

# OPERATIONS DIVISION



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*Deputy Chief Executive Officer (Operations)*

**As the EPF grows into an organisation that accounts for over 14.60 million members and well over half a million employers, in an age that demands immediacy and technological convenience, it is critical that it continues to deliver its products and services efficiently to meet the rising demands and high expectations. The need for us to evolve and equip ourselves with digital capacity is no longer an option, but a business imperative.**

**We have previously proven that advisory and digital services were the steps in the right direction in our pursuit to transform our operations to become more customer centric. Customers, especially our members and employers, have given positive feedbacks, in addition to making constructive requests for further enhancements. Aside from taking bold steps to be in line with the digital trends, we have also tailored these trends to comply with the needs of our various customer member segments.**

**Digitalisation is indeed the way forward as we aim to be more agile in our operations, and at the same time ensure that we continue to understand and serve our customers more effectively.**

## **ACCELERATING DIGITALISATION TO FULFIL OUR PLEDGE**

As at end December 2019, the EPF recorded over 14.60 million members, with the majority of them being digital natives. To ensure that our service quality standards remain at the highest level and meet the expectations of our members and employers, the EPF's Operations Division continues to commit to the 11 core functions outlined in our "Janji Kami" pledge, which is to provide the very best in customer service in terms of speed, accuracy, convenience, integrity, and cost-effectiveness.

To achieve this, the Division's core functions were implemented in line with the changing times and needs. In recent years, we have multiplied our efforts to increase current operational capacities and capabilities through the Operations Transformation Agenda 2.0. This has enabled us to roll out end-to-end solutions via our flagship i-Akaun (Member) and i-Akaun (Employer) platforms, equipped with various other functions and related modules.

In 2019, we have made good progress in the Operations Transformation Agenda 2.0 as we focused on actualising the EPF's Digital Evolution Blueprint that outlines key programmes centred on five strategic thrusts – Customer Centricity, People Development, Marketing Mindset, Collaborative Ecosystem, and Digital Enablement. The programmes were further expanded into multiple projects.

Moving forward, we will continue to leverage technology and suitable business solutions to allow us to access and utilise our data, in real time, in a more efficient and effective manner.

## TRANSFORMING OUR CORE OPERATIONAL FUNCTIONS

The Operations Division is responsible for functions involving members and employers registration and the management of their accounts, collection of contributions, withdrawals, nominations, and enforcement on defaulting employers, as well as managing customer services. In addition, the Division oversees and manages all EPF's services network, consisting of 68 branches throughout the country. The Division also manages all EPF offices and real estates, on top of being the main driver for the Operations Transformation Agenda, which is currently in implementation phase.

We are also committed to providing the best customer experience to both our members and employers through effective engagement. Towards this end, our multiple service channels, including the Contact Management Centre (CMC), counter services, kiosks, email facilities, website ([www.kwsp.gov.my](http://www.kwsp.gov.my)), and other digital channels, are developed and consistently improvised in tandem with the latest in user-experience trends.



*Evolving Our Core Functions*

### i-AKAUN

i-Akaun, the primary gateway to EPF's online facilities, namely e-Pengeluaran and e-Caruman, continues to be the main platform for us to propel the Operations Transformation Agenda 2.0. Through i-Akaun, we aim to empower our members and employers to make informed decisions by putting as much content and convenience as we possibly can, directly into their hands. At the same time, the platform also provides us with real-time feedback and valuable data, which is crucial for us to ensure continuous service improvement and product innovation.

The platform, accessible via any internet browser, enables members and employers to perform various functions, including monitor contributions, check savings balances, enable payments, monitor transaction status, and update personal information. Over the years, we have gradually introduced new modules to i-Akaun, in response to customer demands and in line with efforts to eventually digitalise all of our services.

We also continued to upgrade i-Akaun periodically to improve user experience and introduce innovative functions to the main page and various other related modules. The highlight of 2019 was the launch of i-Invest, an online facility that allows members to access the Members Investment Scheme (MIS) function within i-Akaun to make investments.

