



ENDURING TODAY SHAPING TOMORROW

AKAUN FLEKSIBEL AS A
FINANCIAL LIFELINE FOR WELLBEING

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FINANCIAL LIFELINE FOR WELLBEING**

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Glossary

Akaun Persaraan (formerly Akaun 1)	The account that holds 75% of a member's contributions and is designated for retirement savings.
Akaun Sejahtera (formerly Akaun 2)	The account that holds 15% of a member's contributions and allows specific pre-retirement withdrawals to support lifecycle needs.
Akaun Fleksibel	The account that holds 10% of a member's contributions and allows withdrawals at any time to meet short-term financial needs.
Accumulation Phase	The period during an individual's working life when contributions and investment returns accumulate to build retirement savings.
Active Members	EPF members who have made at least one contribution within the last 12 months.
Decumulation Phase	The phase after retirement or exit from the labour force when accumulated retirement savings are drawn down to finance consumption in the absence of regular earnings.
Dividend	The return on members' savings generated from investment activities. Dividends are calculated based on the account's daily balance and the savings held in the respective account.
Financial Security	An individual's confidence in their ability to meet current and future financial needs without undue financial stress.
Inactive Members	EPF members who have not made any contributions within the last 12 months.
Initial Amount Transfer	The one-off transfer of savings from Akaun Sejahtera to Akaun Fleksibel at the time of account restructuring, providing members with an initial balance for withdrawal upon launch.
Member	An EPF member according to the EPF Act is an individual who has an account and savings with EPF. EPF members consist of private sector workers, non-pensionable workers in the public sector, and those who have opted to contribute voluntarily.
Pre-retirement Withdrawals	Pre-retirement withdrawals are withdrawals that have been approved by the EPF to allow members to take out a certain amount from their retirement savings prior to age 55. The savings can be withdrawn from Akaun Sejahtera and Akaun Fleksibel.
Replenishment	The restoration of withdrawn savings through continued contributions or additional voluntary savings to rebuild retirement balances.
Retirement Adequacy	The extent to which accumulated retirement savings are sufficient to support an individual's standard of living during retirement.
Wellbeing	An individual's overall quality of life encompassing financial, emotional, mental and social dimensions, including the ability to manage stress, participate in social activities and maintain a satisfactory standard of living.
Withdrawer	In the context of this report, a withdrawer refers to an EPF member who made at least one withdrawal from Akaun Fleksibel during the study period. The term applies to members below the age of 55 who accessed Akaun Fleksibel savings in accordance with the account's withdrawal rules.

Executive Summary

In response to diverse and evolving financial circumstances across the life course, the Employees Provident Fund of Malaysia implemented the account restructuring initiative in May 2024. The Initiative included the introduction of Akaun Fleksibel, which allows members below the age of 55 to withdraw their savings from this account at any time and for any purpose. After more than a year of implementation, this report provides an assessment of the initiative, considering its scale, intended benefits and emerging implications. The key findings and policy reflections are summarised below:

01 | Withdrawal participation stabilised after the initial surge

Initial uptake of Akaun Fleksibel withdrawals reached a diverse range of member segments, but usage has since stabilised and become more concentrated among middle working-age members, active contributors, lower-earning groups and Bumiputera members. This suggests that the facility is increasingly used to address recurring liquidity needs rather than discretionary withdrawals.

02 | Akaun Fleksibel withdrawals provide meaningful short-term relief and enhance wellbeing

Withdrawals are strongly associated with meeting immediate financial needs and are widely perceived as a dependable financial lifeline amid rising living costs. Spending on daily essentials, health-related expenses and debt payments consistently ranks highest across all demographic groups. Crucially, this sense of immediate relief is closely linked to a greater sense of financial security, which in turn is associated with enhanced overall wellbeing.

03 | Withdrawals and usage patterns vary across sociodemographic groups and life stages

While core spending priorities are broadly similar, the intensity and composition of withdrawals differ across groups. High-frequency withdrawers tend to use Akaun Fleksibel to cover routine and seasonal expenditures, whereas low-frequency withdrawers typically reserve the facility for occasional or irregular needs. These patterns also reflect socioeconomic background and life stage. Younger and lower-income members rely more on withdrawals for daily necessities and commuting, while older and higher-income members tend to withdraw less frequently but in larger amounts for one-off expenses.

04 | Awareness of retirement savings adequacy emerges as immediate financial pressures ease

Views on the impact of withdrawals on retirement adequacy are mixed, reflecting the trade-off between meeting immediate financial needs and preserving retirement savings. Concerns about saving adequacy appear to arise not from how often or how much members withdraw, but from what happens after immediate financial pressures ease. Once short-term needs are addressed, members become more aware of the longer-term implications for their retirement savings and the need to rebuild their savings.

05 | Balancing short-term endurance with long-term resilience through stronger planning, institutional support and integrated social protection

The prevailing concern about retirement savings adequacy, together with financial attitudes and replenishment intent suggests a shift from immediate financial survival towards forward-looking retirement planning. Policy responses should prioritise transforming this awareness into positive action. Active engagement with members through personalised guidance and data-driven financial planning tools can further strengthen the facility's effectiveness while safeguarding retirement savings. By linking short-term relief to longer-term confidence, Akaun Fleksibel can evolve from a liquidity buffer into a catalyst for sustained financial resilience. In parallel, broader economic measures to support wage growth and ease cost-of-living pressures, alongside stronger integration across social protection mechanisms, can help reduce reliance on retirement savings while providing timely support, particularly for vulnerable groups.

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Chapter 1 Introduction

In response to evolving financial needs, the Employees Provident Fund (EPF) of Malaysia implemented the account restructuring initiative, effective 11 May 2024, to improve retirement income security while providing greater flexibility for members to meet current financial needs. Unlike the two previously established accounts, which were designated for long-term and medium-term financial needs, the newly introduced Akaun Fleksibel allows members below the age of 55 to withdraw savings from this account at any time and for any purpose.

Essentially, this restructuring represents a notable shift in the design of the EPF facility during the accumulation phase, reshaping both the structure and accessibility of retirement savings. After more than a year of implementation, this study examines the outcomes of this initiative by considering its scale, intended benefits, and emerging implications, particularly those related to withdrawal behaviour, current wellbeing and longer-term retirement income security.

1.1. Retirement Savings and EPF Account Restructuring

The EPF has long been a cornerstone of Malaysia's pension and retirement savings ecosystem. It operates as a mandatory defined contribution scheme predominantly for private-sector workers and a smaller segment of non-pensionable public sector employees. While its foundational purpose is to ensure financial security during retirement, evolving socioeconomic conditions and increasingly diverse member expectations have led to a rethinking of the prevailing approach, seeking to balance long-term adequacy with immediate financial resilience.

The restructuring of members' accounts in May 2024 marked a key evolution in Malaysia's retirement savings framework. This initiative transformed the two-account structure into three accounts comprising Akaun Persaraan (formerly known as Akaun 1), Akaun Sejahtera (formerly Akaun 2), and Akaun Fleksibel.

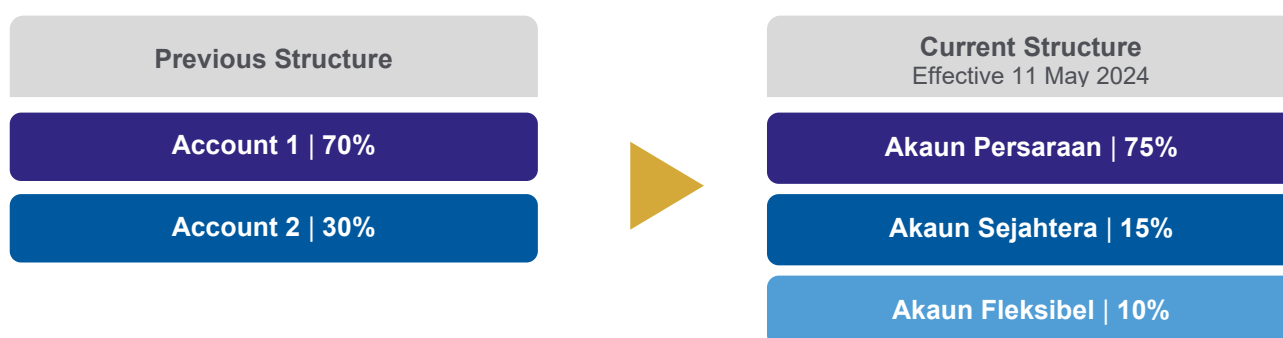
Under the earlier two-account structure, EPF members' savings during the accumulation phase were allocated across Akaun 1 and Akaun 2, each serving distinct purposes aligned with long-term and medium-term financial goals. Akaun 1 was primarily reserved for retirement, with the intent to preserve savings for income security during old age, and withdrawals were permitted only upon reaching the age of 55. Meanwhile, Akaun 2 allowed pre-retirement withdrawals for specific purposes such as housing, education, health, insurance protection/takaful and hajj. Each withdrawal required documentation and was governed by predetermined eligibility criteria. While offering some flexibility, access remained purpose-bound, limiting members' ability to address broader financial needs. For both Akaun 1 and Akaun 2, withdrawals were also permitted in cases of permanent departure from Malaysia, death or incapacitation.

The two-account structure indeed embodied EPF's dual objectives: safeguarding long-term retirement adequacy while offering support for important life-cycle needs. However, it also meant that members facing unanticipated financial pressures such as income shocks, caregiving responsibilities, or emergency needs arising from catastrophic events had limited avenues for accessing their own savings without navigating procedural hurdles. The subsequent account restructuring introduced the names Akaun Persaraan, Akaun Sejahtera and Akaun Fleksibel, making the purpose of each account clearer and more intuitive for members.

The introduction of Akaun Fleksibel represented a significant shift in this landscape, addressing a gap in liquidity and financial autonomy. Unlike the two earlier accounts, Akaun Fleksibel allows members below the age of 55 to withdraw a portion of their savings at any time, for any purpose, without supporting documentation, subject to a minimum amount of RM50. This facility enhances access to savings for current life-cycle needs, beyond the purpose-bound withdrawals permitted under Akaun Sejahtera. Members were given a one-time option to transfer a portion of their Akaun Sejahtera savings into Akaun Fleksibel between 12 May and 31 August 2024, enabling immediate access to funds without waiting for new contributions. As part of EPF's proactive communication strategy, a public announcement was issued leading up to the implementation¹. It outlined the objectives, structure, and operational details of the account restructuring, helping build understanding and readiness among members ahead of the rollout (EPF, 2024b).

The restructuring exercise subsequently changed the distribution of incoming contributions across all three accounts. Prior to this change, contributions were distributed in a 70:30 ratio between Akaun 1 and Akaun 2. With the creation of Akaun Fleksibel, the contribution to Akaun Persaraan rose to 75%, while the balance was distributed between Akaun Sejahtera at 15% and Akaun Fleksibel at 10% (Figure 1.1).

Figure 1.1: Distribution of contributions pre and post account restructuring



Source: EPF (2024b)

1.2. Background of Akaun Fleksibel

The 2024 account restructuring was informed by a large-scale public consultation conducted in the late 2020 involving more than 80,000 respondents (EPF, 2021). The majority supported a review of the two-account structure to allow greater withdrawal flexibility tailored to members' diverse life circumstances. This feedback directly shaped the introduction of Akaun Fleksibel and its focus on balancing short-term liquidity needs with long-term protection.

The restructuring was also driven by lessons from the COVID-19 pandemic, which exposed weaknesses in members' financial resilience. Unprecedented withdrawal facilities such as i-Lestari, i-Sinar, i-Citra, and the Special Withdrawal facilities offered essential short-term relief but also revealed limited savings buffers among members, especially lower-income groups (Jiton & Ibrahim, 2024; Abd Ghani et al., 2023). In response to the need to rebuild retirement savings that were depleted during these withdrawals, the contribution allocation to Akaun Persaraan was increased from 70% to 75%, reinforcing EPF's commitment to long-term adequacy. Against this backdrop, these experiences underscored the need for a more adaptive savings structure that could provide flexibility in emergencies without undermining retirement adequacy.

¹ The government announced the introduction of Akaun Fleksibel in the 2024 Budget Speech on 13 October 2023, followed by EPF's public announcement on 25 April 2024 outlining the account restructuring and its forthcoming implementation.

The design of Akaun Fleksibel also draws on insights from behavioural economics, which recognise that common psychological biases shape individuals' economic decisions. Mental accounting², the tendency to mentally categorise resources into different boxes, suggests that a dedicated flexible account can help members better organise their funds and make more deliberate choices. Present bias, whereby individuals place greater weight on immediate rewards over future benefits, can further lead to suboptimal responses to unexpected expenses, such as taking on debt.

Akaun Fleksibel addresses these behavioural challenges by providing a source of funds for short-term needs, enabling members to manage immediate financial pressures while preserving long-term savings. Research shows that people often prioritise immediate spending over long-term savings and underestimate how their funds can grow over time (Goda et al., 2019; Foltice & Langer, 2018). Withdrawal behaviour is further influenced by factors such as age, health, and job security (Schofield et al., 2015; Toczek et al., 2022). Recognising these behavioural and life circumstances, the new structure combines flexible access to savings with strengthened measures that preserve long-term discipline.

Globally, pension systems have adopted varying degrees of withdrawal flexibility. In Australia, the Superannuation scheme permits early access under hardship provisions, albeit with stringent eligibility criteria (Bateman et al., 2023). The United States also introduced legislative changes under the SECURE 2.0 Act, which enable some 401(k) plans to introduce an optional emergency savings feature (Mercer, 2023). This allows participants to access a portion of their retirement savings on a penalty-free basis for specific circumstances, including major disasters, domestic abuse, personal emergencies, terminal illness, or long-term care insurance premiums. Another example of withdrawal flexibility is in the United Kingdom, where NEST Insight trialled the sidecar savings model with two approaches: the two-account model and the in-plan model³, both of which carved out a liquid component alongside the pension (Prabhakar, 2021).

Among international examples, the emergency savings feature that is part of the 401(k) plan most closely resembles Malaysia's Akaun Fleksibel in its intent to provide immediate liquidity alongside long-term retirement saving. However, Malaysia's approach remains distinctive in several respects. EPF operates as a single, centrally administered system with automatic enrolment, whereas participation and plan design in the United States are fragmented across multiple employers and providers. In addition, withdrawals from Akaun Fleksibel are not restricted to narrowly defined purposes, offering members broader discretion in responding to financial needs.

Public discourse and sentiment suggest that while flexibility can enhance member satisfaction and financial resilience, it must be carefully balanced against the risk of eroding long-term savings. Akaun Fleksibel aims to provide relief and autonomy, particularly in emergencies, but also introduces new behavioural risks. Some concerns highlighted include the lower allocation to Akaun Sejahtera, which may limit members' ability to finance major life goals such as home ownership or children's education. The option to withdraw funds at any time could lead some members to treat Akaun Fleksibel as a regular income source, potentially depleting savings prematurely. To support responsible financial management, EPF provides members with the option to transfer all or part of their savings from Akaun Fleksibel into Akaun Persaraan or Akaun Sejahtera. This initiative encourages members to exercise self-discipline in safeguarding their retirement savings while also addressing pre-retirement needs.

² Thaler (1999) defined mental accounting as the set of cognitive operations individuals and households use to organise, evaluate, and track financial activities.

³ The two-account model allows employees to contribute to a liquid sidecar account up to a predefined savings cap, after which additional contributions flow into the pension account. When withdrawals are made from the sidecar account, contributions are redirected back into it until the cap is restored. The in-plan model integrates emergency savings within the workplace pension arrangement, whereby the employer remits a single contribution to the pension provider, which is then split between the pension account and an emergency savings account. Source: Prabhakar (2021)

Experts have also cautioned that financial literacy among members remains uneven. Without targeted education and support mechanisms, those under financial stress may prioritise immediate needs over future security which could undermine the intended objective of balancing flexibility and sustainability. While some policymakers have called for more targeted withdrawal options, others argue that the new structure already provides sufficient access for short-term needs and renders previous ad hoc facilities obsolete. These debates reflect broader tensions between autonomy, adequacy, and institutional responsibility in shaping retirement outcomes (The Edge Malaysia, 2024; BERNAMA, 2024; FMT, 2025).

In sum, EPF's 2024 account restructuring introduces meaningful flexibility through Akaun Fleksibel while safeguarding long-term adequacy. Ultimately, the success of this account structure will depend on how responsibly members use the facility and whether the flexibility translates into improved financial and non-financial wellbeing.

1.3. Gaps in Existing Literature

While several existing studies have explored specific or temporary withdrawal facilities and their socioeconomic impacts, there remains a lack of empirical analysis on the behavioural and financial consequences of permanent flexible withdrawal mechanisms. As Akaun Fleksibel represents a structured and permanent feature of Malaysia's retirement savings landscape, it provides an opportunity for deeper investigation into:

- Withdrawal motivations and usage patterns, especially in light of behavioural biases such as present bias, exponential growth bias, and mental accounting, which may drive impulsive or short-sighted financial decisions (Goda et al., 2019; Foltice & Langer, 2018; Tetteh & Boachie, 2021).
- Demographic and socioeconomic correlates, including age, health status, employment stress, and financial literacy, which shape members' propensity to withdraw and their capacity to manage long-term savings (Schofield et al., 2015; Toczek et al., 2022; Salleh et al., 2022).
- Impact on financial wellbeing and retirement preparedness, particularly among members with limited alternative savings or those influenced by social norms and peer behaviour (Fuentes et al., 2023; Walczak et al., 2018).
- Policy implications for future EPF reforms, informed by global typologies of early access mechanisms such as permanent withdrawals, pension-backed loans, and hybrid savings models, and their respective trade-offs (World Bank, 2019).

This study aims to address these gaps by integrating administrative data with member-level survey insights. It offers a more thorough view of how flexibility influences savings behaviour, quality of life and wellbeing, and broader policy reflections. By situating Akaun Fleksibel at the intersection of short-term financial access and long-term retirement security, this study aims to provide a nuanced perspective on its implications for member wellbeing and policy refinement.

1.4. Study Objectives

As noted at the outset, the objective of this report is to study the trends, patterns, and outcomes of Akaun Fleksibel since its introduction in May 2024. This will be achieved through two parts of analytical inquiry.

1. The first part focuses on administrative data analysis, leveraging EPF's internal database to uncover patterns and trends in withdrawal behaviour. The goal is to establish a robust quantitative baseline that characterises how members interact with Akaun Fleksibel. Key research questions include:
 - What proportion of EPF members have utilised the Akaun Fleksibel withdrawal facility, and how frequently do they withdraw?
 - How do withdrawal amounts and patterns vary across demographic segments such as gender, age, ethnicity, employment status and income?
 - Are there temporal trends in withdrawal behaviour, particularly around the Initial Transfer period and subsequent contribution cycles?
2. The second part centres on survey-based analysis to explore the underlying motivations and applications behind these withdrawals. While the administrative data analysis during the first stage offers breadth, it cannot explain the “why”—the personal, financial, and emotional factors that drive members to access their savings. To address this gap, a structured survey was conducted to gather insights into members' perceptions of the account's usefulness. Key research questions include:
 - How have withdrawers utilised their withdrawn savings from Akaun Fleksibel?
 - How are withdrawers' perceptions of Akaun Fleksibel associated with their financial decision-making and withdrawal behaviour?
 - How do withdrawers perceive the effects of Akaun Fleksibel withdrawals on their wellbeing, and do these withdrawals raise concerns about retirement adequacy?

Together, these two components provide a complete view of both the behavioural patterns and the lived experiences of EPF members engaging with Akaun Fleksibel.

1.5. Scope, Data and Methods

The scope of this research is confined to EPF members below the age of 55 who have accessed Akaun Fleksibel by making at least one withdrawal, covering over a year of implementation from May 2024. This study combines administrative data analysis with survey evidence to assess the impact of Akaun Fleksibel on EPF members.

1. EPF Administrative Database

The first part of the analysis draws on EPF's internal administrative records, comprising detailed transactional and member-level data spanning 18 months, from May 2024 to October 2025. This includes withdrawal frequency, amounts, timing, and account balances, as well as demographic attributes such as gender, age, ethnicity, employment status and income level. These data enable the identification of withdrawal patterns and trends across different member segments, establishing a quantitative baseline of behaviour that reflects how Akaun Fleksibel is being accessed in practice.

2. Akaun Fleksibel Withdrawal Survey

The second part involves a structured survey administered to EPF members who have made at least one withdrawal from Akaun Fleksibel. This instrument captures insights into how withdrawn savings are used, members' motivations for accessing the account, and their perceptions of its usefulness. It also explores financial literacy, satisfaction with the flexibility offered, and the account's perceived impact on financial planning and wellbeing. The survey was conducted from September to November 2025. A total of 14,204 responses were received, with relatively good representation across key demographic groups. Full details of the methodology are provided in [Appendix A](#).

1.6. Organisation of the Report

This report is organised into four chapters, each building on the previous one to provide a cohesive and in-depth analysis of the Akaun Fleksibel initiative:

- **Chapter 1: Introduction** outlines the background and context of the EPF account restructuring and defines the scope and objectives of the research.
- **Chapter 2: Macro Trends in Akaun Fleksibel Withdrawals** presents key insights from the EPF administrative database, focusing on withdrawal trends, timing, frequency, and demographic patterns among members who have accessed Akaun Fleksibel.
- **Chapter 3: Outcomes of Akaun Fleksibel Withdrawals** explores how withdrawn funds were used, based on survey responses. It assesses members' perceptions of their financial security and overall wellbeing, and the implications for retirement preparedness and long-term savings adequacy.
- **Chapter 4: Conclusion** summarises the study's key findings and discusses the outcomes of the withdrawal facility. It then reflects on the broader implications of pre-retirement withdrawals for Malaysia's retirement savings landscape, offering recommendations for future EPF policy design and member education.

