verify their Tabung Haji balance during the application.
- Voluntary Contribution Rebranding: To encourage extra savings, EPF has refreshed its voluntary facilities. Self-contributions are now known as **i-Simpan**, and voluntary excess contributions, called **i-Topup**.

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- High-Balance Withdrawal Rules: For members with over RM1 million in savings, the threshold for withdrawing "excess" funds has been raised to RM1.1 million for 2026.
- Savings Tier Program: The Retirement Income Adequacy (RIA) Framework will come into effect on 1 January 2026 with three savings tiers, which are Basic Savings (RM390,000), Adequate Savings (RM650,000), and Enhanced Savings (RM1.3 million).

Moreover, SOCSO has moved beyond traditional workplace protection to embrace a holistic, 24/7 safety net for all workers with the introduction of advance policies and having the Employees' Social Security (Amendment) Bill 2025 presented for the First Reading in the House of Representatives on 30 October 2025.

## **SOCSCO (PERKESO) – Key Highlights:**

- Gig Workers Act 2025: SOCSO contributions are now mandatory for gig workers. To support this, the government covers 70% of contributions for first-time registrants in the first year and 50% in the second year.
- 24-Hour Protection (Lindung 24/7): The Employees' Social Security (Amendment) Bill 2025, introduces round-the-clock protection for employees. This expands coverage beyond work-related accidents to include non-work-related incidents.
- Invalidity Scheme for Foreign Workers: All foreign workers with valid work permits must now contribute to the SOCSO Invalidity Scheme, providing them with long-term protection against disability.
- Relocation Assistance: New graduates and job seekers may receive up to RM1,000 in relocation assistance from PERKESO when moving for a new job.
- Multiple employers: The proposed Section 9(3) of the Bill grants employees with multiple jobs/employers to select a single employer to manage their contributions. Once a choice is made, that designated employer becomes responsible for the administrative process of payment. However, under these amendments, the actual financial obligation for these specific contribution's rests entirely with the employee.



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As we move toward a more inclusive social protection landscape in 2026, it is essential for HR teams to proactively communicate these EPF and SOCSO updates as a strategic tool for employee well-being and retention. We believe transparent communication builds organizational trust, ensuring that employees feel supported in their long-term financial journey and helps to demonstrate the company's commitment to its employees' future security.