The past year saw more members and employers preferring to use i-Akaun to transact with the EPF. As of December 2019, 52.06% of the 14.60 million members, and 99.36% of a total of 522,297 employers have registered for i-Akaun.

## OPERATIONS DIVISION



Branch Horizon Zero

### e-PENGELUARAN

The e-Pengeluaran facility has undergone several phases of upgrades and improvements in line with our goal to deliver an end-to-end solution for member withdrawal transactions and processes. In 2019, a total of 229,616 housing transactions and 247,983 of education transaction were made through e-Pengeluaran. The facility has been expanded to age-specific withdrawals and withdrawal of savings of more than RM1 million.

### e-CARUMAN

The e-Caruman facility enables employers to submit employees' contribution details (Form A) and make contribution payments online. In 2019, 99.9% of employers registered with the EPF submitted the e-Form (Form A), and 94.9% made online payments using the e-payment facility. Along with that, a total of 3,535,822 transactions were made through the Financial Payment Exchange (FPX), a feature which allows employers to use their own banking facility to make contribution payments.

### EPF MOBILE APPLICATIONS

Our mobile applications - the i-Akaun app (for members) and e-Caruman app (for employers) – allowed us to reach out to both members and employers more efficiently and effectively. These mobile applications offer shortcut access to basic features of the original i-Akaun platform, and are available for downloads on both Android and iOS operating systems.

In 2019, we continued to implement enhancements to the members' i-Akaun app, including PDF-format statements for download, targeted push notifications, nearest branch location, and fund performance monitoring for i-Invest users. In 2019, a total of 1,454,780 downloads of the i-Akaun application with 32.80 million logins recorded.

The e-Caruman app, meanwhile, facilitates employers with less than 10 employees to submit Form A and make contribution payments online. Through the app, employers can access their Form A submissions and contributions history. A total of 134,024 downloads of the e-Caruman mobile application were recorded in 2019.

**MEMBERS AND EMPLOYERS REGISTRATION**

In 2019, as many as 526,766 new members were registered with the EPF, resulting in a 2.82% increase of our total members to 14.60 million. Of this, 7.63 million were active members.

We also recorded a total of 72,218 new employers registered with the EPF in the same year, thus bringing the total number of employers registered with the EPF up 2.99% to 522,297.

**CONTRIBUTION COLLECTIONS**

The EPF received contributions totalling RM75.93 billion in 2019, a 6.24% increase from the previous year, attributed to a rise in the total number of members, employers, and wages earned. In addition, continued awareness among employers on the importance of contributing towards the retirement savings and social well-being of their employees, and effective engagement with employers, contributed further to this growth.

To make it convenient for employers to fulfil their contribution obligations, the EPF continues to offer numerous payment channel options, including EPF counters, bank agents, and electronic channels.

**WITHDRAWALS**

One of the core activities of the Operations Division is the processing of members' withdrawals. In 2019, we received 2.39 million applications for withdrawals, amounting to RM45.40 billion approved under various categories provided by the EPF. Compared to 2018, this represented a decrease of 3.26% applications approved and 5.62% in total withdrawn.

**2019****Members And  
Employers  
Registration****526,766**

New Members

**72,218**

New Employers

**Contributions  
Collection****RM75.93  
billion**Total  
Contributions  
Received**Withdrawals****2.39  
million**Number of  
Applications**RM45.40  
billion**

Approved

**Nominations  
430,067**

New Nominations

**EMPLOYER ENGAGEMENT**

In order to safeguard members' interests, the EPF carries out continuous employer engagement activities in addition to the monitoring of monthly contribution payments made by employers. As part of these measures, the EPF also implements firm but prudent enforcement actions on errant employers. For the year under review, the rate of defaulting employers increased slightly to 1.24%, compared with 1.03% in the previous year.

Contributions recovered from our engagement and enforcement activities in 2019 stood at RM3.59 billion, compared with RM3.88 billion in 2018. A further RM25.42 million in late payment charges and RM19.80 million in dividends were collected from defaulting employers within the stipulated time frame.