Chapter 2 Macro Trends in Akaun Fleksibel Withdrawals

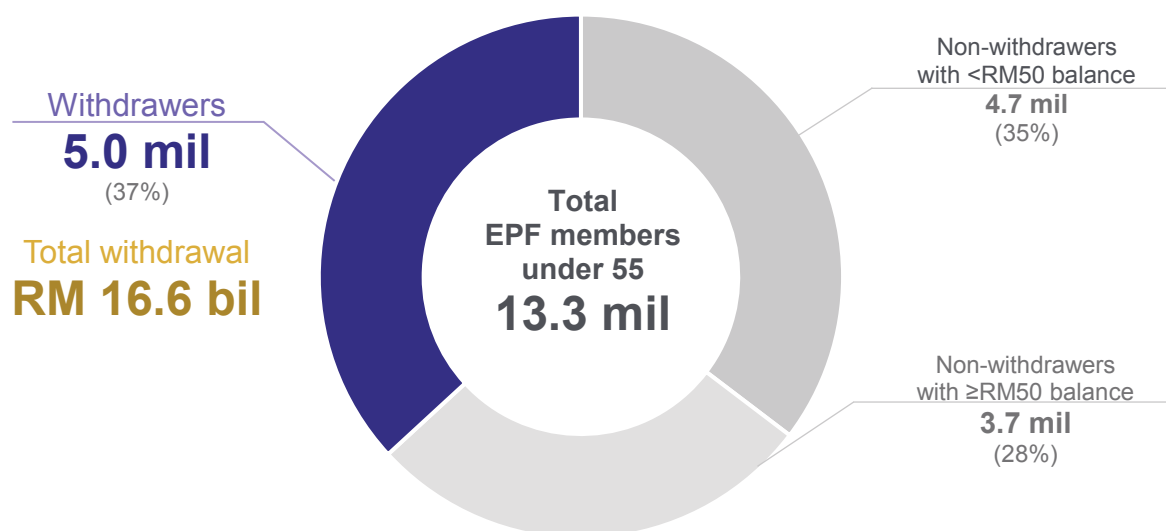
The introduction of Akaun Fleksibel in May 2024 presented a new layer of liquidity within Malaysia's retirement savings framework. The facility allows EPF members to withdraw savings at their discretion, provided the account holds sufficient funds, with RM50 as the minimum allowable withdrawal per transaction.

This chapter presents an empirical analysis of withdrawal behaviours drawn from the EPF administrative database, highlighting macro-level trends in member engagement with Akaun Fleksibel more than a year after its introduction. Drawing from more than 25.0 million withdrawal transactions made by nearly 5.0 million members between May 2024 and June 2025, the analysis in this section uncovers key trends and patterns in participation, frequency, and withdrawal amounts, while also examining variations across demographic segments. These insights help to establish a baseline for evaluating how withdrawn funds are used, which will be explored in the next chapter.

2.1. Initial Transfer Participation and Volumes

As of October 2025, nearly 5.0 million EPF members under the age of 55 have made at least one withdrawal from Akaun Fleksibel, with cumulative withdrawals amounting to RM16.6 billion (Figure 2.1). This represents a 37% take-up rate among members with withdrawal access, indicating a moderate level of engagement with the facility for short-term financial needs. However, the majority of members (63%) have not utilised this option, suggesting varied financial choices or circumstances. Among non-withdrawers, nearly half (44%) had sufficient balances but did not make a withdrawal, while the remainder (56%) were unable to withdraw due to insufficient balances.

Figure 2.1: Total members withdrawing from Akaun Fleksibel, May '24–Oct '25



Source: EPF (2025a)

It is important to highlight that the take-up of Akaun Fleksibel was shaped not only by its unconditional withdrawal feature but also by the option that allowed members to transfer savings during the Initial Amount Transfer period. This mechanism allowed eligible EPF members to transfer a portion of their accumulated savings in Akaun Sejahtera into Akaun Fleksibel and Akaun Persaraan, effectively jumpstarting their liquidity access. Understanding this initial transfer decision is essential for studying withdrawal patterns, as it influences the timing, frequency, and volume of subsequent withdrawals. Box 2.1 below outlines the rules governing the initial amount transfer, including thresholds and redistribution ratios.

Box 2.1: Initial Amount Transfer Option

Akaun Fleksibel began with a zero balance upon its creation and grew as new contributions were credited. Members could also transfer funds from Akaun Sejahtera through a one-time initial transfer during 11 May 2024 to 31 August 2024. This transfer was automatic upon opt-in and required no documentation. Table 2.1 presents the available options for the initial amount transfer for EPF members.

Table 2.1: Options for Initial Amount Transfer

Akaun Sejahtera Balance	Transfer to Akaun Fleksibel	Transfer to Akaun Persaraan	Remaining in Akaun Sejahtera
> RM3,000	1/3	1/6	1/2
RM1,001 - RM3,000	RM1,000	RM0	Remaining balance
≤ RM1,000	Full amount	RM0	RM0

The allowable transfer amount was determined based on the member's Akaun Sejahtera balance at the time of opt-in:

RM3,000 and above

- The savings were apportioned as follows: 1/3 will be transferred to Akaun Fleksibel, 1/6 to Akaun Persaraan, and the remaining 1/2 will remain in Akaun Sejahtera.

Less than RM3,000

- No transfer will be made to Akaun Persaraan for balances below RM3,000.
- If savings were RM1,000 but not exceeding RM3,000, up to RM1,000 can be transferred to Akaun Fleksibel, while the remaining balance stays in Akaun Sejahtera.
- If the savings were RM1,000 or less, the entire amount can be transferred to Akaun Fleksibel.

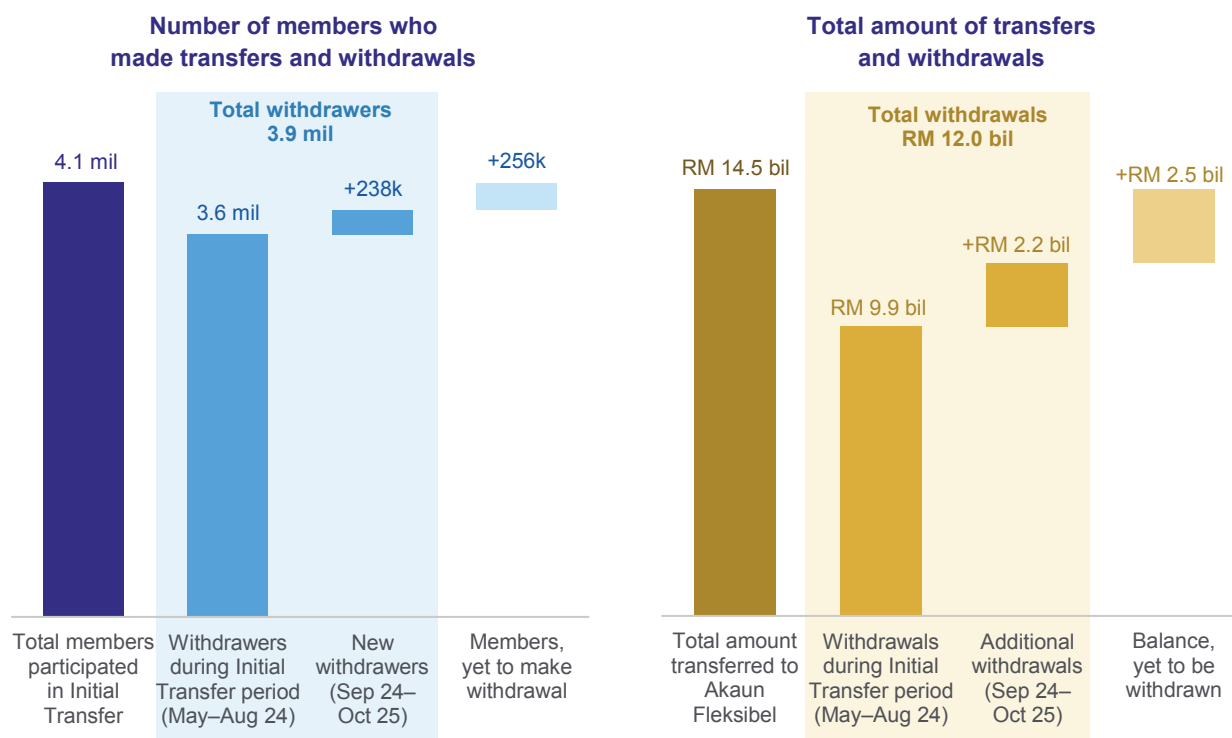
Note:

Members who did not opt in during the Initial Transfer period will begin with a zero balance in Akaun Fleksibel and accumulate savings only through incoming contributions.

Source: EPF (2024a)

During the Initial Transfer period, which ended on 31 August 2024, 4.1 million members opted to transfer their savings into Akaun Fleksibel, amounting to RM14.5 billion in total. As of October 2025, 3.6 million of these members (88.1%) had proceeded to make at least one withdrawal, while the remaining 11.9% had not initiated any withdrawal activity—suggesting that a small segment may have opted in as a precaution rather than with immediate intent to withdraw (Figure 2.2). Of the RM14.5 billion transferred, RM2.5 billion remains untapped in Akaun Fleksibel as of October 2025, retained by members who have yet to withdraw and those who have withdrawn only part of their transferred amount.

Figure 2.2: Participation in Initial Transfer and withdrawal activities, May '24–Oct '25



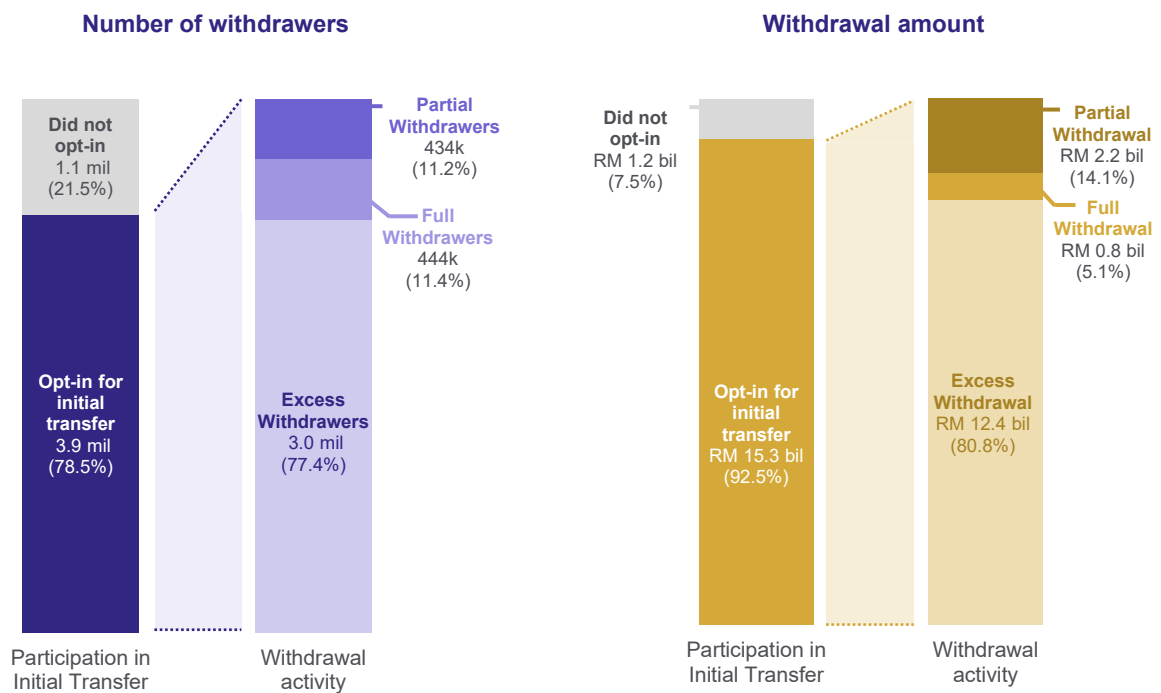
Note: Statistics generated from Initial Transfer transaction data. Participation of withdrawers for Initial Transfer is as of August 2024, withdrawal activity is until October 2025.

Source: EPF (2025a)

As mentioned earlier, as of October 2025, close to 5.0 million members have withdrawn a cumulative RM16.6 billion from Akaun Fleksibel. This figure includes the 3.9 million members who opted for the Initial Amount Transfer, as well as approximately 1.1 million members who did not, yet collectively withdrew RM1.2 billion solely from new contributions and dividends, without any transferred balance from Akaun Sejahtera.

Figure 2.3 presents the breakdown of Akaun Fleksibel withdrawal activities. The blue bars on the left show the composition of withdrawers by type, while the yellow bars on the right show the corresponding withdrawal amounts. Among the 3.9 million who opted for the initial transfer, the majority (77.4%) were excess withdrawers (defined as those who withdrew more than the initial transferred amount), indicating continued engagement with the facility. Meanwhile, 11.2% were partial withdrawers, reflecting more cautious or limited immediate needs, while the remaining 11.4% were full withdrawers, suggesting either a one-off withdrawal decision or constraints related to low balances.

Figure 2.3: Breakdown of Akaun Fleksibel withdrawal activities, May '24–Oct '25



Note: Statistics generated from Akaun Fleksibel withdrawal transactions. Participation of Initial Transfer is as of August 2024, withdrawal activity is until October 2025.
 Source: EPF (2025a)

Payment for nearly all withdrawals was made via direct credit, reflecting the default and preferred disbursement method. Between May 2024 and October 2025, over 99.7% of transactions amounting to more than 25 million payments were processed through direct credit. Alternative channels such as banker’s cheque, replacements of direct credit with cheques, and payment orders accounted for a negligible share of disbursements, collectively representing less than 0.3% of total transactions. This distribution underscores the operational efficiency and member preference for direct credit. Meanwhile, the minimal use of manual or paper-based methods reflects exceptional cases, such as account mismatches or manual system overrides triggered by validation failures or special processing requirements.

2.2. Patterns in Withdrawal Behaviour

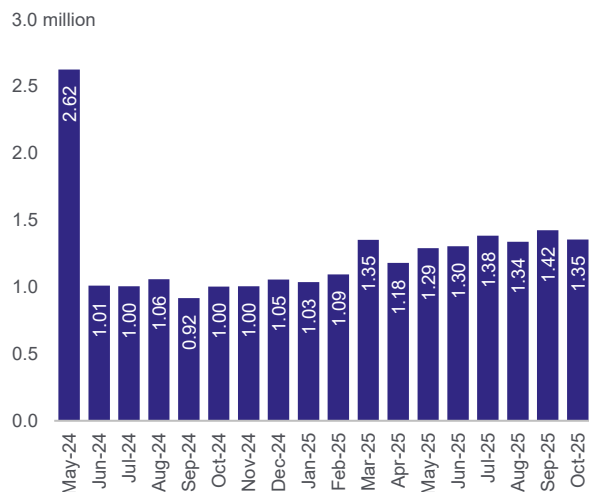
Withdrawal Trend Over Time

The cumulative figures presented earlier reflect the broad initial uptake of the facility, representing 37.0% of the 13.3 million eligible EPF members below the age of 55, both active and inactive contributors. However, monthly withdrawal activities reveal a clear temporal pattern, marked by an initial surge, followed by tapering and eventual stabilisation.

At the outset, in May 2024, 2.6 million members made withdrawals. This represents the highest monthly member count observed, largely driven by the amount transferred during the Initial Transfer period. The figure declined sharply in June and July, averaging around 1.0 million monthly withdrawers, and continued to moderate over the latter half of 2024. A rebound to 1.4 million was recorded in March 2025, coinciding with the dividend announcement month, before stabilising at approximately 1.3 million members (Figure 2.4).

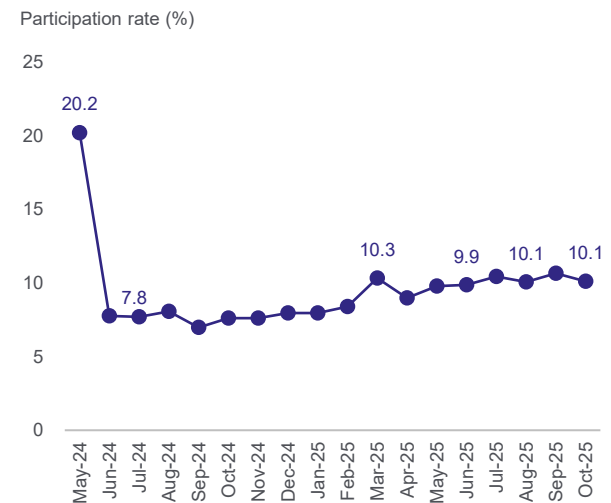
The trend in the participation rate among members below the age of 55 mirrored this trajectory. As shown in Figure 2.5, the proportion of withdrawing members peaked at 20.2% in May 2024, before shrinking to around 8.0% from June 2024 onward. A notable uptick occurred in March 2025, reaching 10.3% (the highest prevalence rate since the initial launch). This implies a shift from widespread early engagement to more selective withdrawals at a normalised, steady rate.

Figure 2.4: Number of Akaun Fleksibel withdrawers, May '24–Oct '25



Note: Only members below the age of 55 are eligible to make withdrawals from Akaun Fleksibel
Source: EPF (2025a)

Figure 2.5: Participation rate in Akaun Fleksibel withdrawals, May '24–Oct '25

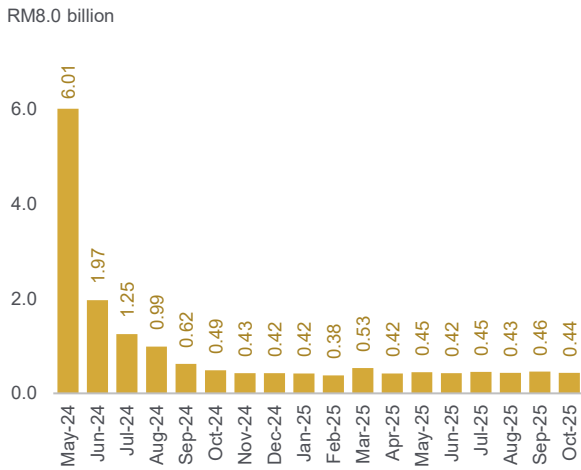


Note: Participation rate is calculated as the number of members who made Akaun Fleksibel withdrawals in a given month, divided by the total number of EPF members below age 55
Source: EPF (2025a)

Withdrawal amounts followed a similar trend (Figure 2.6). The initial wave in May 2024 saw RM6.01 billion withdrawn, after which monthly withdrawal amounts declined exponentially, falling to RM1.97 billion in June 2024 and continuing downward to RM0.99 billion in August 2024. From September to December 2024, the amount withdrawn tapered to around RM0.50 billion monthly, likely reflecting the depletion of initially transferred balances or a shift toward more deliberate financial behaviour. Between January and October 2025, monthly withdrawal amounts remained relatively stable (ranging between RM0.42 billion and RM0.53 billion), with a slight uptick in March, possibly linked to seasonal or dividend-related factors.

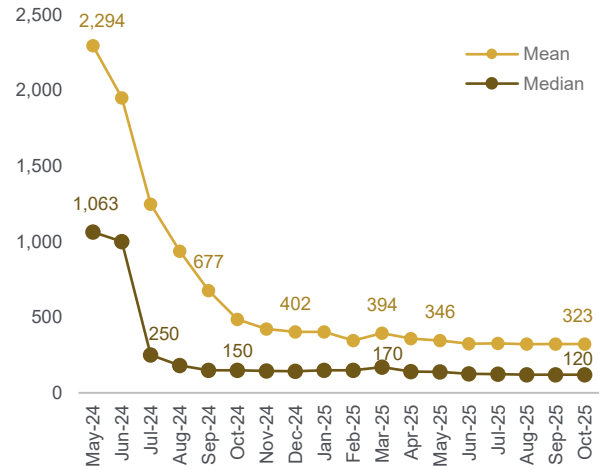
Consistent with this pattern, the average withdrawal amounts per member also declined and stabilised over time (Figure 2.7). In May 2024, the mean withdrawal stood at RM2,294, largely driven by the one-off initial transfers. The mean values dropped sharply to RM677 in September 2024 and further to RM402 in December 2024, before stabilising around RM330 from January to October 2025. Median values exhibited a similar downward trend, remaining consistently lower throughout the period (ranging from RM1,063 in May 2024 to RM120 in October 2025). The persistent gap between mean and median values suggests a skewed distribution, where a small number of high-amount transactions continued to inflate the average despite most members withdrawing modest sums. This trend also points to a shift from lump-sum withdrawals toward more routine, contribution-based engagement.

Figure 2.6: Amount of Akaun Fleksibel withdrawals, May '24–Oct '25



Source: EPF (2025a)

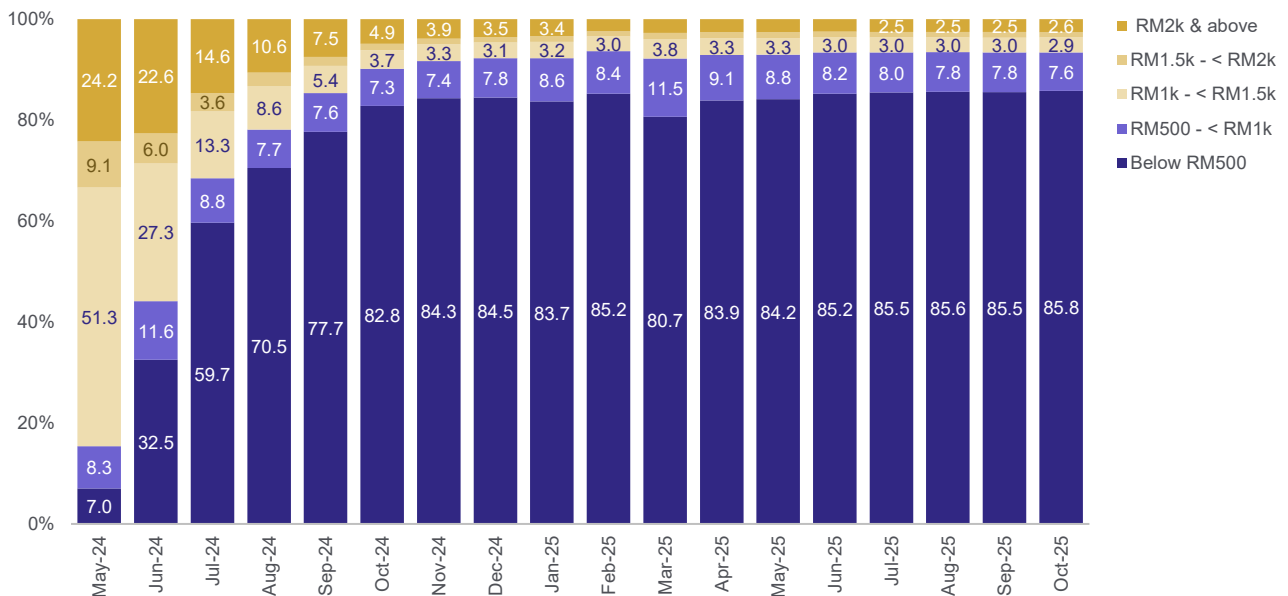
Figure 2.7: Median and mean withdrawal amount per member, May '24–Oct '25



Source: EPF (2025a)

The behavioural shift is further reflected in the distribution of monthly withdrawal amounts per member, as illustrated in Figure 2.8. During the initial phase (May–July 2024), mid- and higher-range withdrawals (RM1,000 and above) were more prominent, reflecting early engagement following the initial transfer of funds. From August 2024 onward, the distribution stabilises. Withdrawals below RM500 consistently accounted for the largest share, while higher-amount withdrawals appear less frequently. Mid-range withdrawals (RM500–RM999) remain moderately represented throughout the period.

Figure 2.8: Breakdown of withdrawers, by monthly withdrawal ranges per member, May '24–Oct '25



Source: EPF (2025a)

While average withdrawal patterns suggest moderate use of Akaun Fleksibel, aggregate indicators can mask important variation in how members engage with the facility. A closer examination of transaction-level data highlights a small group of members who make repeated withdrawals within a single month, offering additional insight into intensive withdrawal behaviours that are not visible when observing the average trend alone. Box 2.2 examines these withdrawal outliers in greater detail.

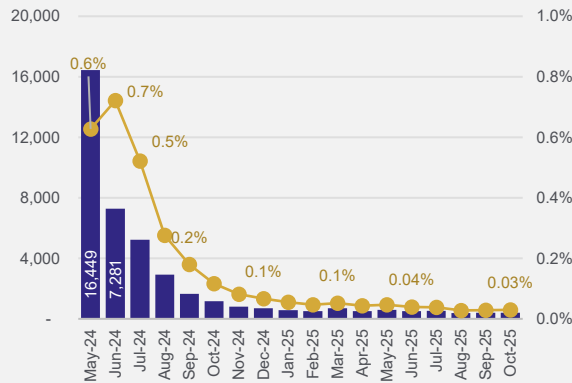
Box 2.2: Beyond the Average: A Closer Look at Withdrawal Outliers

Earlier analyses have primarily focused on the number of members making withdrawals each month. However, this metric does not capture the full extent of transactional activity, as individual members may make multiple withdrawals within the same month. On average, monthly withdrawal transactions per active user fluctuated between 1.07 times in October 2025 and 1.25 times in May 2024. This indicates that some members typically made slightly more than one withdrawal per month—a pattern suggestive of moderate engagement overall.

A closer examination of transaction-level data reveals a small but notable subset of high-frequency users who engage more intensively with the withdrawal facility. While most members made only one or two withdrawals per month, a few outliers recorded significantly higher activity. Notably, the proportion of members making more than five withdrawals per month is small, accounting for less than 1.0% of total withdrawers (Figure 2.9). Yet, their behaviour offers valuable insight into how some users interact with liquidity and withdrawal features.

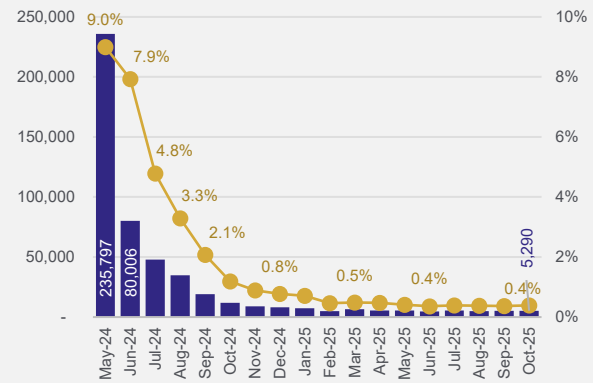
The group saw its highest uptake in the launch month (May 2024), with 16,449 members, before declining by nearly half to 7,281 in June, still reflecting a relatively high level of engagement. Between July and December 2024, the number of high-frequency withdrawers fell from around 5,000 to 700. Throughout 2025, monthly figures stabilised at an average of approximately 500, underscoring the persistence of intensive engagement within a small segment of members.

Figure 2.9: Monthly withdrawals ≥5 times: count and share of total withdrawers, May '24–Oct '25



Note: The right-hand side (RHS) axis shows the share of withdrawers aged under 55 making ≥5 monthly withdrawals
Source: EPF (2025a)

Figure 2.10: Monthly withdrawals ≥RM5000: count and share of total withdrawers, May '24–Oct '25



Note: The right-hand side (RHS) axis shows the share of withdrawers aged under 55 with monthly withdrawal amounts of ≥RM5,000
Source: EPF (2025a)

As presented earlier, most members withdrew modest sums, typically below RM500 monthly. Nonetheless, a small group of high-amount withdrawers with withdrawals above RM5,000 per month stands out, shaping overall withdrawal volume. In May 2024, this segment peaked at over 235,000 withdrawers, accounting for 9.0% of total monthly withdrawers (Figure 2.10).

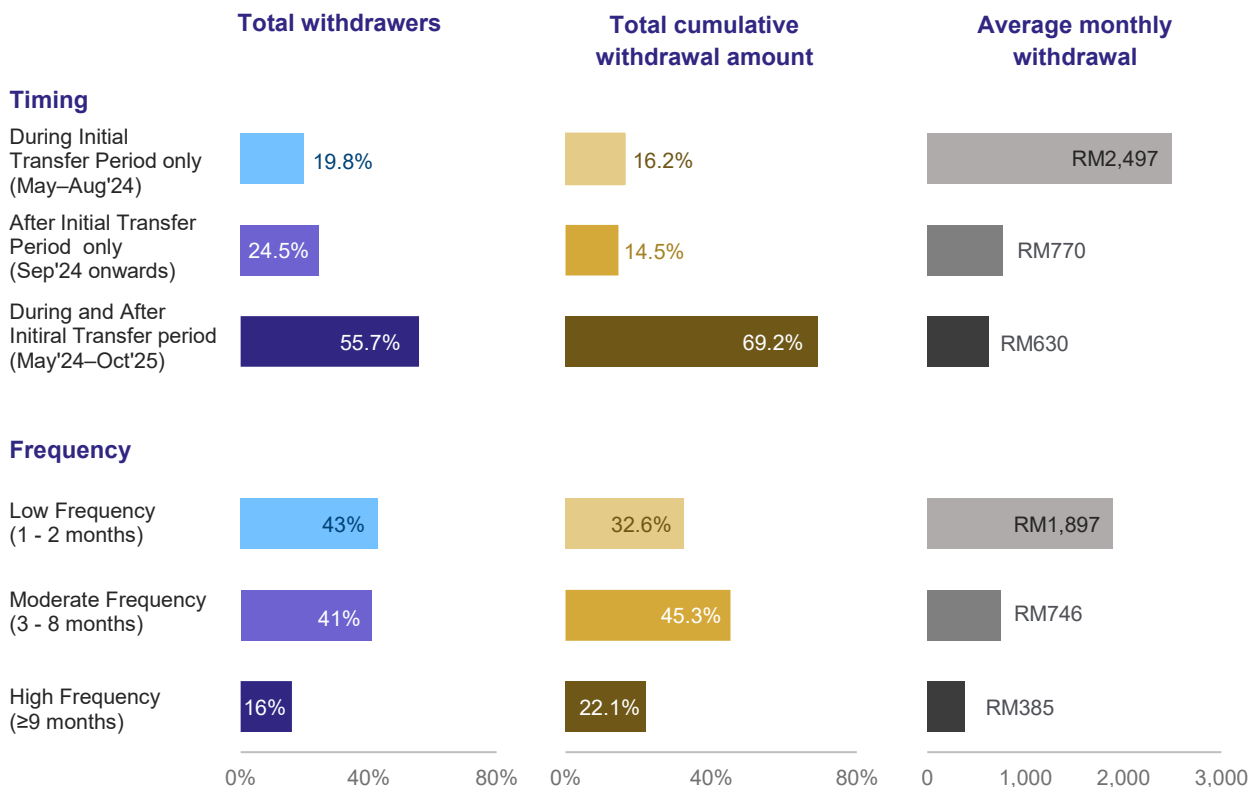
By June 2024, their numbers dropped sharply to 80,006, though they still comprised 7.9% of the total monthly withdrawers. Their share declined steadily—from 4.8% (18,445) in July 2024 to just 0.4% (5,290) by October 2025, indicating a rapid tapering of high-value withdrawals. While the absolute number of such withdrawers fell markedly, their early prominence underscores their outsized influence on aggregate withdrawal trends during the initial rollout phase.

Overall, the analysis for the period from May 2024 to October 2025 indicates a normalisation in usage behaviour, with members transitioning from one-off withdrawals to more sustained, contribution-based engagement. Monthly prevalence has stabilised at around 10% since September 2024, reflecting a shift from widespread early participation to more selective, need-driven usage. The Initial Transfer period between May and August 2024 marked a pivotal launch phase, accounting for approximately 27.7% of total withdrawal transactions and 61.7% of the cumulative withdrawal amounts recorded by October 2025. This concentrated activity underscores the significance of the initially transferred balances mechanism in shaping early engagement. Subsequent patterns suggest that members are increasingly drawing from new contributions rather than from the initial balances, indicating a behavioural shift toward routine liquidity access and more deliberate financial decision-making.

Timing and Frequency

Next, the analysis examines members’ withdrawal behaviour between May 2024 and October 2025, segmented by timing and frequency, to provide more nuanced insights into how they engage with the facility. Figure 2.11 presents the breakdown of withdrawers based on how often they accessed their funds (whether occasionally, at specific moments, or on a regular monthly basis). The insights from this pattern will be useful in interpreting how members utilise the withdrawal flexibility to meet different financial needs, which will be explored in the subsequent chapter.

Figure 2.11: Breakdown of withdrawers, by timing and frequency, May '24–Oct '25



Source: EPF (2025a)

The largest group comprised members who made withdrawals throughout the period from May 2024 to October 2025, which includes intermittent and monthly withdrawers. This segment included 2.75 million members, representing 55.7% of all withdrawers. Collectively, they withdrew RM11.4 billion, accounting for 69.2% of the total withdrawal amount. Despite their size and extended withdrawal period, they recorded the lowest average monthly withdrawal at RM630, indicating smaller but more frequent transactions.

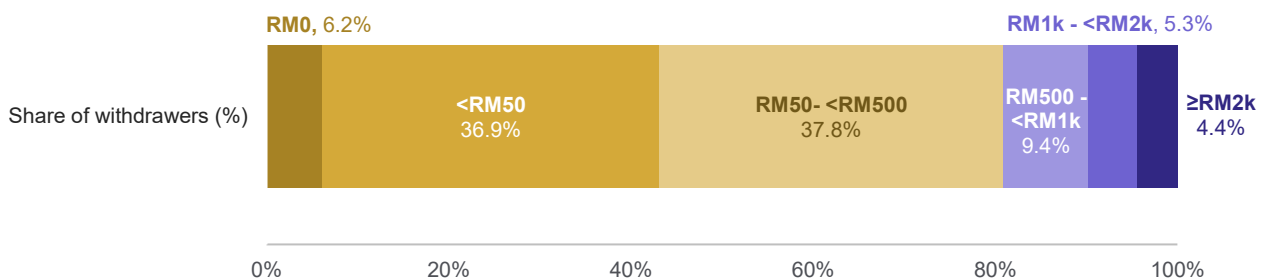
Another significant segment comprised of members who withdrew after the Initial Transfer period from September 2024 onwards. This group included 1.14 million members or 24.5% of total withdrawers. Collectively, they withdrew RM2.2 billion, accounting for 14.5% of the total withdrawal amount recorded, with an average monthly withdrawal of RM770.

A smaller group of less than 1.0 million members (19.8%) withdrew only during the Initial Transfer period between May and August 2024. Despite their small share of members, this group withdrew RM2.7 billion within just four months, accounting for 16.2% of the total withdrawal amount (slightly higher than the group that withdrew only after the Initial Transfer period). This group also recorded the highest average monthly withdrawal across all segments, at RM2,497, an elevated figure that reflects the availability of funds from the initial transfer opt-in.

Lastly, among those who withdrew during and after the Initial Transfer period, a small group can be classified as monthly withdrawers. These were members who made withdrawals on a monthly basis since the introduction of the facility. They account for just 30,648 members or 0.6% of the total. Despite their consistent engagement, their withdrawals totalled RM176 million, contributing only 1.1% to the overall amount withdrawn. Over the 18-month period from May 2024 to October 2025, withdrawals averaged approximately RM318 per member per month. This average is largely driven by substantial withdrawals in the first month. When the first month is excluded, the average falls to RM162 per member per month. This highlights that monthly access remains an exceptionally uncommon pattern among EPF members, both in terms of participation and the relative scale of funds accessed.

Turning to account balances, Figure 2.12 presents the distribution of Akaun Fleksibel balances as of October 2025 among members who made at least one withdrawal. The majority of withdrawers (80.9%) held less than RM500 in their accounts, indicating a strong concentration in the lowest balance category. Among them, 6.2% had fully depleted their savings in Akaun Fleksibel. A further 9.4% and 5.3% held balances between RM501–RM1,000 and RM1,001–RM2,000, respectively. Notably, just 4.4% of members held more than RM2,000, suggesting that higher balances are relatively uncommon among those who had made withdrawals (whether recently or in the past, and whether once or on multiple occasions).

Figure 2.12: Breakdown of withdrawers, by Akaun Fleksibel balance, as at Oct '25



Source: EPF (2025a)

2.3. Demographic Profile of Withdrawers

This section examines who is engaging with Akaun Fleksibel, highlighting demographic distributions and how different member groups interact with the facility. It later revisits withdrawal timing and frequency discussed briefly in the earlier section to explore how the timing and regularity of withdrawals vary across demographic groups. Finally, the analysis takes a step further by employing regression analysis to assess the relative influence of sociodemographic factors on withdrawal frequency and withdrawal amount.

Withdrawers and Withdrawal Amounts

Table 2.2 shows the demographic breakdown of Fleksibel withdrawers and their withdrawal amounts for the period from May 2024 to October 2025. Column 4 shows the proportion of members making withdrawals across selected demographic groups, while Column 6 presents the corresponding distribution of total withdrawal amounts.

Overall, the distribution of withdrawers broadly reflects the composition of EPF members, suggesting that the facility is being accessed proportionately across the EPF member base. However, differences in withdrawal amounts highlight more nuanced behavioural patterns across subgroups, reflecting varying financial capacities and circumstances.

By gender, male members account for a higher share of both withdrawers (57.5%) and withdrawal amounts (60.7%) compared to female members. This suggests that males not only participated more actively in withdrawal activities but also tend to withdraw larger sums on average than females, possibly reflecting differences in income levels, account balances, or household financial roles.

By ethnic group, Malay members formed the largest share of withdrawers (64.1%) but accounted for a smaller proportion of withdrawal amounts (57.8%). In contrast, Chinese members, who comprised 11.7% of withdrawers, accounted for 22.7% of withdrawal amounts, pointing to higher-value withdrawals on average. Indians, other Bumiputeras and other ethnic groups remain proportionate across both measures.

By age group, members under 30 represented 34.5% of withdrawers but only 15.1% of withdrawal amounts, suggesting frequent but lower-value withdrawals. Conversely, members aged 40–49, who made up 22.8% of withdrawers, accounted for the largest share of withdrawal amounts (42.1%), reflecting higher-value withdrawals. Members aged 50 and above comprised just 6.9% of withdrawers, reflecting reduced reliance on Akaun Fleksibel, potentially due to the availability of Age 50 and Age 55 facilities that offer more direct access to retirement savings. However, they contributed 10.3% of total withdrawal amounts, indicating higher-value withdrawals within this group.

By member status⁴, active members overwhelmingly dominated both participation and withdrawal amounts, comprising 85.8% of all withdrawers and accounting for 90.0% of the total withdrawal amount. Inactive members, although representing 14.2% of withdrawers, accounted for a disproportionately lower share of withdrawal amounts (10.0%), indicating a lower average withdrawal per person. Notably, inactive member participation was concentrated during the early phase of the rollout, largely driven by the withdrawal of initial transfer funds. A monthly trend analysis reveals that inactive members made up only around 1.0% of total withdrawers throughout 2025. This share rose slightly to 1.4% in March, coinciding with the annual dividend distribution, which may have temporarily incentivised withdrawals.

⁴ Member status is classified based on contribution activity over the past 12 months. Active members refer to those who have made at least 1 contribution in the past 12 months. Inactive members are those who have not made any contributions in the past 12 months. Members with Unknown status refer to those whose accounts are dormant/cancelled are not shown in the analysis.

By employment type, members working in the formal sector (defined as those with employers co-contributing to EPF), constituted the vast majority of withdrawers (84.6%) and accounted for 89.2% of total withdrawal amounts. In contrast, informal sector members represented only 1.2% of withdrawers and contributed 1.0% of withdrawal amounts. This disparity in participation likely reflects lower average account balances among informal workers, rather than lower need or reliance. Their limited withdrawal volume may stem from constrained savings capacity rather than behavioural differences alone. The remaining 14.2% of members fall under the "Others" category, where employment status (whether formal or informal) could not be determined. This group contributed 9.8% of the total withdrawal amount, suggesting that while their employment classification is unclear, their withdrawal activity remains relatively substantial largely during the Initial Transfer period between May and August 2024.

Beyond demographic characteristics, financial capacity (reflected in members' earnings⁵ and savings levels) plays a significant role in shaping withdrawal behaviour. Members earning below RM3,000 per month make up the largest share of withdrawers (51.1%). This closely mirrors the overall member distribution, which is concentrated in this lower-income segment. However, this group accounted for only 28.6% of total withdrawal amounts, indicating that while withdrawal activity is prevalent, the amounts withdrawn tend to be smaller. This pattern likely reflects immediate liquidity needs and limited savings balances among lower-income members. Members classified with RM0 earnings are those whose monthly earnings could not be imputed from contribution records (e.g. due to absent or irregular contribution patterns). They accounted for 15.5% of withdrawers and 10.9% of withdrawal amounts, likely reflecting withdrawals through the one-off initial transfer into Akaun Fleksibel. Higher-income members earning RM10,000 and above made up just 4.0% of withdrawers but held 17.7% of withdrawal amounts, indicating higher-value withdrawals per member. Middle-income groups (RM3,001–RM10,000) showed relatively balanced participation and withdrawal proportions, indicating more consistent engagement with the facility.

By total savings levels, members with RM10,001–RM50,000 comprised the largest group of withdrawers (43.9%) but contributed 33.0% of amounts, reflecting frequent but modest withdrawals. In contrast, those with RM100,001–RM500,000 made up 20.6% of withdrawers and accounted for only 8.8% of amounts. Members with ≤RM10,000 in savings represented 19.0% of withdrawers but 26.0% of withdrawal amounts, while those with over RM500,000 constituted only 1.3% of withdrawers yet contributed 4.6% of withdrawal amounts. This indicates substantial withdrawals per member at the upper end of the savings distribution.

Overall, participation in Akaun Fleksibel withdrawals broadly mirrors the EPF membership profile. The share of amounts withdrawn was not proportional to the share of withdrawers, reflecting differences in financial capacity and life circumstances across member groups. Males withdraw more frequently and in larger sums than females, while Chinese members, despite forming a smaller share of withdrawers, accounted for disproportionately higher withdrawal values compared to Malays and Indians. Younger members (below 30) tend to make smaller, more frequent withdrawals, whereas those in their 40s held the largest share of withdrawal amounts. Active members overwhelmingly dominated participation, with inactive members' withdrawal activities were concentrated in the early months of rollout. Withdrawals were almost entirely driven by formal sector members, with those in the informal sector contributing only marginally. By financial capacity, lower-income members made up the bulk of withdrawers but withdrew smaller amounts. Meanwhile, higher-income members with greater EPF savings, though fewer in number, accounted for a larger share of withdrawal amounts.

⁵ As EPF does not directly collect individual earnings data, earning information is imputed from monthly contribution amounts, assuming standard statutory rates.

Table 2.2: Breakdown of withdrawers, withdrawal amount and average monthly withdrawal per member by selected demographic groups, May '24–Oct '25

Demographic	Sub-group	Withdrawers (mil)	Withdrawers (%)	Withdrawal amount (RM bil)	Withdrawal amount (%)	Average monthly withdrawal per member (RM)
Total (n)		5.0	100	16.6	100	740
Gender	Male	2.8	57.5	10.1	60.7	753
	Female	2.1	42.5	6.5	39.3	720
Ethnic group	Malay	3.2	64.1	9.6	57.8	637
	Other Bumiputera	0.7	14.0	1.6	9.7	496
	Chinese	0.6	11.7	3.8	22.7	1,825
	Indian	0.4	8.0	1.3	8.0	838
	Others	0.1	2.2	0.3	1.8	632
Age group	<25	0.6	12.5	0.6	3.9	259
	25 - 29	1.1	22.0	1.9	11.2	356
	30 - 34	1.0	19.9	2.4	14.6	496
	35 - 39	0.8	16.0	3.0	17.9	768
	40 - 44	0.6	12.9	3.4	20.6	1,210
	45 - 49	0.5	9.9	3.6	21.5	1,823
	≥50	0.3	6.9	1.7	10.3	1,455
Member status	Active	4.2	85.8	14.9	90.0	700
	Inactive	0.7	14.2	1.6	10.0	1543
Employment type	Formal	4.2	84.6	14.8	89.2	695
	Informal	0.1	1.2	0.2	1.0	1,723
	Others	0.7	14.2	1.6	9.8	1,543
Earnings bracket	RM0	0.8	15.5	1.8	10.9	1,543
	<RM3k	2.5	51.1	4.7	28.6	393
	RM3k - <RM5k	0.9	18.7	3.5	21.3	668
	RM5k - <RM10k	0.5	10.7	3.5	21.4	1,228
	≥RM10k	0.2	4.0	2.9	17.7	3,033
Akaun Fleksibel balance	RM0	0.3	6.2	1.0	5.8	400
	<RM50	1.8	36.9	4.4	26.4	442
	RM50 - <RM500	1.9	37.8	5.5	33.0	696
	RM500 - <RM1k	0.5	9.4	1.8	10.8	1,619
	RM1k - <RM2k	0.3	5.3	1.5	8.8	2,532
	≥RM2k	0.2	4.4	2.5	15.0	4,694
Savings bracket	<RM10k	0.9	19.0	0.8	26.4	309
	RM10k - <RM50k	2.2	43.9	3.7	33.0	339
	RM50k - <RM100k	0.8	15.2	2.4	10.8	669
	RM100k - <RM500k	1.0	20.6	8.1	8.8	1,604
	RM500k - <RM1m	0.1	1.1	1.3	15.0	5,050
	≥RM1m	0.0	0.2	0.3	4.6	10,758

Note: Average monthly withdrawal is calculated as the total amount withdrawn divided by the total number of withdrawal months across individuals. For example, if member A withdrew RM1,000 over 10 months and member B withdrew RM500 over 5 months, the average monthly withdrawal is RM1,500 divided by 15 months, or RM100 per month.