Throughout 2019, in enforcing Section 39, EPF Act 1991, a total of 2,194 individual company directors and business owners were barred from leaving the country for failing to settle their outstanding mandatory contributions. This is on top of 4,894 new criminal prosecutions and 1,906 civil suits registered in the courts against defaulting employers.

**NOMINATION**

We continued our efforts to promote awareness on the importance of nominating beneficiaries, and this resulted in 430,067 new nominations made in 2019, which added to the total nominations made to date of 4.65 million. The EPF has put great emphasis on this matter in order for next-of-kin or nominees to manage members savings in the event of his/her demise.

## OPERATIONS DIVISION

### CUSTOMER INTERACTION AND ELECTRONIC CHANNELS

Customer interactions through EPF counters, EPF website, kiosks, i-Akaun, and the Contact Management Centre (CMC), reached 108.81 million. Of this total, 96.4% of these interactions were made through multiple electronic channels, compared to only a remaining of 3.93% in face-to-face transactions.

Interactions from self-service channels, such as the EPF website, kiosks, and i-Akaun, recorded an increase of 24.12% to 104.88 million interactions, while CMC recorded 1.12 million interactions, which is a 27.16% decrease from the 1.54 million recorded in 2018.

### CUSTOMER SERVICE SATISFACTION LEVEL

The EPF continues to conduct periodical customer surveys to raise our service levels as well as to have a better gauge of customer expectations, perceptions, and satisfaction levels. A survey undertaken in 2019 by CMC together with an independent consultant recorded a 96.26% customer satisfaction rating.

### TRANSFORMING BRANCH OFFICES AND CONTACT MANAGEMENT CENTRE (CMC)

In 2019, the EPF added another chapter to its history by introducing a new concept to its Taiping and Langkawi offices, one that features modular and customer-friendly

designs. Both offices are equipped with digital capabilities and interior designs that enable a more effective delivery of advisory services to our customers, in line with the aspirations of the Operations Transformation Agenda 2.0. These branch offices serve as the benchmark for subsequent refurbishments at other branches nationwide.

Concurrently, the CMC office has also been refurbished and equipped with the latest infrastructure to ensure a more conducive working environment and effective digital support services.

### RETIREMENT ADVISORY SERVICES

The EPF's Retirement Advisory Services (RAS) was introduced in July 2014 as part of initiatives to enhance members' financial knowledge to support their path towards a more comfortable retirement.

As of end 2019, we now offer this service to our members in 52 branches across the country. In the same year, we trained and qualified 83 new RAS officers in financial and retirement planning. Our records show that until 2019, a cumulative total of 82,958 members have received financial advice from our qualified RAS officers.

Aside from operating from EPF branches, our RAS officers occasionally join the EPF Mobile Team to provide services to members as part of our outreach programme. In 2019, RAS officers carried out 2,585 outreach programmes across the nation and attracted a total of 255,605 customers.

Moving forward, we will continue to explore and strengthen this service to reach out to more members, in addition to enhancing our financial advisory modules to include members' financial literacy, health, and well-being.

### i-SURI

The i-Suri programme was launched in August 2018 for housewives registered under the National Poverty Data Bank (e-Kasih). The aim of this programme is to help women, specifically housewives, to save for their retirement and social protection. Under the i-Suri programme, EPF's members are eligible for a Government incentive of up to a maximum of RM480 a year on top of the contributions made by the members.

A total of 81,511 registrations were received for i-Suri in 2019, a 28.78% increase from 63,297 in 2018.

### i-SARAAN

The i-Saraan programme is designed for those below age 55, who are self-employed or do not earn a regular income, to voluntarily contribute to the EPF as part of their retirement savings. As an incentive, the Government will provide a matching contribution of 15% or up to RM250 for those who contribute under this programme.

A total of 120,738 registrations were received for i-Saraan in 2019, a 22.11% increase from 98,874 in 2018.