Source: EPF (2025a)

Demographic Differences in Timing and Frequency

Building on the aggregated withdrawal patterns discussed earlier in Section 2.2, the next analysis dissects variations in withdrawal timing and regularity across demographic groups. While the previous section focused solely on withdrawers, the analysis here expands to include all EPF members. Figure 2.13 presents overall participation (including non-participants), by distinguishing between members who made withdrawals and those who did not. Withdrawers are segmented by timing and frequency of withdrawals (represented in varying shades of blue). Non-withdrawers are differentiated by their retained Akaun Fleksibel balances as of October 2025 (represented in grey tones). This colour-coded structure highlights both the intensity of engagement among withdrawers and the funds retained by non-withdrawers.

As highlighted earlier, between May 2024 and October 2025, the participation rate among eligible EPF members below the age of 55 who made at least one withdrawal stood at around 37%. Withdrawal activity was concentrated among those who made withdrawals across the reference period and those who withdrew after the initial transfer period. Among those who made withdrawals across the reference period, a higher proportion made withdrawals in up to six different months, while the share withdrawing in more than six months was comparatively lower.

Comparison by gender shows that male members consistently exhibited higher participation across all periods. During the Initial Transfer period, participation was 7.9% among males compared with 6.7% among females. After the Initial Transfer period, the figures were 9.6% and 8.5% respectively. A greater share of male members also engaged in withdrawals throughout the reference period (23.6% compared with 17.4% among females). However, the proportion of members retaining balances of RM50 or more was nearly identical, at 25.7% for males and 29.2% for females, indicating broadly similar end-state outcomes across genders.

By ethnicity, participation in withdrawal activities appears higher among Bumiputera (Malay and Other Bumiputera), Indians and other ethnic groups, compared with Chinese. The shares of withdrawals through the 18-month observed period were consistently high across all ethnic groups, suggesting that episodic use of Akaun Fleksibel was a common behavioural pattern regardless of ethnicity. This may reflect members' preference to access funds selectively in response to short-term needs, rather than sustained or frequent reliance. The relatively lower participation among Chinese members may point to differing financial strategies, levels of liquidity, or alternative sources of support. Regular monthly withdrawals remained minimal across all groups. Among non-withdrawers, Chinese members stood out, with more than half (51.9%) maintaining balances of RM50 or more in their Akaun Fleksibel. In contrast, a smaller share of Malay (37.4%), Indian (33.4%) and Others (46.2%) members held less than RM50, suggesting comparatively lower end-state balances within these groups.

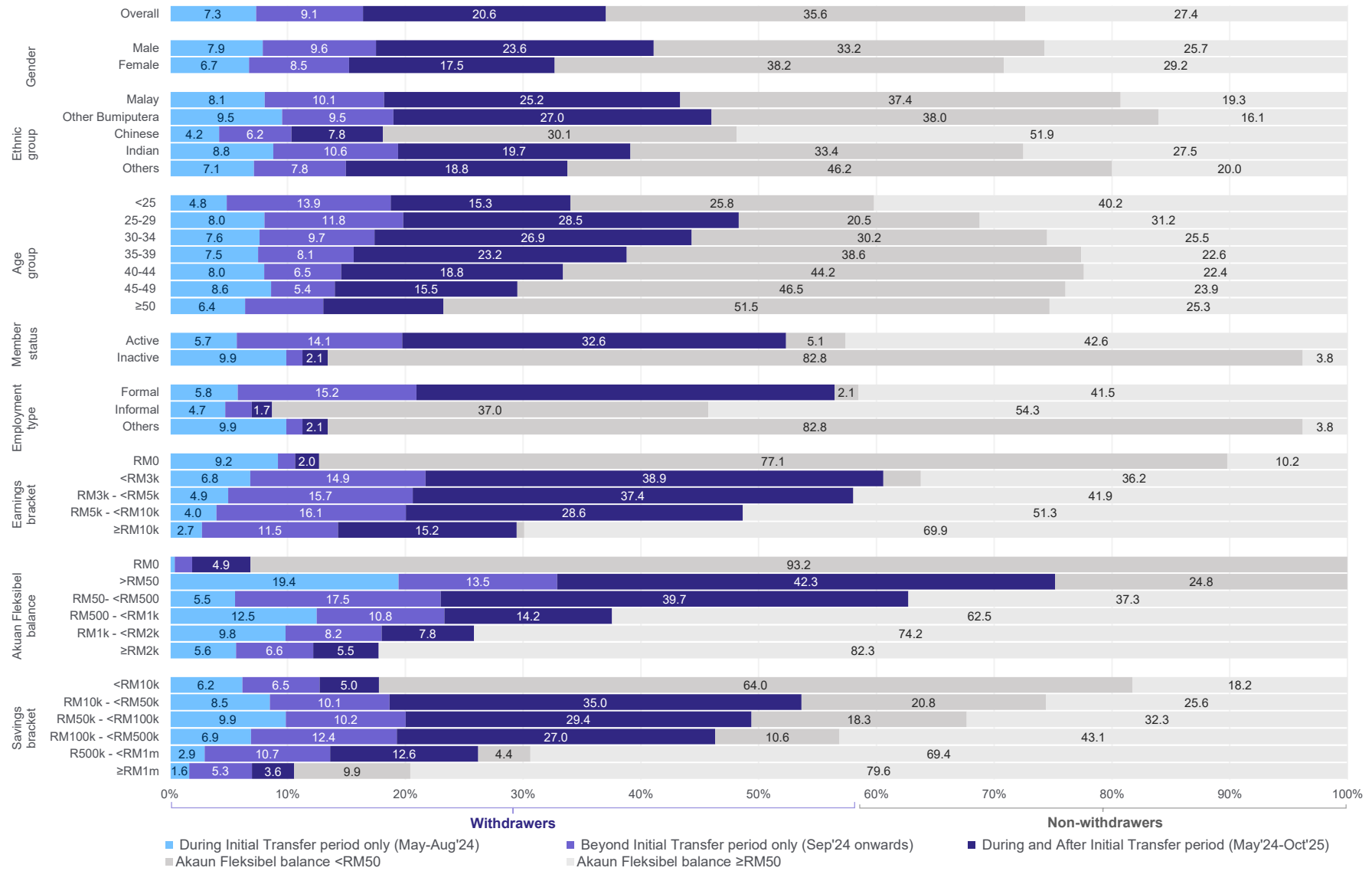
By age group, withdrawals were most common among members aged above 25 to below 40, with close to 18% making transfers during the initial period, and nearly 60% withdrawing during the entire observation period (compared with lower rates in other age groups). Smaller proportions across all age groups made transfers after the March 2025 dividend or on a monthly basis. Among non-withdrawers, younger members, particularly those below 25, recorded the highest share with balances of RM50 or more (40.2%). In contrast, the likelihood of maintaining higher balances declined with age, with a majority of those aged 40–59 holding less than RM50.

By member status and employment type, withdrawals were again concentrated during the Initial Transfer period, with limited interactions thereafter among inactive and informal sector members. Withdrawals among active and formal sector members continued beyond the Initial Transfer period, with a high proportion withdrawing throughout the 18-month period. As for non-withdrawers, active and formal sector members were more likely to hold RM50 or more, with close to half having balances above RM50.

By earnings and savings brackets, participation followed a similar pattern. Usage was concentrated during the Initial Transfer period, with limited activity thereafter. Members in lower earnings brackets (below RM3,000) were more likely to engage with the account compared with those in higher brackets, whose participation was more modest. Non-withdrawing members with higher earnings or larger savings were more likely to maintain RM50 or more in their Akaun Fleksibel, while the majority of those in lower brackets reported less than RM50.

Overall, across member characteristics, Akaun Fleksibel withdrawals were predominantly concentrated during the Initial Transfer period between May and August 2024. Nonetheless, intermittent access continued throughout the observed period for certain demographic groups, indicating sustained but selective engagement with the account. Members with lower earnings were more likely to have withdrawn during the Initial Transfer period or intermittently thereafter, showing limited retention. In contrast, higher earners and those with higher total savings tended to maintain consistent contributions, make less frequent withdrawals, and retain higher balances over time. Meanwhile, among non-withdrawers, Malays and Indians were more likely to hold balances below RM50, while Chinese members showed relatively higher balances, with nearly half maintaining RM50 or more. By age, members under 20 and those in their 20s and 30s recorded higher participation and were more likely to retain balances of RM50 or more, whereas older cohorts tended to hold smaller amounts. By member status and employment type, active members and those in formal employment were more likely to participate and to maintain higher balances, while inactive members and those in informal employment mostly reported lower balances.

Figure 2.13: Breakdown of withdrawers by major withdrawal patterns, and non-withdrawers by Akaun Fleksibel balances, as at Oct '25



Source: EPF (2025a)

Sociodemographic Drivers of Withdrawals

Building on the descriptive patterns presented in the earlier two subsections, the analysis takes one step further by applying multiple regression models to examine the factors shaping withdrawal behaviours. Specifically, we assess the association of sociodemographic predictors with two key outcomes: withdrawal frequency and withdrawal amount. This approach allows us to evaluate how sociodemographic characteristics are linked to variations in withdrawal patterns and financial decision-making. The full model specifications and results are presented in [Appendix C](#).

Regression findings point to two distinct patterns in how members engage with Akaun Fleksibel. The first reflects more frequent, low-value withdrawals among withdrawers, indicating recurring cash-flow pressures that require short-term liquidity support. The second pattern is characterised by infrequent but substantially larger withdrawals, primarily among higher-income withdrawers who appear to utilise the account as part of broader financial management strategies. Rather than signalling improper use, these divergent patterns illustrate the varied financial circumstances, and liquidity needs that co-exist among EPF members.

1. Frequent Withdrawals: Liquidity Pressures Across the Life Course

The regression results on withdrawal frequency point to a clear concentration of activity among withdrawers, particularly those in the mid-income range who face recurring monthly financial pressures. Those earning between RM5,000 and below RM10,000 make an estimated 3.13 more withdrawals than the no-income group, followed closely by those earning between RM3,000 and below RM5,000 at +3.08 withdrawals. These groups generally fall outside the scope of targeted social assistance but still contend with rising costs of living, creating a pattern of repeated small withdrawals to smooth cash flow.

Age differences mirror this broader life-cycle pattern. Relative to withdrawers aged between 18 to 24, withdrawal frequency rises among those aged 25 to 29 (+0.63) and peaks at ages 30 to 34 (+0.72), before moderating slightly among withdrawers aged 35 to 39 (+0.56). These are typically the years associated with childcare expenses, housing commitments, and education costs. Active members (defined as those contributing at least once annually) make 1.43 more withdrawals than inactive members. This pattern may reflect the ability of active members to draw on new contribution inflows to their Akaun Fleksibel, whereas inactive members lack such inflows. The association persists after controlling for income, ethnicity, EPF savings levels, and other factors.

2. Withdrawal Amount: Structural Capacity Over Behavioural Factors

A different set of dynamics emerges when examining withdrawal amounts. After controlling for structural characteristics, there is no statistically significant difference in the amount withdrawn per transaction between active and inactive members.

Higher-income withdrawers display a markedly different withdrawal pattern. Withdrawers earning RM10,000 and above withdraw approximately RM2,254 more per transaction than those with no income, consistent with planned, high-value liquidity use rather than short-term necessity. Differences across ethnic groups also remain significant even after adjusting for income: Chinese members withdraw about RM659 more per transaction than Malays, with Indians similarly withdrawing larger amounts. These patterns may point to underlying differences in financial obligations, wealth portfolios, or debt structures.

Age effects reinforce this interpretation. Withdrawers aged between 45 to 49 display the highest withdrawal amounts (+RM1,186 relative to those aged 18 to 24), consistent with higher earnings capacity and the ability to manage larger financial obligations. Meanwhile, total EPF savings show minimal influence on either frequency or amount, suggesting that withdrawal behaviour is driven more by immediate liquidity considerations than by deliberate long-term drawdown strategies.

3. Diverging Withdrawal Patterns

Overall, the two regression models highlight that Akaun Fleksibel is supporting two distinct types of financial behaviour among withdrawers. Among mid-income, working withdrawers (particularly those in their 20s and 30s), frequent small withdrawals appear to function as a short-term financial buffer, helping households manage regular expenses in the face of tight income–expense margins. This behaviour reflects liquidity management rather than mismanagement and is shaped by structural wage and expenditure pressures.

In contrast, higher-income withdrawers make fewer but significantly larger withdrawals, indicating a more strategic form of engagement. These withdrawers appear to use Akaun Fleksibel as an accessible, low-cost source of planned liquidity, aligned with broader financial planning decisions rather than immediate cash-flow shortfalls.

These diverging patterns illustrate how the same flexible withdrawal feature can serve different financial roles depending on members' life stages and income positions. While the behaviour observed across both groups is rational, it creates two separate and co-existing pressures on long-term retirement balances: (1) gradual erosion among middle-income repeated withdrawers, and (2) sizeable one-off outflows among higher-income withdrawers. Recognising these distinct behavioural profiles is key to understanding how members navigate short-term needs within a long-term savings system.

Chapter 3 Outcomes of Akaun Fleksibel Withdrawals

Understanding how members use their savings before retirement provides important insights into their short-term needs and financial resilience. Examining these patterns also helps assess whether Akaun Fleksibel has supported members in managing immediate financial pressures without undermining long-term retirement security.

This chapter explores members' use of Akaun Fleksibel and its implications for their financial circumstances, drawing on an online survey of members who utilised the facility. It reviews initial perceptions and perceived usefulness, analyses utilisation patterns across needs and demographic groups, and assesses the perceived impact in relation to members' financial behaviour and outlook. The chapter concludes by assessing how withdrawals relate to key financial outcomes and retirement adequacy.

3.1. Akaun Fleksibel Withdrawal Survey

Methodology

An online survey was conducted to obtain insights into members' experiences, perceptions and behaviours related to Akaun Fleksibel. The survey targeted only registered EPF members who have made withdrawals from Akaun Fleksibel and was run between September and November 2025. It employed a structured questionnaire comprising both closed- and open-ended questions to capture information from respondents. The survey covered several key areas, including withdrawal motivations, utilisation patterns, financial attitudes and outlook, as well as the perceived impact of withdrawals on financial security and overall wellbeing. The online mode was appropriate given that withdrawal applications are conducted via digital channels, thereby minimising exclusion risk and providing good coverage of the target population.

The survey adopted a census approach, inviting all EPF members who made withdrawals from Akaun Fleksibel between May 2024 and June 2025 to participate. In total, the survey gathered a total of 14,204 responses after data cleaning. Further details on the survey questionnaire, design and implementation are provided in [Appendix A](#). The analysis applied descriptive statistics and cross-tabulations to explore behavioural trends and demographic differences and was further strengthened by regression analysis to assess associations and their statistical significance.

Profile of Respondents

The previous chapter discussed how different demographic groups interact with the Akaun Fleksibel facility, providing a foundation for understanding behavioural differences among members. Before moving to the next stage of analysis, it is important to assess whether the demographic composition of survey respondents is broadly representative of the overall population of Akaun Fleksibel withdrawers, so as to ensure that subsequent comparisons and interpretations are meaningful and robust.

Overall, the resulting sampling distribution is broadly consistent with that of the wider population of withdrawers, lending confidence to the representativeness of the analysis. However, some groups are slightly overrepresented or underrepresented (see [Table 3.1](#)). For instance, the share of male respondents and middle working-age groups is slightly higher compared with the total population of withdrawers. To address these imbalances, post-survey weights were applied to align the respondent distribution with that of the underlying population. Further details on the demographic profile of respondents are presented in [Appendix B](#).

Table 3.1: Comparison of demographic profile between survey respondents and population of Akaun Fleksibel withdrawers

		Survey respondents (%)	Withdrawers population (%)	Point difference	Weighted distribution (%)
Gender	Male	67.5	57.8	9.7	57.6
	Female	32.5	42.2	-9.7	42.5
Age	Below 30	19.1	34.5	-15.4	34.5
	30 - 39	39.9	35.9	4.0	35.9
	40 - 49	32.3	22.7	9.6	22.7
	50 & above	8.6	6.9	1.7	6.9
Ethnicity	Malay	65.4	64.4	1.0	64.1
	Chinese	8.4	11.4	-2.9	11.7
	Indian	6.0	8.0	-2.0	8.0
	Other Bumiputera	18.0	14.1	4.0	14.0
	Others	2.1	2.2	0.0	2.2

Source: EPF (2025a, 2025b)

3.2. Perspectives on Akaun Fleksibel

As highlighted earlier, the introduction of Akaun Fleksibel generated reactions from the public. Some viewed it as a timely measure to provide short-term financial relief, particularly as many households were still recovering from the economic effects of the Covid-19 pandemic. Others, however, expressed concern that greater withdrawal flexibility might compromise long-term retirement adequacy.

Initial Reactions

Feedback from the survey indicates that the majority of respondents (93.3%) viewed it positively, recognising it as a useful facility that could be accessed when financial needs arise (Figure 3.1). This significant endorsement suggests a clear demand for greater liquidity and flexibility within the retirement savings framework, particularly among members seeking to balance short-term financial pressures with long-term security. However, it is important to note that this positive response is expected, as the survey targeted members who had already made withdrawals.

Interestingly, a smaller share of members expressed reservations, despite having withdrawn. Among them, 2.7% were concerned that the facility might encourage unnecessary or premature withdrawals, 1.8% felt it was not relevant to their financial situation, and 0.9% considered it an unwise measure that could undermine their future retirement adequacy. On balance, the overall reception was largely favourable, indicating that Akaun Fleksibel resonated with members' expectations for a more responsive and adaptable retirement savings system. While these findings provide insights into the perceptions of those who have used the facility, the views of the broader population of EPF members who did not participate in withdrawals remain unknown.

Figure 3.1: Initial perception when Akaun Fleksibel was introduced



Source: EPF (2025b)

Through the same question, respondents were able to provide comments on their experiences and views regarding Akaun Fleksibel. Members highlighted the facility as a valuable source of financial support during emergencies and period of economic hardship, particularly for those with limited or unstable income. Respondents even noted that access to the account supported mental wellbeing and contributed to improved family wellbeing.

Dapat menyimpan sebagai kegunaan kecemasan.

Able to save for emergency use.

—Malay female, aged 36

[It is] needed for us who [earn] salary less than [RM]3000.

—Sabah Bumiputera female, aged 32

Depending on purpose of usage and needs. I consider as great move.

—Chinese male, aged 34

Saya melihat sebagai kemudahan baharu untuk orang-orang bujang yang tidak mempunyai kerja tetap dan pendapatan dengan seadanya. Boleh membantu golongan yang kurang pendapatan gaji.

I see it as a new facility for single individuals who do not have stable jobs and have limited income. It can help low-income earners.

—Sarawak Bumiputera male, aged 25

Saya dapat menjaga kesihatan mental serta kesejahteraan hidup saya bersama keluarga saya masa sekarang dengan [adanya] pengeluaran wang yang telah dikumpul.

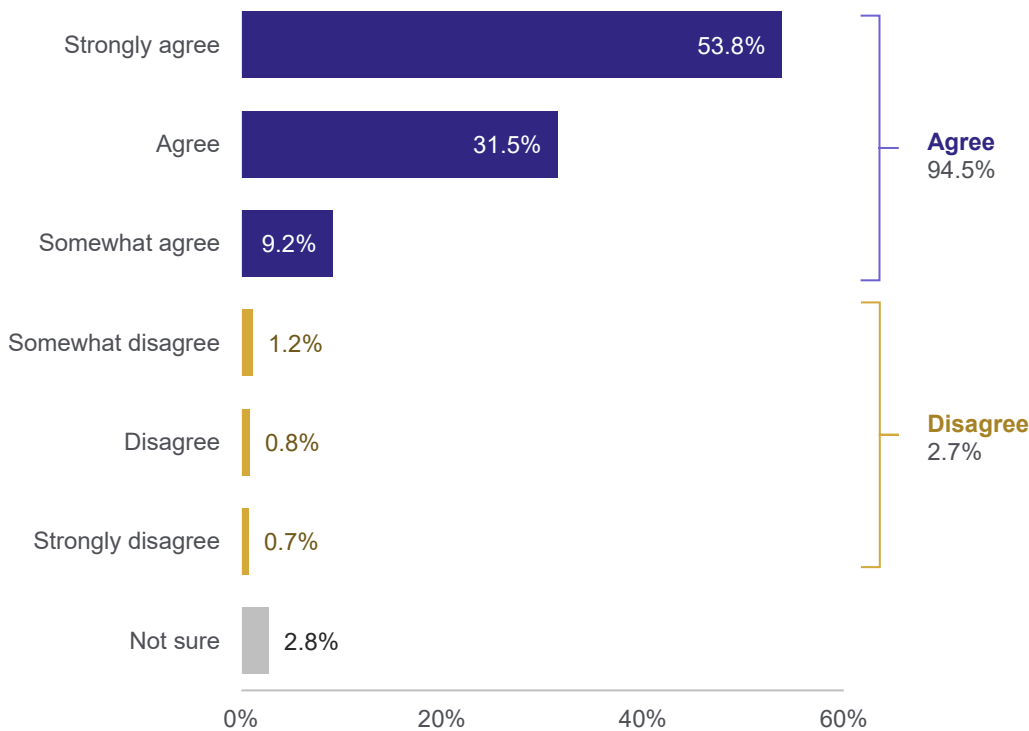
I am able to take care of my mental health and the wellbeing of my life with my family now thanks to the withdrawal of the money that has been accumulated.

—Indian male, aged 40

Historically, members' interactions with the EPF were largely limited to withdrawals from Akaun 1 or Akaun 2, which could only be accessed for specific purposes or upon reaching the statutory retirement age. This structure restricted members' ability to use their savings for immediate financial needs prior to retirement. Thus, the introduction of the flexible withdrawal facility addresses this limitation by providing members with earlier and more flexible access to a portion of their retirement savings. In turn, members can engage more frequently and proactively with their accounts.

The withdrawal facility was also intended to ensure that the EPF remains a relevant institution in members' financial decisions. To evaluate this, members who made withdrawals from Akaun Fleksibel were asked about the effect of the establishment of Akaun Fleksibel on their confidence in the EPF, not only in terms of retirement but also in facing life's challenges (see Figure 3.2). The results indicate that the majority of respondents agree that the facility has strengthened their confidence (94.5%), with around half (53.8%) reporting that they strongly agree. Conversely, only 2.7% disagreed on the statement, while 2.8% expressed that they are unsure of the effect of the newly introduced facility.

Figure 3.2: Akaun Fleksibel's effect on confidence in EPF for retirement and life needs



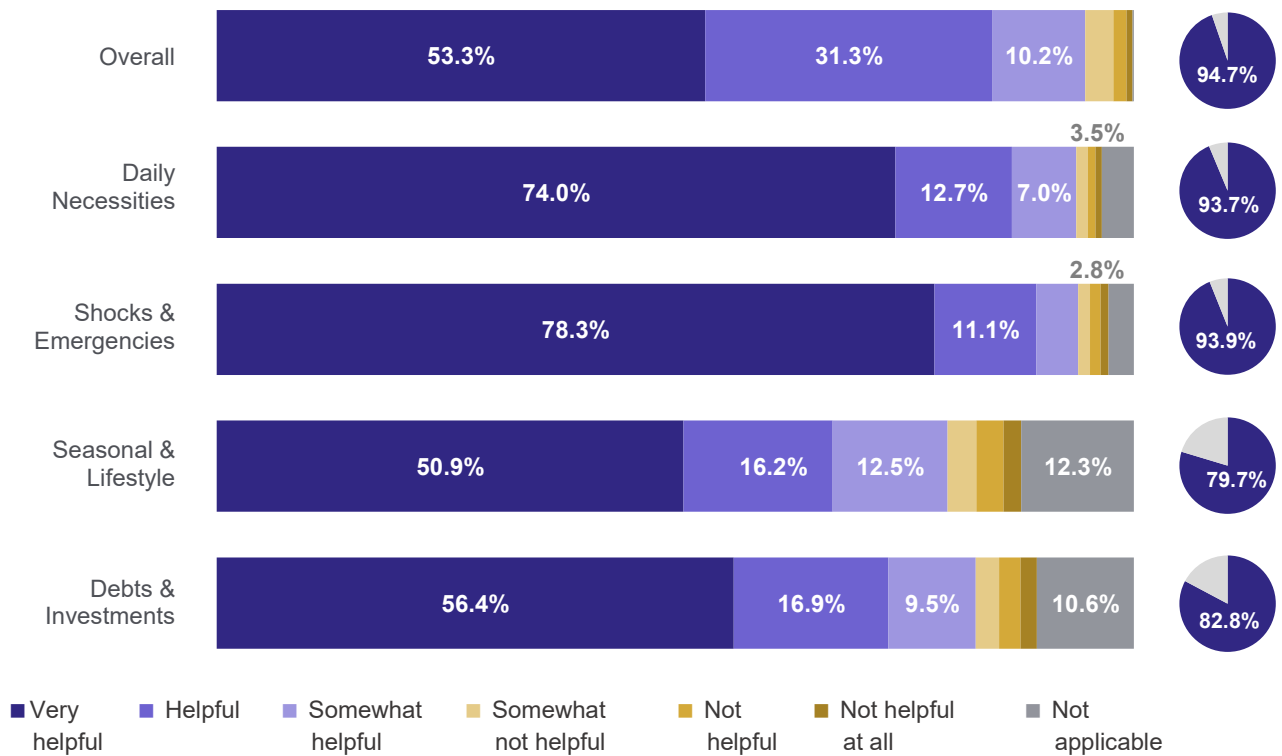
Source: EPF (2025b)

Perceived Helpfulness of Akaun Fleksibel Withdrawals as Financial Support

Next, the analysis examines its perceived usefulness in supporting members' specific financial needs. Withdrawers were asked to evaluate the helpfulness of the facility across four expense categories which are (1) Daily Necessities, (2) Shocks & Emergencies, (3) Seasonal & Lifestyle, and (4) Debts & Investments. An overall usefulness score was then calculated as the average of the scores across these four categories. Figure 3.3 shows that withdrawers consider Akaun Fleksibel to be highly useful across a range of expense categories. Overall, the majority of respondents (94.7%) found the facility helpful in meeting their financial needs. Shocks & Emergencies (93.9%) and Daily Necessities (93.7%) emerged as the areas with the strongest impact, reinforcing Akaun Fleksibel's role in supporting short-term financial stability.

The perceived usefulness of the facility was comparatively lower for managing debts and investments (82.8%) and for seasonal and lifestyle expenses (79.7%), perhaps reflecting their longer-term or discretionary nature. Similarly, these two categories also garnered the highest "Not applicable" responses (12.3% and 10.6% respectively), indicating that they are less relevant for withdrawers and vary according to individuals' financial circumstances. These findings underscore the design of Akaun Fleksibel as a flexible financial tool that supports both immediate and planned expenditures, particularly among members facing financial vulnerability.

Figure 3.3: Perceived helpfulness of Akaun Fleksibel in addressing financial needs



Note: The overall score is derived from the average of four expenditure categories: Daily Necessities, Shocks & Emergencies, Seasonal & Lifestyle, Debts & investments.
 Source: EPF (2025b)

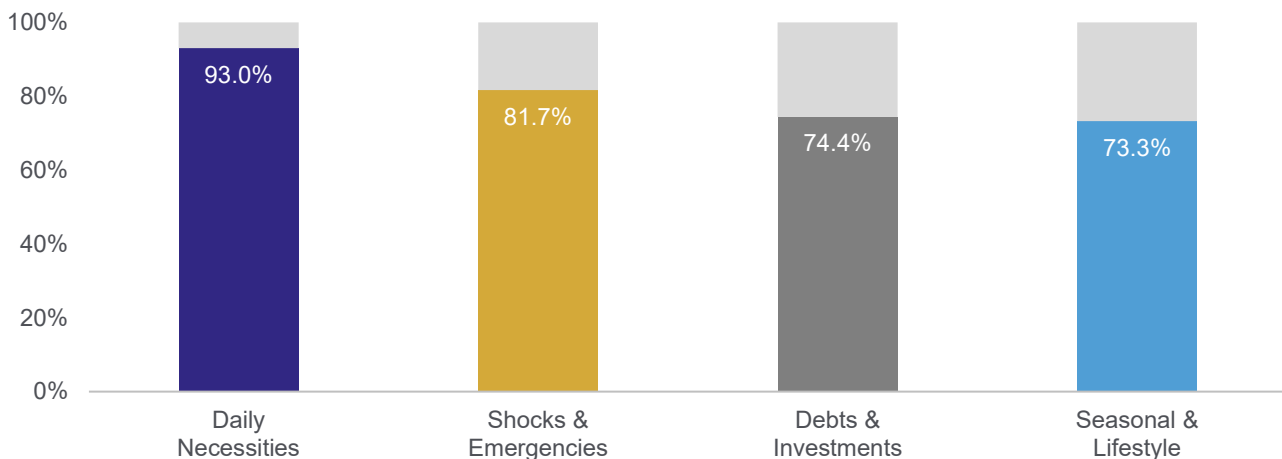
3.3. Utilisation of Withdrawals

The previous section examined withdrawers' initial perceptions of Akaun Fleksibel and its usefulness in addressing different types of financial needs. Building on that analysis, this section explores how withdrawers utilised their withdrawn savings across specific expenditure categories. Understanding these spending patterns provides valuable insights into the facility's practical role in supporting financial wellbeing, particularly in managing immediate needs, sustaining household consumption and responding to financial shocks.

Withdrawals for Different Needs

An analysis of the use of withdrawals shows that most withdrawers utilised their withdrawn savings to cover daily necessities (93%), followed by emergency-related expenses (81.7%) (Figure 3.4). This pattern aligns with earlier findings that identified these two categories as the areas where members found the facility most useful, underscoring its role in meeting immediate and recurring financial needs. In addition, nearly three-quarters of members (74.4%) used the funds for debt and investment obligations, while 73.3% directed them towards seasonal and lifestyle expenses.

Figure 3.4: Use of withdrawals by expenditure category



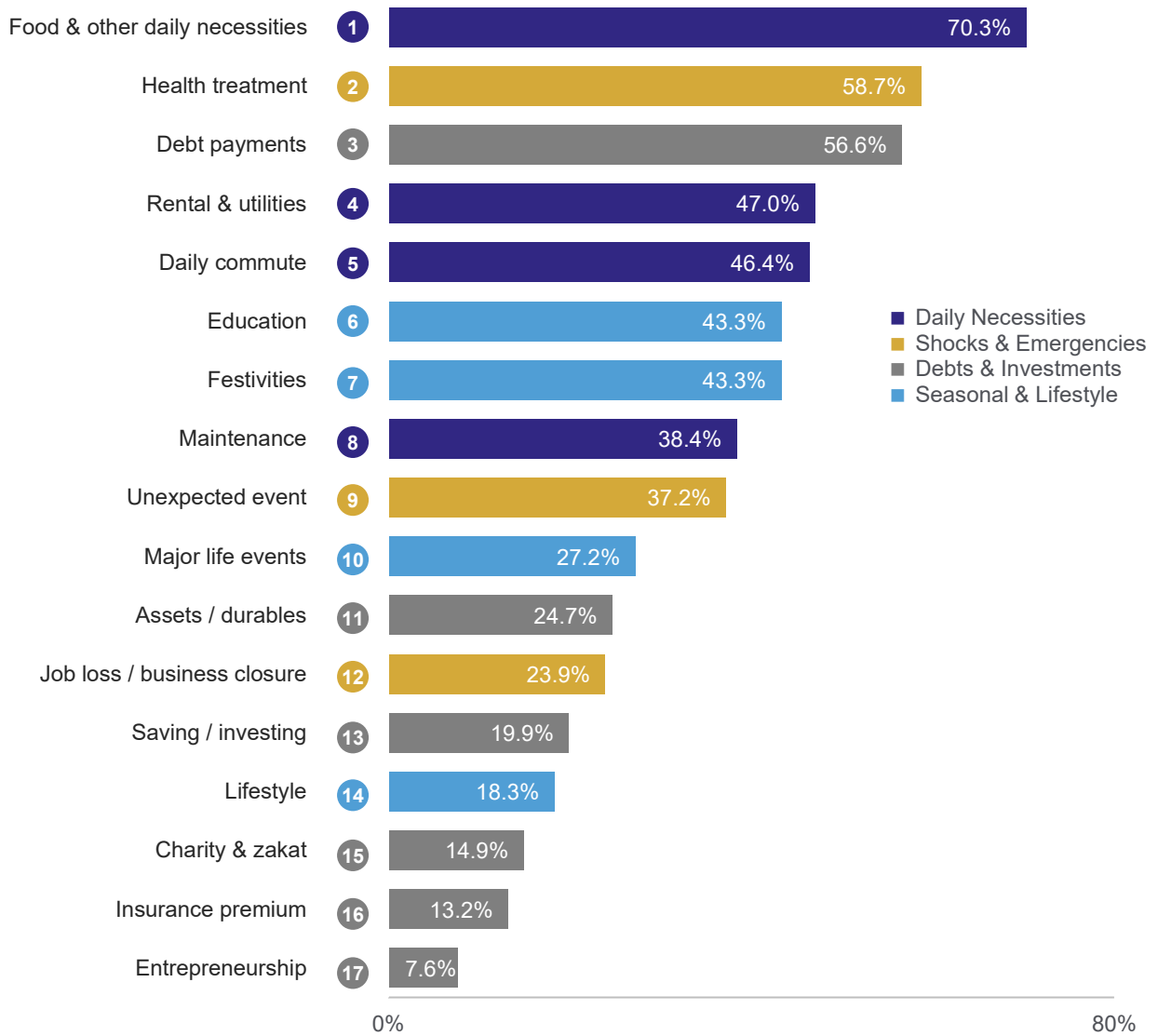
Note: Respondents are considered to have utilised their savings for a broad category if they selected true for at least one of the specific expenditure items under that category.

Source: EPF (2025b)

A closer look at more specific spending items reveals variation in how members utilised their withdrawals across different financial needs. As shown in Figure 3.5, the most common use was for food and other daily necessities (70.3%), significantly exceeding other categories and reflecting the account's importance in meeting routine household needs. While the survey did not specifically capture the exact items purchased under each category, some respondents provided additional details in their written responses. Under the food and daily necessities category, these respondents commonly reported spending on food, groceries, infant formula and diapers.

The second-highest spending item was health treatments (58.7%), within the emergency expenses category. The third most common use was for debt payments (56.6%) categorised under investments and financial obligations. Together, these findings suggest that the flexible withdrawals serve as an essential buffer for members to sustain their daily necessities, manage health contingencies, and meet financial commitments. By contrast, only 18.3% of withdrawers reported using funds for lifestyle purposes. This relatively low share suggests that discretionary spending was not a primary motivation for withdrawals, with usage largely focused on essential and risk-mitigating expenditures rather than non-essential consumption.

Figure 3.5: Use of withdrawals by expenditure item



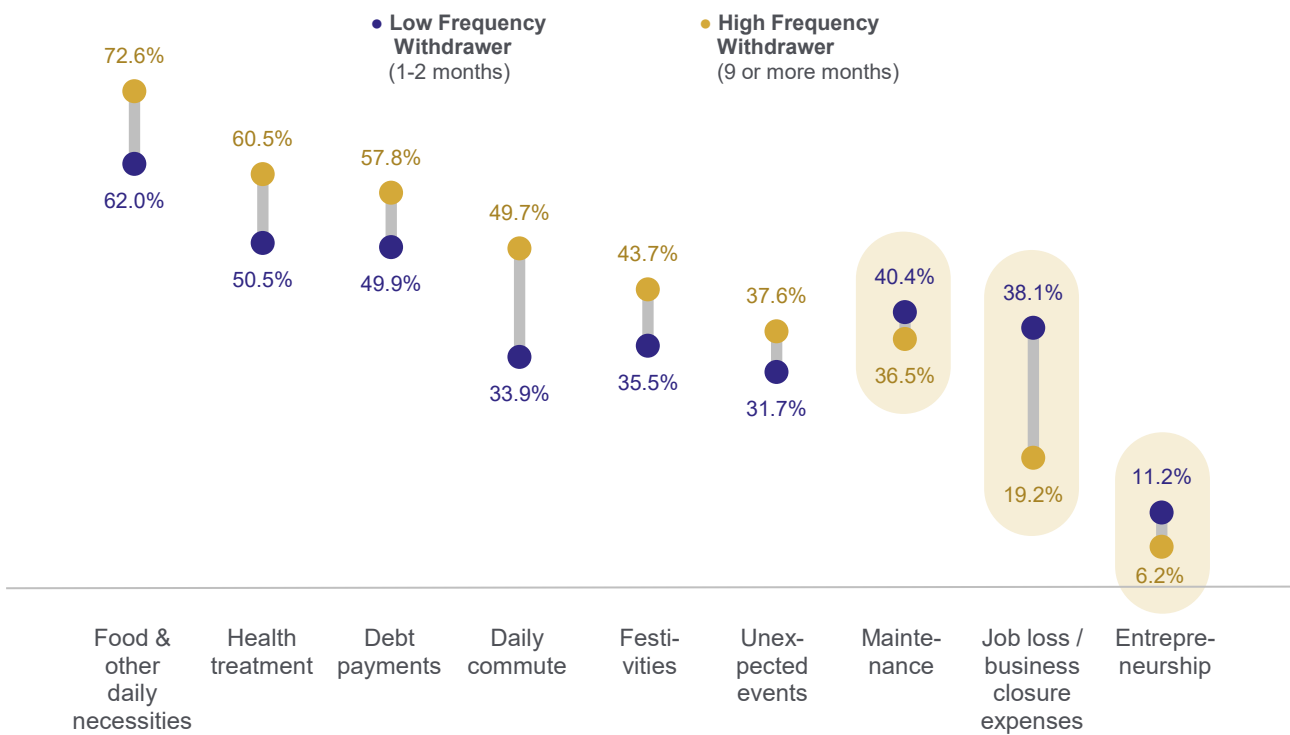
Note: Multiple responses allowed.
Source: EPF (2025b)

Spending Variations by Withdrawal Frequency

Breaking down utilisation by withdrawal frequency reveals distinct utilisation patterns across withdrawer groups. Figure 3.6 compares low-frequency withdrawers (active in one to two months) and high-frequency withdrawers (active in nine or more months) over the 18-month study period.

The findings show that high-frequency withdrawers tended to rely on Akaun Fleksibel to support routine and seasonal expenditures. For example, this group reported substantially higher usage for food and other daily necessities as well as daily commuting costs, suggesting that the facility functioned as a supplementary source of liquidity for recurring needs. In contrast, low-frequency withdrawers were more likely to reserve the facility for one-off or irregular expenditures. These included expenses associated with job loss or business closure, entrepreneurship-related pursuits and major maintenance costs such as home renovations, reflecting a more episodic and shock-responsive use pattern.

Figure 3.6: Use of withdrawals between frequent and one-time withdrawers



Source: EPF (2025b)

Spending Priorities by Demographic Group

Across demographic groups, spending priorities consistently centre on food and other daily necessities, health treatments and debt payments as the top categories (Table 3.2). By gender, males reported channelling more towards daily necessities compared to females, while other spending categories were largely similar. This suggests that men may be assuming a greater share of routine household expenses.

Across age groups, younger withdrawers (below 30 years old) allocated less to debt (49.5%) compared to older age groups, but higher shares to daily commuting (48.2%) and other daily expenses (71%). Overall usage was higher among this group compared with older withdrawers, potentially reflecting their early career stage and emerging household needs. Withdrawers in the middle-age group (40–49) focused more on debt (61.7%), rental, and utilities (47.3%), consistent with peak household financial obligations. Older withdrawers (50 and above) displayed lower usage across most expenditure categories, indicating reduced consumption needs, although education and festivities appeared relatively higher (50.1% and 40.7% respectively).

Upon further analysis, it was found that education-related withdrawals were often intended for children's pursuing education rather than respondents themselves. Meanwhile, festivities ranked in the top five for older withdrawers (aged 50 and above), although their withdrawal frequency across all expenditure categories was generally lower than that of other age groups. Withdrawers aged 30–39 and 40–49 also reported higher spending on festivities (47.8% and 46.9% respectively).

In terms of ethnicity, food remained the largest expense item, with the highest shares among Bumiputeras (72%), and lower shares among Chinese (61.6%) and Indians (60.7%). Debt repayments were broadly comparable across ethnic groups, though slightly higher among Malays (58.9%). Chinese withdrawers exhibited lower spending across most items but showed markedly higher usage for maintenance costs (44.3%), highlighting distinctive financial priorities and discretionary capacity. Based on education, higher education was associated with a lower share of spending on food and higher usage for debt repayments. Withdrawers with primary education or below reported higher spending on food (73.9%) and health treatments (59.7%) but relatively lower shares for other categories. In contrast, those with a degree or higher qualification recorded maintenance costs (49.1%) among their top five priorities, suggesting greater financial flexibility and the ability to plan for discretionary or long-term expenditures.










































































































A breakdown by member status⁶ shows that actively contributing withdrawers used withdrawals more for commuting (47.6%) and health-related expenses (59.7%), reflecting ongoing work and personal needs. Inactive members, by contrast, prioritised emergency expenditures and immediate obligations, including costs associated with job loss, business closure, rental, and utilities (56.3%). Debt servicing remained important for both groups (57.9% and 57.5% respectively).

Lastly by earning group, lower income earners channelled withdrawals towards food and other daily necessities as well as health treatments, while higher earners used them more for debt repayments and educational expenses. Those earning RM10,000 or above prioritise maintenance and unexpected events, whereas these categories were much less relevant for lower earners, indicating greater financial flexibility for those with higher income.





Taken together, these patterns highlight that Akaun Fleksibel functions as a flexible financial tool, adapting to members' life stages and financial priorities, providing targeted support for both routine needs and unexpected or one-off expenses.

⁶ Member status is classified based on contribution activity over the past 12 months. Active members refer to those who have made at least 1 contribution in the past 12 months. Inactive members are those who have not made any contributions in the past 12 months,

Table 3.2: Top 5 cited use of withdrawals, by selected demographic group

	1	2	3	4	5
Gender					
Male	 72.8%	 58.2%	 56.3%	 46.5%	 46.4%
Female	 66.9%	 59.4%	 57.1%	 47.9%	 46.2%
Age group					
Below 30	 71.0%	 60.5%	 49.5%	 48.2%	 45.9%
30 - 39	 70.8%	 60.8%	 60.1%	 49.6%	 48.6%
40 - 49	 70.1%	 61.7%	 57.1%	 56.7%	 47.3%
50 & above	 64.9%	 54.6%	 50.1%	 47.0%	 40.7%
Ethnicity					
Malay	 72.0%	 59.4%	 58.9%	 48.1%	 47.0%
Chinese	 61.6%	 52.4%	 51.5%	 45.3%	 44.3%
Indian	 60.7%	 56.0%	 50.0%	 49.7%	 40.8%
Other Bumiputeras	 77.3%	 58.7%	 54.4%	 47.3%	 47.0%
Others	 70.0%	 62.1%	 54.6%	 44.3%	 42.2%
Education					
Primary & below	 73.9%	 59.7%	 43.0%	 39.3%	 38.5%
Secondary	 74.7%	 62.4%	 57.3%	 46.2%	 45.7%
Diploma & equivalent	 69.0%	 60.1%	 59.5%	 50.8%	 50.1%
Degree & above	 62.1%	 57.0%	 50.1%	 49.1%	 49.0%
Status					
Active	 71.6%	 59.7%	 57.9%	 47.6%	 46.8%
Inactive	 73.0%	 57.5%	 56.3%	 56.1%	 54.8%
Earnings					
Below RM3k	 74.6%	 61.7%	 55.8%	 46.9%	 46.7%
RM3k - <RM5k	 70.8%	 61.1%	 59.0%	 50.5%	 49.4%
RM5k - <RM10k	 64.2%	 61.0%	 52.7%	 51.0%	 47.9%
RM10k & above	 65.2%	 56.0%	 52.8%	 52.5%	 49.3%




Expense category**Daily necessities**

-  Food & other daily necessities
-  Rental & utilities
-  Daily commute
-  Maintenance



Debts & investments

-  Debt payments

Shocks & emergencies

-  Health treatment
-  Job loss / business closure
-  Unexpected event

Seasonal & lifestyle

-  Education
-  Festivities

Source: EPF (2025b)

3.4. Perceived Impact and Financial Context

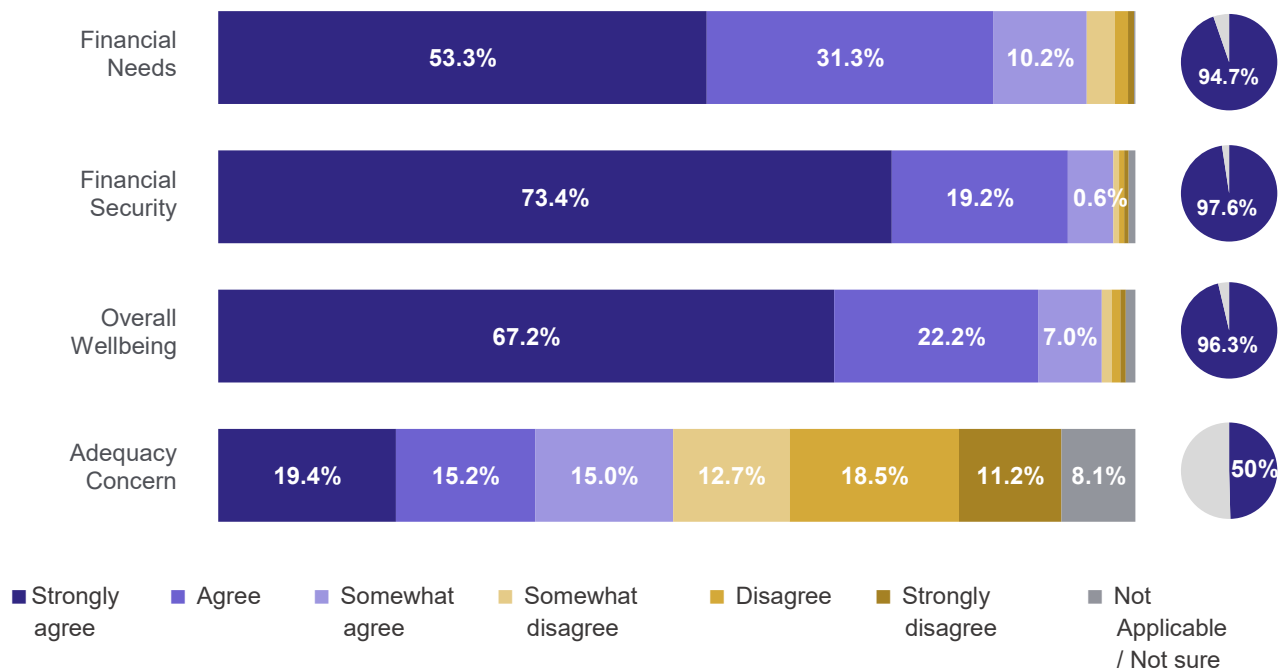
Having examined withdrawers’ perspectives and utilisation patterns, the analysis now turns to a structured assessment of their experiences with Akaun Fleksibel. This section presents descriptive statistics on the perceived impact of flexible withdrawals, alongside withdrawers’ financial and behavioural context. The distribution and variation in the data provide important context for, and inform, the subsequent regression analyses in the next section.

Views on Key Outcomes of Interest

Figure 3.7 summarises perceptions of the impact of Akaun Fleksibel across four outcomes of interest: how withdrawers perceive the impact of flexible withdrawals in meeting their financial needs, enhancing financial security, supporting overall wellbeing, and shaping concerns about retirement adequacy. As discussed earlier, the majority of respondents reported that the facility has been helpful in meeting their financial needs, particularly for emergencies and daily necessities (see Figure 3.3). When asked in further detail, respondents also reported that access to Akaun Fleksibel contributed to greater financial security and improved overall wellbeing, extending beyond financial needs. These include reductions in emotional and mental stress, as well as improvements in quality of life through social participation, leisure and self-care.

In contrast, perceptions regarding retirement adequacy were more mixed, with similar shares of respondents agreeing and disagreeing that withdrawals may compromise future savings. This divergence suggests that while Akaun Fleksibel is widely valued for addressing short-term financial pressures and enhancing day-to-day security, withdrawers differ in their assessment of the longer-term trade-offs between present liquidity and future retirement adequacy.

Figure 3.7: Perceived impact on Financial Needs, Financial Security, Overall Wellbeing and Adequacy Concern



Source: EPF (2025b)

To complement members’ perceptions of Akaun Fleksibel, Box 3.1 discusses the potential long-term impact of withdrawals on retirement savings. While respondents largely value the facility for addressing immediate financial needs, this simulation provides a quantitative perspective on how withdrawals could affect accumulated balances over time, helping to contextualise concerns about retirement adequacy.

Box 3.1: Simulation of withdrawal impact on long-term retirement savings

Akaun Fleksibel allows members to access a portion of their retirement savings for short-term financial needs. While this flexibility supports financial resilience, frequent withdrawals can affect long-term savings accumulation. To understand these trade-offs, a 40-year simulation was conducted assuming starting salaries of RM1,700 and RM3,100, each growing annually by 3%. The model applies consistent monthly contributions (11% employee, 13% employer), a steady dividend rate of 4% and excludes other types of withdrawals. Four scenarios were then modelled to illustrate how savings evolve under different withdrawal patterns:

- **Scenario 1 - No Withdrawal (Baseline):** All contributions and dividends remain invested throughout.
- **Scenario 2 - Withdraw Half of Contributions:** Half of Akaun Fleksibel’s monthly contributions withdrawn.
- **Scenario 3 - Withdraw All Contributions:** The entire monthly contribution to Akaun Fleksibel is withdrawn.
- **Scenario 4 - Withdraw Dividends Only:** All contributions remain invested, but dividends earned each year are withdrawn.

The chart shows how Akaun Fleksibel balances diverge across the four scenarios. In the first few decades, withdrawing only dividends (Scenario 4) maintains a higher balance than withdrawing half of the monthly contributions (Scenario 2), but the gap narrows as compounding slows. At Year 38, the two lines intersect, and the balance in Scenario 2 surpasses Scenario 4. This crossover illustrates how the reinvestment of dividends, even on a smaller retained balance, yields stronger long-term growth than consistently withdrawing earnings. By the end of the 40-year period, Scenario 1 (no withdrawals) remains the clear outlier, with substantially higher savings than the other scenarios.

Figure 3.8: Balance in Akaun Fleksibel over time (starting salary: RM1,700)

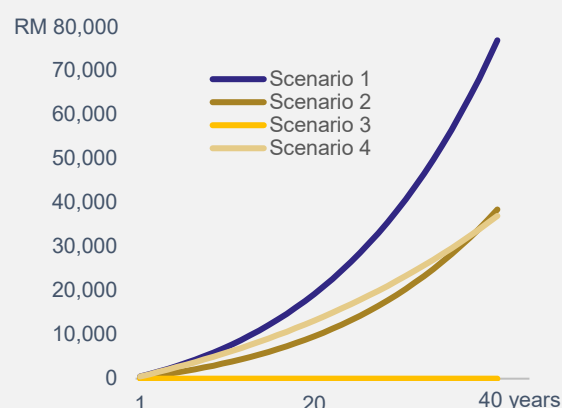


Table 3.3: Simulated impact of withdrawals impact on retirement savings by salary level

	Starting salary: RM1,700				Starting salary: RM3,100			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Akaun Persaraan	576K	576K	576K	576K	1.05M	1.05M	1.05M	1.05M
Akaun Sejahtera	115K	115K	115K	115K	210K	210K	210K	210K
Akaun Fleksibel	77K	38K	0	37K	140K	70K	0	67K
Total (RM)	768K	729K	691K	728K	1.4M	1.33M	1.26M	1.33M

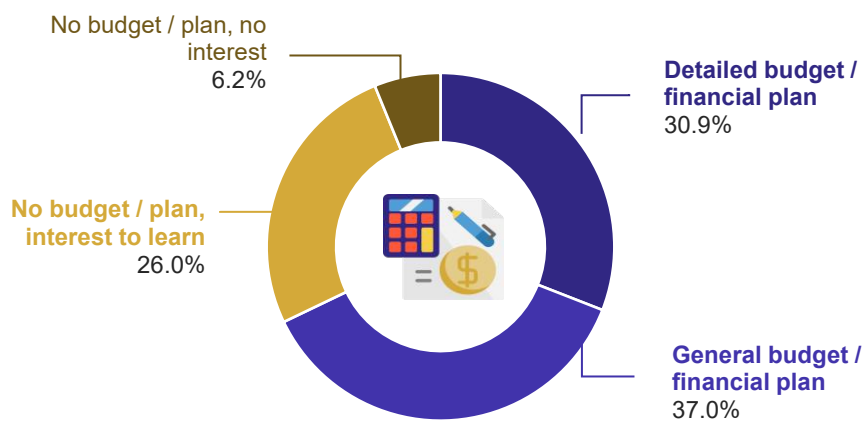
Overall, the simulation highlights that even modest withdrawals can significantly reduce the power of compounding over time. Leaving dividends invested, or at least limiting withdrawals to essential needs, helps members achieve substantially higher balances in the long run. This reinforces the importance of sustained saving discipline within Akaun Fleksibel.

Financial Attitudes and Outlook

Building on the above perceived outcomes, the analysis then turns to financial attitudes and outlook. This section explores withdrawers' underlying financial management practices and forward-looking behaviour (i.e. intentions regarding future withdrawals and savings replenishment). By doing so, it assesses whether the use of Akaun Fleksibel withdrawals is associated with short-term coping alone or is accompanied by longer-term financial planning, including awareness of trade-offs between present consumption and future retirement security.

Figure 3.9 depicts withdrawers' level of financial preparedness by the extent to which they reported having a budget or financial plan. A large share of respondents reported having a budget and financial plan (67.9%), with 30.9% reporting a detailed plan and 37.0% reporting a more general plan. Conversely, 32.2% indicated that they do not currently have a budget or plan, although many within that group (80.7%) expressed interest in learning how to create one. This suggests that while financial awareness among members is relatively strong, there remains scope to strengthen financial planning skills to enhance long-term financial resilience.

Figure 3.9: Budgeting and financial planning behaviour

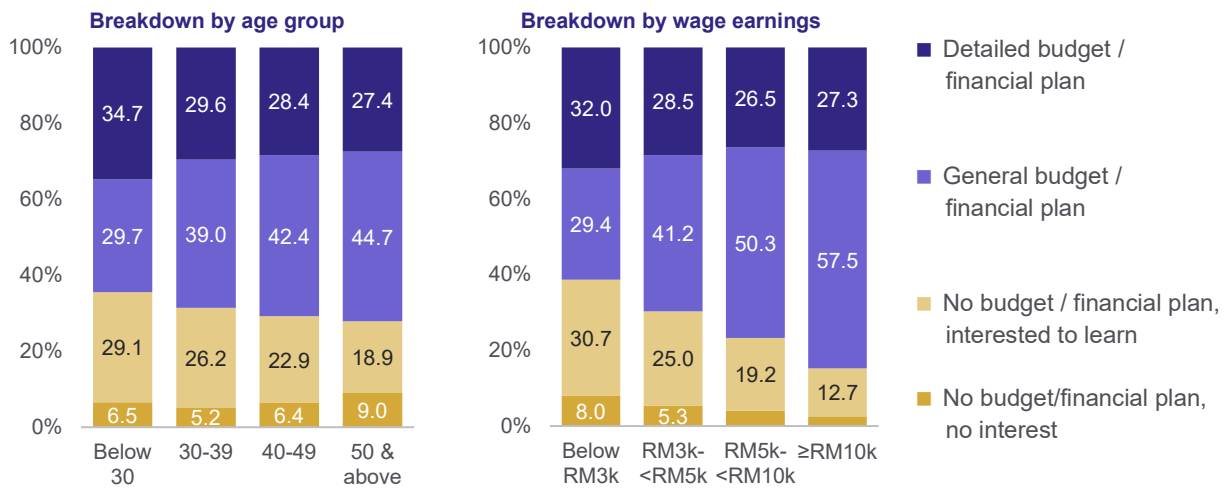


Source: EPF (2025b)

Further breakdown indicates that financial preparedness appears to correlate with age and earnings (Figure 3.10). Budgeting behaviour generally improves with age, although detailed financial planning remains limited across all groups. Among respondents under 30, only 64.4% reported having a financial plan, compared with 72.1% of respondents aged 50 and above. While engagement in financial planning appears more common as individuals get older, the nature of planning differs across age groups. Older respondents tend to rely on more general forms of planning, whereas younger respondents are more likely to maintain detailed plans, suggesting a shift towards simpler and less structured approaches to financial management later in life.

Financial planning levels are also associated with income. Respondents earning RM10,000 and above exhibit the highest levels of structured planning, with 57.5% maintaining a general plan and 27.3% maintaining a detailed plan, and only 15.2% reporting no plan. In contrast, lower-income respondents, particularly those earning below RM3,000, show weaker planning habits, with 38.6% having no plans. Notably, a substantial share of younger and lower-income withdrawers expressed interest in learning about financial planning, indicating a desire to improve their financial standing. These patterns point to a clear opportunity for targeted financial literacy and capacity-building programmes to strengthen budgeting and planning skills across these groups.

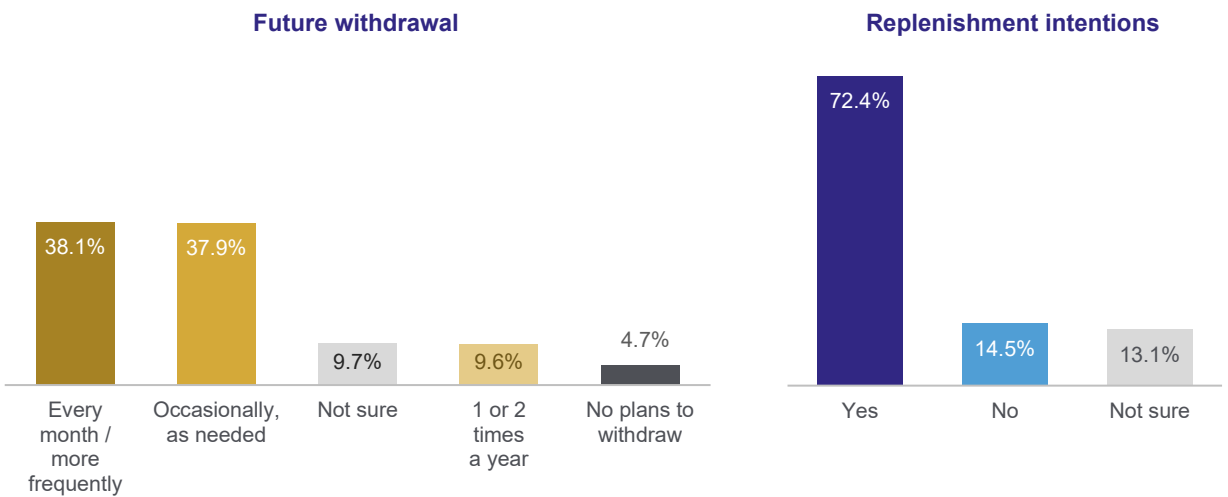
Figure 3.10: Budgeting and financial planning behaviour by age group and wage earnings



Source: EPF (2025b)

The study next examines respondents’ future intentions to withdraw from Akaun Fleksibel and their plans to replenish savings (Figure 3.11). Assessing these intentions provides a forward-looking perspective on how members balance immediate financial needs with long-term retirement security. Overall, 86% indicated that they plan to withdraw in the future, while 72% expressed intention to rebuild their savings. The overlap between these groups suggests that members are generally mindful of their long-term financial wellbeing even as they utilise the facility to address current needs.

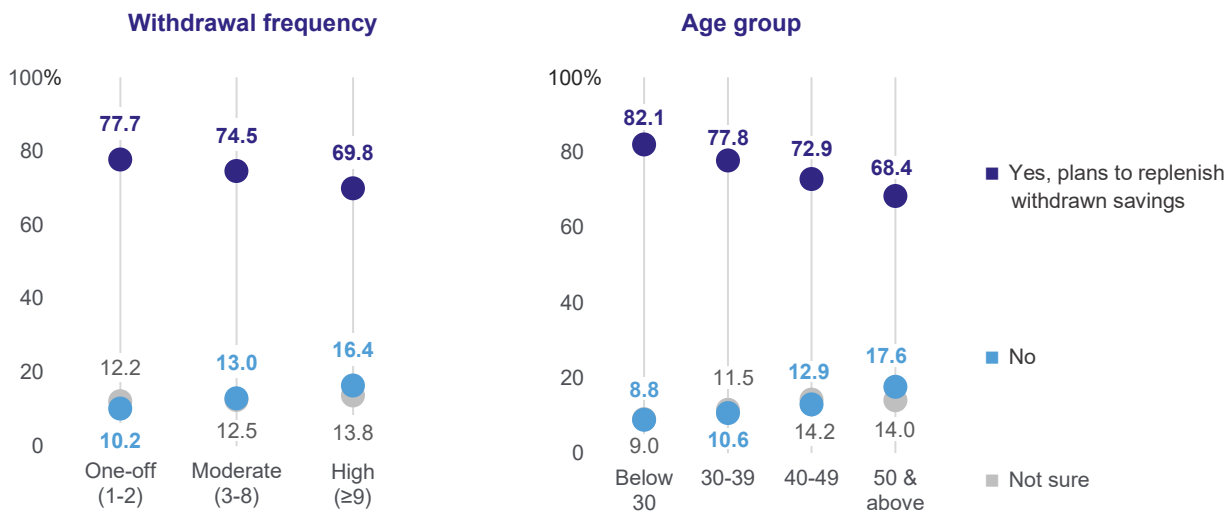
Figure 3.11: Future withdrawal and replenishment intentions



Source: EPF (2025b)

Figure 3.12 breaks down replenishment intentions further, showing that members who withdraw more frequently are less likely to have plans to rebuild their savings, while those who withdraw less often show a stronger intention to restore their balances. A similar pattern is observed across age groups, with younger withdrawers reporting higher intentions to replenish their savings compared with older withdrawers. These differences likely reflect both financial capacity and planning horizons. Frequent withdrawers may face more persistent liquidity constraints, limiting their ability to set aside funds for replenishment. Meanwhile, infrequent withdrawers may view withdrawals as temporary and reversible. Younger withdrawers, in turn, benefit from longer remaining working lives and greater scope to recover balances over time, which may strengthen their willingness to replenish savings.

Figure 3.12: Replenishment intentions by withdrawal frequency and age group



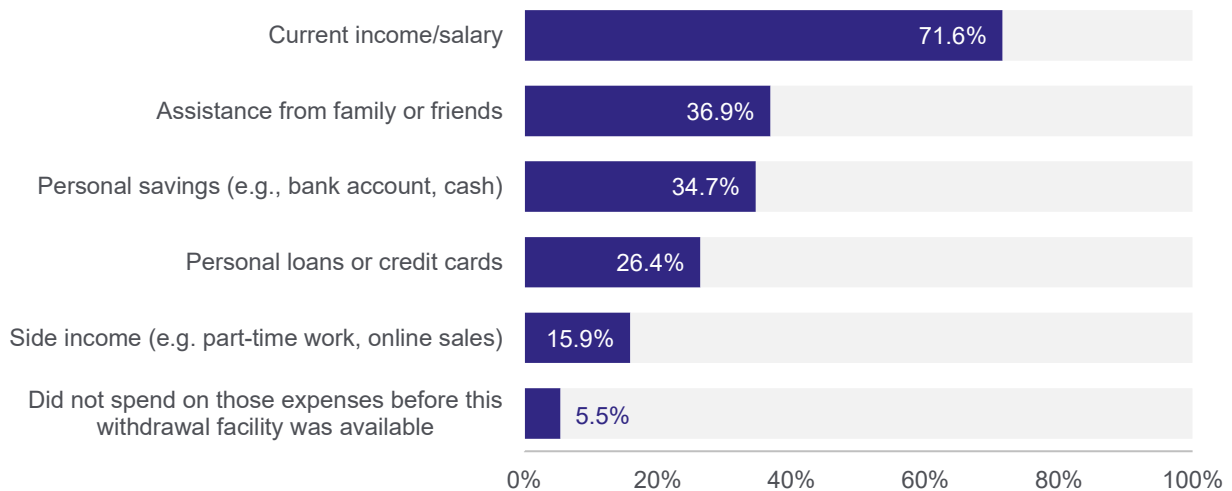
Source: EPF (2025b)

Financial Sources Pre-Akaun Fleksibel Withdrawals

The final part of this section situates these findings within a broader financial context by examining financial sources prior to Akaun Fleksibel introduction, providing a reference point for how members previously managed their spending and financial shortfalls (Figure 3.13). Responses show that withdrawers relied on a diverse mix of financial sources, reflecting varying circumstances of liquidity access and financial resilience. The majority financed their expenses using current income or salary (71.6%). A significant proportion depended on informal networks such as family and friends for assistance (36.9%), underscoring the continued importance of social support systems. Similarly, around one-third (34.7%), drew from personal savings.

A notable share turned to credit instruments such as personal loans or credit cards (26.4%), indicating a substantial reliance on debt-based financing. Additionally, 15.9% supplemented their finances through side income sources such as part-time work or online sales. Interestingly, a small share (5.5%) reported not spending on these expenses previously. This suggests that the availability of flexible withdrawals may have facilitated spending on previously unmet needs. These findings highlight the importance of liquidity access and the role of flexible financial tools in enhancing household financial resilience.

Figure 3.13: Financial sources pre-Akaun Fleksibel withdrawals



Source: EPF (2025b)

3.5. Assessing Akaun Fleksibel Withdrawals and Outcomes

This section goes beyond descriptive statistics in examining how observed withdrawal behaviours relate to members' short-term financial and overall wellbeing, as well as concerns regarding longer-term retirement adequacy. Following the descriptive analysis presented earlier, logistic regression models were estimated to identify factors associated with four perceived outcomes of interest. Structural Equation Modelling (SEM) was then employed to analyse the relationships among these outcomes:

1. **Financial Needs** – the perceived functional outcome, referring to withdrawers' assessment of how helpful Akaun Fleksibel withdrawals are in meeting their immediate financial needs⁷.
2. **Financial Security** – the perceived psychological outcome, referring to the sense of assurance withdrawers derive from having accessible funds to manage uncertainties and maintain financial stability.
3. **Overall Wellbeing** – the perceived non-financial outcome, referring to the broader benefits withdrawers associate with Akaun Fleksibel withdrawals beyond financial needs, including reduced financial stress and improvements in quality of life through social participation, leisure, and self-care.
4. **Adequacy Concern** – the perceived long-term outcome, referring to withdrawers' concern that Akaun Fleksibel withdrawals may compromise the adequacy of their retirement savings and affect their ability to sustain future needs.

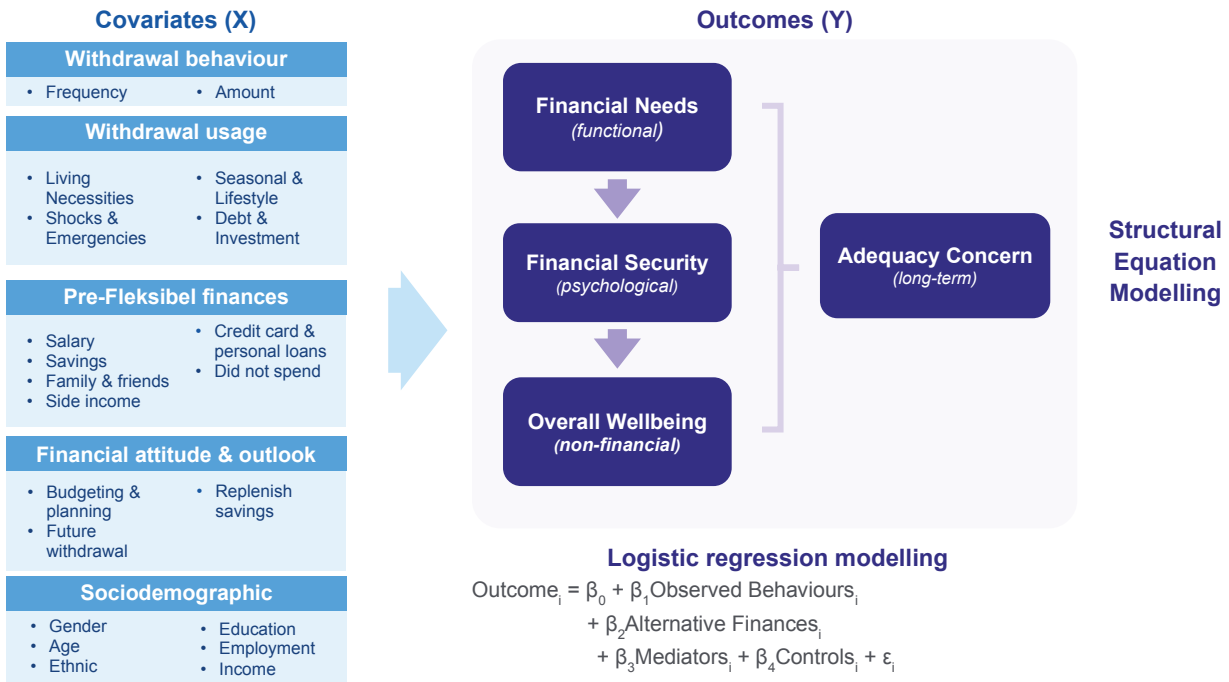
To examine these associations, a block-wise regression approach was applied, with predictors introduced in stages. These comprise five components: (i) withdrawal behaviour, (ii) withdrawal usage, (iii) financial attitudes and future outlook, (iv) financial sources prior to Akaun Fleksibel withdrawals (as a reference point), and (v) demographic and socioeconomic factors (as control variables). This approach assesses each block individually and then together, clarifying which factors remain associated with the outcomes after accounting for broader behaviours and outlooks. In doing so, the analysis identifies not only which factors matter, but also how and at what stage they are related to wellbeing and retirement adequacy perceptions.

Next, SEM is employed to examine how multiple financial outcomes are interconnected, rather than operating in isolation. By integrating factor analysis and regression, SEM enables the analysis of a sequential pathway linking four key outcomes—Financial Needs, Financial Security, Overall Wellbeing, and Adequacy Concern. The model hypothesises a progression in which the ability to meet immediate financial needs is associated with greater financial security, which in turn is associated with higher overall wellbeing, with both subsequently associated with concerns about retirement readiness. By estimating both direct and indirect effects within a single framework, SEM captures mediating pathways and associational relationships among the outcomes of interest. As a result, this approach illustrates a behavioural progression from short-term financial relief to longer-term vigilance. It shows how present financial circumstances are associated with perceptions of retirement adequacy.

⁷ "Financial Needs" is a composite index constructed from perceived helpfulness of four expenditure categories—Daily Necessities; Shocks & Emergencies; Debts & Investments; and Seasonal & Lifestyle spending. The component variables were indexed and scaled to prevent circularity and mitigate construct-related endogeneity. This ensures that the four categories remain analytically distinct from the Financial Needs outcome they are intended to explain.

Figure 3.14 shows the analytical framework for examining withdrawal-related outcomes. The full model specifications and results are reported in Appendix D and Appendix E.

Figure 3.14: Analytical framework



Factors Associated with Perceived Outcomes of Akaun Fleksibel Withdrawals

Table 3.4 presents logistic regression results examining factors associated with four perceived outcomes of Akaun Fleksibel withdrawals. The models assess how withdrawal behaviour, withdrawal purpose, prior coping mechanisms and financial attitudes are associated with members’ perceptions across these outcomes. The key findings are discussed below.

Table 3.4: Logistic regression results on factors associated with perceived outcomes

Covariates (X)		Outcomes (Y)			
Components	Indicators	Financial Needs	Financial Security	Overall Wellbeing	Adequacy Concern
Withdrawal behaviour	Frequency				(-) 0.99
	Amount				
Withdrawal purpose categories	Daily necessities	(+) 6.6	(+) 4.8	(+) 3.9	
	Shocks & emergencies	(+) 15.0	(+) 3.1	(+) 6.1	
	Debts & investments	(+) 8.0	(+) 2.5	(+) 2.5	
	Seasonal & lifestyle	(+) 51.4			(+) 1.3
Financial sources pre- Akaun Fleksibel withdrawals	Current salary/income	(+) 2.1	(+) 1.7		
	Own savings		(-) 0.4	(-) 0.5	(+) 1.4
	Family & friends assistance				(-) 0.8
	Loans & credit cards				(-) 0.8
Financial planning attitude	Yes (Ref: No)		(+) 3.3	(+) 2.4	(-) 0.9
Withdrawal intent	Yes (Ref: No/not sure)		(+) 3.1	(+) 2.8	(-) 0.6
Replenish intent	Yes (Ref: No)		(+) 3.5	(+) 3.8	(+) 16.8

Note: Only significant results of predictors of interest are shown. (+) and (-) signs denote positive and negative associations, respectively, and the reported figures are odds ratios (OR) relative to the specified reference categories. Socio-demographic controls are included in the models but not shown.

Finding 1 | Withdrawal behaviour shows limited association with short-term outcomes

Withdrawal behaviour (whether measured by frequency or amount) is not statistically associated with perceptions of meeting financial needs, feeling more financially secure, or improving overall wellbeing. These results hold after controlling for behavioural and demographic variables. This indicates that withdrawal behaviour on its own is not meaningfully related to how withdrawers perceive short-term benefits.

Meanwhile, withdrawal frequency shows a statistically significant association with retirement adequacy concern. However, the effect is minimal as reflected in an odds ratio close to 1 (OR \approx 0.99). This implies that more frequent withdrawers are marginally less likely to report concern about retirement sufficiency. This may reflect a normalisation of withdrawals or the prioritisation of immediate needs over future considerations. Overall, the effect size is negligible, reinforcing that withdrawal behaviour has little practical impact on both short- and long-term perceptions.

By contrast, how Akaun Fleksibel withdrawals are used is more strongly associated with perceived outcomes than how often withdrawals occur or how much is withdrawn. The intended purpose shows clear and differentiated associations across short-term outcomes:

- **Daily Necessities** are strongly associated with meeting Financial Needs (OR \approx 6.6) and are also linked to higher Financial Security (OR \approx 4.8) and Overall Wellbeing (OR \approx 3.9), highlighting their stabilising role in managing day-to-day expenses.
- **Shocks & Emergencies** generate substantial perceived benefits—particularly for Financial Needs (OR \approx 15.0), with significant positive effects on Financial Security (OR \approx 3.1) and Overall Wellbeing (OR \approx 6.1). This indicates that withdrawers perceive Akaun Fleksibel withdrawals as particularly helpful in managing sudden financial disruptions.
- **Debts & Investments** show a moderate association with Financial Needs (OR \approx 8.0) and smaller yet positive effects on Financial Security (OR \approx 2.5) and Overall Wellbeing (OR \approx 2.5). This suggests that members view withdrawals used for debt repayment or asset-building as purposeful and financially constructive, helping them manage obligations now while supporting longer-term goals.
- **Seasonal & Lifestyle** withdrawals exhibit the strongest effect on Financial Needs (OR \approx 51.4)⁸. Although they also improve Financial Security (OR \approx 2.5) and Overall Wellbeing (OR \approx 2.5), these gains are modest relative to the scale of immediate needs addressed. The small positive association with retirement Adequacy Concern (OR \approx 1.3) suggests that discretionary spending may trigger awareness of long-term implications, though the effect remains weak.

Across all withdrawal purposes, effects on retirement adequacy concern are weak or statistically insignificant once controls are applied. While withdrawers perceive strong immediate value from Akaun Fleksibel withdrawals, no meaningful association with heightened retirement adequacy concern is observed when analysed by withdrawal purpose.

⁸ Large odds ratios for *Financial Needs* partly reflect the construction of the composite index and should be interpreted with caution. Interpretation focuses on the direction and statistical significance of the association rather than coefficient magnitude.

Finding 2 | Perceived outcomes differ by prior financial reliance

Members' pre-withdrawal financial sources are associated with differences in how Akaun Fleksibel outcomes are perceived:

- Those who previously relied on **current salary/income** report a stronger association of flexible withdrawals in meeting their Financial Needs (OR \approx 2.1) and feeling Financially Secure (OR \approx 1.7). This suggests that withdrawals are perceived to alleviate pressure on current income rather than replace it.
- Those who previously relied on their **own savings** show reduced Financial Security (OR \approx 0.4) and lower Overall Wellbeing (OR \approx 0.5), alongside higher retirement Adequacy Concern (OR \approx 1.4). This indicates that exhausting personal savings before withdrawing heightens awareness of long-term vulnerability.
- Those who previously relied on **family/friends** or **loans/credit cards** report lower retirement Adequacy Concern (both OR \approx 0.8). Although modest, these effects suggest that replacing external or debt-based coping with flexible withdrawals eases current strain without prompting reflection about future sufficiency.

Taken together, flexible withdrawals reinforce stability when supplementing income, may erode confidence when substituting for depleted savings, and relieve pressure when replacing external or debt support—though without strengthening long-term assurance.

Finding 3 | Financial attitudes and outlook are linked to present and future perceptions

Financial attitudes and future orientation strongly condition perceptions of Akaun Fleksibel withdrawals:

- Having a **budget or financial plan** is associated with higher reported Financial Security (OR \approx 3.3) and Overall Wellbeing (OR \approx 2.4) and with slightly lower retirement Adequacy Concern (OR \approx 0.9). This suggests that financial planning provides reassurance and reduces anxiety about long-term sufficiency.
- **Future withdrawal intent** (i.e. the intention to make withdrawals in the future) is associated with greater reported Financial Security (OR \approx 3.1) and Overall Wellbeing (OR \approx 2.8) and with lower retirement Adequacy Concern (OR \approx 0.6). This suggests that future withdrawal intent may capture the reassurance of a planned contingency, which is associated with higher perceived security and wellbeing, alongside lower perceived risk to retirement adequacy.
- **Replenishment intent** (i.e. the intention to restore withdrawn savings in the future) is strongly associated with higher retirement Adequacy Concern (OR \approx 16.8), even as it is also associated with higher reported Financial Security (OR \approx 3.5) and Overall Wellbeing (OR \approx 3.8). This finding suggests that replenish intent reflects heightened awareness of potential inadequacy rather than confidence. Members who plan to rebuild savings may feel more secure and settled in the short term yet remain more conscious of the long-term implications of withdrawals and the need to restore retirement balances.

Overall, the four models reveal a coherent pattern:

- **Financial Needs** are most strongly associated with withdrawal purpose, particularly with the purposeful and clearly defined use of funds.
- **Financial Security** is closely associated with planning, preparedness and the perceived role of withdrawals in easing cash-flow constraints.
- **Overall Wellbeing** is closely linked to improved financial security, with stronger associations observed among members who report greater clarity and predictability in their financial actions.
- **Adequacy Concern** appears less about how withdrawals are used and more about members' future-oriented mindset. This reflects withdrawers' recognition of depleted savings and the need to replenish them.

In summary, the findings suggest that Akaun Fleksibel withdrawals are not systematically associated with heightened concern about retirement readiness. Instead, members' attitudes, intentions and perceptions of future adequacy play a more prominent role than withdrawal behaviour itself. Depending on these orientations, the facility may be perceived as a stabilising tool for current needs, a temporary buffer for financial shocks, or a marker of long-term concern.

Relationships Among Four Outcomes of Interest

The SEM results in Table 3.5 indicate a clear, structured pattern of associations among members' perceptions on Financial Needs, Financial Security, Overall Wellbeing, and retirement Adequacy Concern, as set out in the theoretical framework (see Figure 3.14). These outcomes do not operate in isolation; instead, perceptions of short-term financial relief are closely linked to financial security and wellbeing, before jointly relating to how members assess longer-term retirement adequacy.

Table 3.5: Structural Equation Modeling (SEM) results on the relationships of perceived outcomes of Akaun Fleksibel withdrawals

Path (Predictor → Outcome)	Direct Effect	Indirect Effect	Total Effect	Interpretation
Financial Needs → Financial Security	0.303*	–	0.303*	Meeting financial needs increases financial security.
Financial Needs → Overall Wellbeing	0.255*	0.200* (via Financial Security)	0.455*	Wellbeing improves both directly through financial needs and indirectly through financial security.
Financial Needs → Adequacy Concern	0.224*	0.056* (via Financial Security → Overall Wellbeing)	0.280*	Greater reliance on withdrawals increases retirement adequacy concerns.
Financial Security → Overall Wellbeing	0.659*	–	0.659*	Financial security strongly boosts overall wellbeing.
Financial Security → Adequacy Concern	0.024 (ns)	0.071 (via Overall Wellbeing)	0.095	Only indirectly influences concerns; not significant on its own.
Overall Wellbeing → Adequacy Concern	0.108*	–	0.108*	Better wellbeing reduces retirement adequacy concerns.

Notes:

1. The coefficient (beta) indicates the strength and direction of relationships between observed variable and latent construct, or between two latent constructs. It reflects predictive influence rather than mere association. Standardised beta values (β) range from -1 to $+1$, with thresholds typically interpreted as: $\beta \geq 0.50$ (strong), $0.30-0.49$ (moderate), $0.10-0.29$ (modest), and ≤ 0.09 (weak).
2. All reported direct and indirect paths are statistically significant at the 1% level (*), except for the direct effect of financial security on retirement adequacy, which is not significant (ns).
3. Interpretations describe observed associations among perceived outcomes and should not be interpreted as causal or temporal effects.

Finding 1 | Meeting Financial Needs is associated with higher Financial Security

Members who perceived Akaun Fleksibel withdrawals as helpful in meeting their Financial Needs were more likely to report higher Financial Security ($\beta = 0.303$). This moderate positive association suggests that perceived functional support in addressing immediate financial pressures is meaningfully linked to greater psychological assurance in managing financial uncertainty.

Finding 2 | Financial Needs and Financial Security are associated with better Overall Wellbeing

Financial Needs were directly associated with higher Overall Wellbeing ($\beta = 0.255$), while Financial Security showed a stronger association ($\beta = 0.659$). Financial Needs were also indirectly associated with Overall Wellbeing through Financial Security ($\beta = 0.200$), producing a total association of $\beta = 0.455$. This pattern reflects a sequential mechanism: relief from immediate financial pressures is associated with greater Financial Security, which in turn is associated with broader improvements in Overall Wellbeing.

Finding 3 | Overall Wellbeing is associated with greater awareness of retirement Adequacy Concern

Overall Wellbeing was positively associated with retirement Adequacy Concern ($\beta = 0.108$). This suggests that withdrawers who report greater non-financial benefits such as reduced stress, social participation, or improved quality of life, may also be more aware of the long-term implications of continued withdrawals. Improved Overall Wellbeing does not eliminate concern. Instead, it appears to coexist with members' recognition that present gains may come with future costs.

Finding 4 | Financial Needs influence retirement Adequacy Concern both directly and indirectly

Perceived Financial Needs were directly associated with retirement Adequacy Concern ($\beta = 0.224$) and indirectly associated through Financial Security and Overall Wellbeing ($\beta = 0.056$), producing a total association of $\beta = 0.280$. Financial Security itself was not independently associated with Adequacy Concern but contributed indirectly through Overall Wellbeing. These pathways suggest that withdrawers who experience stronger short-term benefits may also become more attentive to the longer-term implications for retirement savings.

The SEM results point to a coherent pattern of interrelated perceptions:

- **Financial Needs** are associated with perceptions of immediate relief and appear to anchor withdrawers' overall evaluation of Akaun Fleksibel withdrawals.
- **Financial Security** is associated with perceptions of greater emotional stability and is closely linked to Overall Wellbeing.
- **Overall Wellbeing** reflects broader quality-of-life improvements, yet is also associated with heightened awareness of future trade-offs. As individuals feel more secure today, they appear more conscious of whether such gains can be sustained into retirement.
- **Adequacy Concern** appears less directly related to withdrawal activities themselves and more closely associated with awareness of future needs. This is especially the case among those who recognise depleted savings and the need to rebuild them.

In summary, the SEM results highlight a dual pattern in members' perceptions of the withdrawal facility. Short-term functional and psychological benefits are associated with higher wellbeing. At the same time, greater wellbeing is associated with increased attention to future retirement adequacy. Rather than indicating distraction from long-term considerations, the observed pattern reflects the co-existence of immediate relief and longer-term sustainability.

Chapter 4 Conclusion

As households continue to face uneven economic pressures, mechanisms that provide additional income support have become increasingly salient in supporting financial resilience. At the same time, such mechanisms inevitably raise questions about longer-term saving adequacy and sustainability, particularly in the context of retirement systems designed for old-age income security. Against this backdrop, this concluding chapter brings together the evidence from this study to consider how Akaun Fleksibel has functioned in practice, the extent to which it is associated with meeting members' immediate financial needs, and the trade-offs that emerge between short-term relief and long-term retirement outcomes. It also reflects on what the experience of Akaun Fleksibel reveals for future policy direction, including how the facility can be complemented with behavioural nudges to preserve retirement adequacy.

4.1. Key Findings

Akaun Fleksibel is closely associated with short-term support for essential expenses, while usage patterns and financial priorities vary across demographic groups. Members also demonstrate awareness of the trade-offs between immediate relief and long-term retirement adequacy. The key findings below draw on evidence from administrative data and survey responses:

01 | Withdrawal participation stabilised after the initial surge

Initial uptake of Akaun Fleksibel withdrawals reached a diverse range of member segments, but usage has since stabilised and become more concentrated among middle working-age members, active contributors, lower-earning groups and Bumiputera members. This suggests that the facility is increasingly used to address recurring liquidity needs rather than discretionary withdrawals.

02 | Akaun Fleksibel withdrawals provide meaningful short-term relief and enhance wellbeing

Withdrawals are strongly associated with meeting immediate financial needs and are widely perceived as a dependable financial lifeline amid rising living costs. Spending on daily essentials, health-related expenses and debt payments consistently ranks highest across all demographic groups. Crucially, this sense of immediate relief is closely linked to a greater sense of financial security, which in turn is associated with enhanced overall wellbeing.

03 | Withdrawals and usage patterns vary across sociodemographic groups and life stages

While core spending priorities are broadly similar, the intensity and composition of withdrawals differ across groups. High-frequency withdrawers tend to use Akaun Fleksibel to cover routine and seasonal expenditures, whereas low-frequency withdrawers typically reserve the facility for occasional or irregular needs. These patterns also reflect socioeconomic background and life stage. Younger and lower-income members rely more on withdrawals for daily necessities and commuting, while older and higher-income members tend to withdraw less frequently but in larger amounts for one-off expenses.

04 | Awareness of retirement savings adequacy emerges as immediate financial ease

Views on the impact of withdrawals on retirement adequacy are mixed, reflecting the trade-off between meeting immediate financial needs and preserving retirement savings. Concerns about savings adequacy appear to arise not from how often or how much members withdraw, but from what happens after immediate financial pressures ease. Once short-term needs are addressed, members become more aware of the longer-term implications for their retirement adequacy the need to rebuild their savings.

4.2. Policy Reflections

The findings indicate that concern over retirement adequacy reflects a shift from short-term survival thinking to longer-term financial planning. Policy responses should therefore focus on enhancing long-term financial resilience through stronger planning, better institutional support and a more integrated social protection system. The following outlines the policy reflections in greater detail:

01 | Empower members with guidance tools, personalised planning, and financial literacy

- **Integrate guidance tools** into the i-Akaun app, such as links to Belanjawanku for budgeting guidance, and AKPK for debt management.
- **Provide personalised projections on the long-term impact of withdrawals**, aligned with the Retirement Income Adequacy (RIA) Framework, and strengthen planning tools and advisory services by embedding member-specific behavioural patterns.
- **Raise awareness and uptake of existing EPF products and withdrawal facilities** (e.g. i-Lindung, education, health etc) to reduce reliance on Akaun Fleksibel withdrawals.
- **Continue partnership with the Financial Education Network (FEN)** to expand financial literacy programmes and help members apply knowledge in practice.

02 | Strengthen monitoring and data-driven policy design

- **Periodically review** withdrawal patterns, identify emerging risks and recalibrate policies.
- **Utilise data insights** to tailor communication and design targeted interventions.
- **Strengthen integration of EPF data with broader social protection systems** to identify vulnerable households and improve targeting of support.

03 | Address living cost pressures and improve linkages of national social protection mechanisms

- **Implement broader economic measures** to reduce reliance on long-term savings for immediate needs, such as policies to promote wage growth and control rising living costs.
- **Enhance and improve linkages between broader social protection mechanisms** including social assistance, social insurance, and active labour market policies, to provide relevant and timely support especially for vulnerable groups.
- **Address the gap in the old-age income security system** that guarantees a minimum income at retirement.

4.3. Concluding Remarks

Akaun Fleksibel has emerged as a reliable financial lifeline, helping members meet immediate needs such as daily necessities, health expenses, and debt payments, while also coinciding with higher perceived financial security and overall wellbeing. Usage patterns and priorities vary across demographic groups, reflecting needs at different life stages, income levels and socioeconomic circumstances.

While short-term relief appears to be the primary benefit, members also show awareness of the trade-offs between withdrawals and long-term retirement adequacy, highlighting the importance of replenishment and proactive financial planning. Policy interventions that combine behavioural tools, personalised planning, data-driven design, and broader social protection linkages can further strengthen the effectiveness of the facility. Such measures would support members' evolving financial needs while safeguarding long-term adequacy.

Appendix

Appendix A: Survey Methodology

Sampling Frame and Target Population

The survey targets EPF members who have made withdrawals from Akaun Fleksibel, aiming to capture behavioural insights and demographic patterns in the fund utilisation. The sampling frame was constructed from the EPF administrative database, focusing on members who have made at least one withdrawal between May 2024 and June 2025. Where feasible, survey responses were linked to the individual administrative records to verify selected information.

Sampling Design

The survey adopted a census approach, inviting all EPF members who have made withdrawals from Akaun Fleksibel between May 2024 to June 2025. Since the survey was conducted online, cost and logistical constraints were minimal, enabling outreach to the entire eligible population. This approach ensures comprehensive coverage of the target group and supports robust analysis of behavioural patterns and demographic characteristics. The survey was deployed through two channels to invite eligible members to participate: first, push notifications via the i-Akaun app, and second, invitations via email. Subsequent reminders were issued to members who had not yet completed the survey.

Sample Size and Response Rate

A total of 4.6 million⁹ EPF members were invited to participate in the survey, and 14,204 responses were received, representing an overall responses rate of approximately 0.3%. While this response rate appears low, it should be contextualized relative to the large population base. The responses received provides sufficient statistical power to detect meaningful differences across demographic groups and withdrawal patterns, with an estimated margin of error of $\pm 0.8\%$ at the 95% confidence level for population-level estimates.

The reliability of the survey data was validated through several approaches. First, survey responses were weighted by ethnicity, gender, and age group to correct for under- and over-representation relative to the actual population. Second, a comparison of weighted results between the initial 2,000 responses and the full 14,204 responses showed consistent findings, indicating stability across the respondent pool. Third, relative standard errors (RSE) were calculated for key estimates, with the majority falling below 10%, indicating reliable precision for both overall and subgroup analyses.

⁹ Total EPF members who have made at least one withdrawal from Akaun Fleksibel as of June 2025.

Questionnaire Design and Pilot Testing

The survey instrument was developed by EPF's Social Policy Research team, drawing on behavioural economics literature, administrative data insights, and policy priorities related to retirement adequacy. The questionnaire was divided into three main sections:

- **Part A: Respondent Profile**
This section collected demographic and socioeconomic information, including year of birth, ethnic group, gender, employment status (working or not working), highest educational attainment, and average monthly income.
- **Part B: Akaun Fleksibel Withdrawal**
This section focused on actual usage of the account, covering the frequency of withdrawals since May 2024, estimated total amount withdrawn, and the purposes for which the funds were used (e.g., daily expenses, emergencies, debt repayment).
- **Part C: Perception and Financial Behaviour**
This section explored members' initial perceptions of Akaun Fleksibel, its impact on their financial and overall wellbeing, and how the availability of flexible withdrawals has influenced their future financial decision-making and behaviour.

A pilot test was conducted with a small subsample of EPF members to assess clarity, completion time, and response variability. Feedback from the pilot informed refinements to question wording, logic flow, and response options, ensuring improved usability and respondent experience.

Ethical Considerations

Formal ethical approval was not sought from an institutional review board due to the survey's low-risk nature and its administration within an internal policy research context. Nonetheless, ethical diligence was upheld through an internal screening process supported by AI-based review tools, which evaluated the questionnaire's design, data handling protocols, and compliance with relevant privacy standards.

Confirmation of ethical safeguards was based on a comprehensive assessment of both the questionnaire's content and its administration protocol. Several measures were incorporated to uphold participant rights and ensure data integrity. Participation was entirely voluntary, supported by an explicit opt-in mechanism and a clear informed consent statement provided at the outset. No coercive or misleading questions were included, and no sensitive health, political, or religious data were collected. Responses remained anonymous and confidential, with only IC numbers and registered emails used for secure internal data integration. These identifiers were stored separately and managed in accordance with the Personal Data Protection Act (PDPA) 2010, as outlined in the survey's privacy statement.

The inclusion of a consent question, clear privacy assurances, and the absence of high-risk content further support the assessment that the survey posed minimal ethical risk. Nonetheless, ongoing vigilance in data handling and reporting is practiced to maintain respondent trust and uphold institutional integrity.

Survey Question

KAJI SELIDIK PENGELUARAN AKAUN FLEKSIBEL AKAUN FLEKSIBEL WITHDRAWAL SURVEY

OBJEKTIF KAJIAN:

Kumpulan Wang Simpanan Pekerja (KWSP) telah melaksanakan penstrukturan semula akaun ahli KWSP, berkuat kuasa 11 Mei 2024, bertujuan menambah baik jaminan pendapatan persaraan di samping memenuhi keperluan semasa ahli. Inisiatif ini merangkumi pengenalan Akaun Fleksibel yang membolehkan ahli mengeluarkan sebahagian daripada simpanan pada bila-bila masa bagi sebarang tujuan. Objektif kajian ini adalah untuk memahami penggunaan pengeluaran simpanan tersebut, dan bagaimana ia telah menyumbang kepada kesejahteraan kewangan dan sosial ahli. Pandangan anda amat berharga dan akan membantu KWSP untuk terus memperkukuh dasar yang mengimbangi keperluan kewangan semasa dan jangka panjang.

STUDY OBJECTIVE:

The Employees Provident Fund (EPF) has restructured members' accounts, effective May 11, 2024, to improve retirement income security while addressing current needs. This initiative includes the introduction of Akaun Fleksibel, which allows members to withdraw part of their savings at any time for any purpose. This survey aims to understand how members have used their withdrawn savings and how it has affected their financial and social wellbeing. Your feedback will help us develop policies that balance immediate and long-term financial needs.

Privasi dan Kerahsian:

Semua maklumat adalah untuk kegunaan KWSP sahaja dan kerahsiaan responden adalah terjamin selaras dengan peruntukan Akta Perlindungan Data Peribadi 2010 (PDPA). Hanya rumusan dapatan akan dilaporkan, tanpa mendedahkan identiti individu atau data peribadi.

Privacy and Confidentiality:

All information is strictly for EPF use, and respondents' confidentiality is guaranteed in accordance with the Personal Data Protection Act 2010 (PDPA). Only summary findings will be reported, with no disclosure of individual identity or personal data.

1. Saya bersetuju untuk menyertai survei ini dan saya faham serta mengizinkan maklumbalas saya digunakan bagi tujuan menambah baik kualiti produk dan perkhidmatan KWSP.

I hereby agree to participate in this survey and understand and consent to my responses being used to improve the quality of EPF products and services.

- Bersetuju / Agree
 Tidak Bersetuju / Disagree

A. PROFIL RESPONDEN / RESPONDENT PROFILE

<p>2. Tahun kelahiran / Year of birth</p> <p>_____</p> <p>3. Jantina / Gender</p> <p><input type="checkbox"/> Lelaki / Male <input type="checkbox"/> Perempuan / Female</p> <p>4. Kumpulan etnik / Ethnic group</p> <p><input type="checkbox"/> Melayu / Malay <input type="checkbox"/> Cina / Chinese <input type="checkbox"/> India / Indian <input type="checkbox"/> Bumiputera Sabah <input type="checkbox"/> Bumiputera Sarawak <input type="checkbox"/> Lain-lain / Others</p>	<p>5. Negeri tempat tinggal / State of residence</p> <p><input type="checkbox"/> Johor <input type="checkbox"/> Kedah <input type="checkbox"/> Kelantan <input type="checkbox"/> Melaka <input type="checkbox"/> Negeri Sembilan <input type="checkbox"/> Pahang <input type="checkbox"/> Perak <input type="checkbox"/> Perlis <input type="checkbox"/> Pulau Pinang <input type="checkbox"/> Sabah <input type="checkbox"/> Sarawak <input type="checkbox"/> Selangor <input type="checkbox"/> Perlis <input type="checkbox"/> Terengganu <input type="checkbox"/> W. P. Kuala Lumpur <input type="checkbox"/> W. P. Labuan <input type="checkbox"/> W. P. Putrajaya</p>
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<p>6. Pencapaian pendidikan tertinggi / Highest educational attainment</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tiada pendidikan rasmi / No formal education <input type="checkbox"/> Pendidikan rendah / Primary education <input type="checkbox"/> Pendidikan menengah / Secondary education <input type="checkbox"/> Pra-ijazah atau setaraf (Cth: Diploma, Matrikulasi, Tingkatan 6) / Pre-degree and equivalent (e.g., Diploma, Matriculation, Form 6) <input type="checkbox"/> Ijazah Pertama atau setaraf (Cth: Diploma Lanjutan, Sarjana Muda, Sijil Professional) / First degree or equivalent (e.g., Advanced Diploma, Bachelor's degree, Professional Certification) <input type="checkbox"/> Pasca Siswazah atau setaraf (Contoh: Sarjana, PhD) / Postgraduate and equivalent (e.g., Master's, PhD) <p>7. Status pekerjaan / Employment status</p> <ul style="list-style-type: none"> <input type="checkbox"/> Bekerja / Employed <input type="checkbox"/> Tidak Bekerja / Unemployed <p>8. Bekerja [Jika responden memilih 'Bekerja' di S7] / Working [If respondent selected 'Employed' in Q7]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pekerja sepenuh masa (tetap/kontrak) / Full-time employee (permanent/contract) <input type="checkbox"/> Bekerja sendiri / Self-employed <input type="checkbox"/> Pekerja sambilan / Part-time employee <input type="checkbox"/> Pekerja keluarga tanpa gaji / Unpaid family worker <input type="checkbox"/> Majikan/Pemilik perniagaan / Employer/Business owner <input type="checkbox"/> Lain-lain: ___ / Others: ___ <p>Tidak Bekerja [Jika responden memilih 'Tidak Bekerja' di S7] / Unemployed [If respondent selected 'Unemployed' in Q7]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tidak bekerja tetapi sedang mencari pekerjaan / Unemployed but looking for a job <input type="checkbox"/> Tidak bekerja dan tidak mencari pekerjaan (kerana sakit/kurang upaya) / Unemployed and not looking for a job (due to illness/disability) <input type="checkbox"/> Ibu bapa sepenuh masa/surirumah / Full-time parent/ homemaker <input type="checkbox"/> Pekerja keluarga tanpa gaji / Unpaid family worker <input type="checkbox"/> Pesara / Retiree <input type="checkbox"/> Pelajar / Student <input type="checkbox"/> Lain-lain: ___ / Others: ___ 	<p>9. Pendapatan bersih bulanan isi rumah / Net monthly household income (Nota: Nyatakan nilai anggaran jika tiada pendapatan tetap secara bulanan. Pendapatan bersih isi rumah merujuk kepada jumlah yang diterima oleh semua ahli isi rumah daripada semua sumber seperti gaji, pendapatan perniagaan, pendapatan harta, dan bantuan tunai; selepas ditolak cukai dan caruman wajib KWSP dan PERKESO). / Note: State the estimated value if there is no fixed monthly income. Net household income refers to the total income received by all members of a household from all sources, such as salaries, business income, property income, and transfers, after deducting taxes and mandatory EPF and SOCSO contributions.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tiada pendapatan / No income <input type="checkbox"/> RM999 dan ke bawah / RM999 and below <input type="checkbox"/> RM1,000 - RM1,999 <input type="checkbox"/> RM2,000 - RM2,999 <input type="checkbox"/> RM3,000 - RM3,999 <input type="checkbox"/> RM4,000 - RM4,999 <input type="checkbox"/> RM5,000 - RM5,999 <input type="checkbox"/> RM6,000 - RM7,999 <input type="checkbox"/> RM8,000 - RM9,999 <input type="checkbox"/> RM10,000 - RM11,999 <input type="checkbox"/> RM 12,000 - RM13,999 <input type="checkbox"/> RM14,000 - RM15,999 <input type="checkbox"/> RM16,000 dan ke atas / RM16,000 and above <p>10. Bilangan ahli isi rumah / Number of household members _____</p> <p>11. No Kad Pengenalan / Identification Card Number Contoh: 710808065417 / Example: 710808065417 Nota: Nombor kad pengenalan diperlukan untuk dipautkan dengan data dalaman bagi membolehkan analisis yang lebih menyeluruh. Maklumat ini tidak akan digunakan untuk mengenal pasti individu di luar skop kajian. Hanya dapatan berbentuk agregate akan dilaporkan. / Note: Identification card numbers are required to link with internal data for richer analysis. This information will not be used to identify individuals outside the scope of the study. Only aggregated findings will be reported.</p> <p>12. Email yang didaftarkan dengan KWSP / Registered email with EPF</p>
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B. PENGELUARAN AKAUN FLEKSIBEL / AKAUN FLEKSIBEL WITHDRAWAL

<p>13. Persepsi awal saya apabila Akaun Fleksibel diperkenalkan pada Mei 2024 / My initial perception when Akaun Fleksibel was introduced in May 2024</p> <ul style="list-style-type: none"> <input type="checkbox"/> Saya melihatnya sebagai kemudahan baharu yang amat bermanfaat apabila diperlukan / I saw it as a new facility that is very useful when needed <input type="checkbox"/> Saya bimbang ia mungkin mendorong saya membuat pengeluaran yang tidak perlu / I was concerned it might encourage me to make unnecessary withdrawals <input type="checkbox"/> Saya anggap ia sebagai kemudahan yang tidak begitu relevan dengan keperluan saya / I considered it a facility that is not very relevant to my needs <input type="checkbox"/> Saya melihatnya sebagai satu langkah yang tidak wajar dan boleh menjejaskan simpanan persaraan saya / I saw it as an unwise move that could affect my retirement savings <input type="checkbox"/> Lain-lain: ___ / Others: ___ 	<p>14. Semasa tempoh Pemindahan Akaun Permulaan antara Mei hingga Ogos 2024, saya telah memindahkan sebahagian simpanan dari Akaun Sejahtera (Akaun 2) ke Akaun Fleksibel (Akaun 3) / During the Initial Amount Transfer period between May and August 2024, I have transferred part of my savings from Akaun Sejahtera (Account 2) to Akaun Fleksibel (Account 3)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Ya / Yes <input type="checkbox"/> Tidak / No
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15. Sejak Akaun Fleksibel diperkenalkan pada Mei 2024, saya telah membuat pengeluaran... / Since the introduction of Akaun Fleksibel in May 2024, I have made withdrawals...

- Semasa tempoh Pindahan Amaun Permulaan antara Mei–Ogos 2024 SAHAJA / During the Initial Amount Transfer period between May–Aug 2024 ONLY
- Semasa tempoh Pindahan Amaun Permulaan antara Mei–Ogos 2024; dan/atau selepas pembayaran dividen pada Mac 2025 SAHAJA / During the Initial Amount Transfer period between May–Aug 2024 and/or after the dividend payout in Mar 2025 ONLY
- Sekali-sekala, bukan secara bulanan / Occasionally, not on monthly basis
- Secara bulanan / On monthly basis

16. Anggaran jumlah keseluruhan yang telah saya keluarkan sejak Akaun Fleksibel diperkenalkan / The estimated total amount I have withdrawn since the introduction of Akaun Fleksibel

- RM499 dan ke bawah / RM499 and below
- RM500 - RM999
- RM1,000 - RM1,999
- RM2,000 - RM2,999
- RM3,000 - RM3,999
- RM4,000 - RM4,999
- RM5,000 - RM9,999
- RM10,000 - RM49,999
- RM50,000 dan ke atas / RM50,000 and above

17. Pengeluaran Akaun Fleksibel telah membantu saya memenuhi keperluan kewangan berikut / Akaun Fleksibel withdrawals have helped me meet the following financial needs

Perbelanjaan harian dan komitmen bulanan / Daily expenses and monthly commitments

- Sangat membantu / Very helpful
- Membantu / Helpful
- Agak membantu / Somewhat helpful
- Agak tidak membantu / Somewhat not helpful
- Tidak membantu / Not helpful
- Langsung tidak membantu / Not helpful at all
- Tidak berkenaan / Not applicable

Perbelanjaan kecemasan / Emergency expenses

- Sangat membantu / Very helpful
- Membantu / Helpful
- Agak membantu / Somewhat helpful
- Agak tidak membantu / Somewhat not helpful
- Tidak membantu / Not helpful
- Langsung tidak membantu / Not not helpful at all
- Tidak berkenaan / Not applicable

Perbelanjaan musim dan gaya hidup / Seasonal and lifestyle expenses

- Sangat membantu / Very helpful
- Membantu / Helpful
- Agak membantu / Somewhat helpful
- Agak tidak membantu / Somewhat not helpful
- Tidak membantu / Not helpful
- Langsung tidak membantu / Not not helpful at all
- Tidak berkenaan / Not applicable

Pelaburan dan tanggungan kewangan / Investments and financial obligations

- Sangat membantu / Very helpful
- Membantu / Helpful
- Agak membantu / Somewhat helpful
- Agak tidak membantu / Somewhat not helpful
- Tidak membantu / Not helpful
- Langsung tidak membantu / Not helpful at all
- Tidak berkenaan / Not applicable

18. Untuk kategori Perbelanjaan Harian dan Komitmen Bulanan, saya telah membelanjakan wang pengeluaran untuk... (Pilih semua yang berkaitan) / For the Daily Expenses and Monthly Commitments category, I have spent the withdrawn money for... (Select all relevant answers)

- Makanan, pakaian dan keperluan harian lain / Food, clothing and other daily necessities
- Perjalanan harian (Contoh: petrol, tol, tambang pengangkutan awam) / Daily commute (e.g., petrol, tolls, public transport fares)
- Sewa dan bil utiliti (Contoh: air, elektrik, gas) / Rental and utility bills (e.g., water, electricity, gas)
- Kos penyelenggaraan (Contoh: membaiki rumah, kereta) / Maintenance costs (e.g., house, car repairs)
- Tidak berkenaan (Nota: Jangan pilih 'Tidak Berkenaan' bersama pilihan lain) / Not applicable (Note: Do not select 'Not Applicable' together with other options)
- Lain-lain, sila nyatakan: ___ / Others, please specify: ___

19. Untuk kategori Perbelanjaan Kecemasan, saya telah membelanjakan wang pengeluaran untuk... (Pilih semua yang berkaitan) / For the Emergency Expenses category, I have spent the withdrawn money for... (Select all relevant answers)

- Rawatan penyakit ringan/kritikal (sendiri dan/atau ahli keluarga) / Treatment for minor/critical illness (self and/or family members)
- Perbelanjaan kerana kehilangan pekerjaan atau penutupan perniagaan / Expenses due to job loss or business closure
- Perbelanjaan kerana musibah luar jangka (Contoh: kematian, kecurian, bencana alam) / Expenses due to unexpected event (e.g., death, theft, natural disaster)
- Tidak berkenaan (Nota: Jangan pilih 'Tidak Berkenaan' bersama pilihan lain) / Not applicable (Note: Do not select 'Not Applicable' together with other options)
- Lain-lain, sila nyatakan: ___ / Others, please specify: ___

20. Untuk kategori Perbelanjaan Bermusim dan Gaya Hidup, saya telah membelanjakan wang pengeluaran untuk... / For the Seasonal and Lifestyle Expenses category, I have spent the withdrawn money for... (Select all relevant answers)

- Perbelanjaan pendidikan (Contoh: yuran, keperluan persekolahan) / Education expenses (e.g., fees, educational supplies, other essentials)
- Perbelanjaan peristiwa penting dalam hidup (Contoh: perkahwinan, kelahiran anak) / Major life events expenses (e.g., wedding, childbirth)
- Perbelanjaan semasa musim perayaan / Expenses during festive seasons
- Perbelanjaan gaya hidup (Contoh: percutian, hiburan, hobi, barangan berjenama) / Lifestyle expenses (e.g., vacations, entertainment, hobbies, branded goods)
- Tidak berkenaan (Nota: Jangan pilih 'Tidak Berkenaan' bersama pilihan lain) / Not applicable (Note: Do not select 'Not Applicable' together with other options)
- Lain-lain, sila nyatakan: ___ / Others, please specify: ___

<p>21. Untuk kategori Pelaburan dan Tanggungan Kewangan, saya telah membelanjakan wang pengeluaran untuk... / For the Investments and Financial Obligations category, I have spent the withdrawn money for... (Select all relevant answers)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Membeli harta atau barangan tahan lama (Contoh: rumah, kereta, tanah, perabot, barangan elektronik) / Purchase of assets, durable goods (e.g., house, car, land, furniture, electronic items) <input type="checkbox"/> Menyimpan atau melabur dalam instrumen kewangan lain (Contoh: unit amanah, emas, saham) / Saving or investing in other financial instruments (e.g., unit trust, gold, shares) <input type="checkbox"/> Memulakan atau mengembangkan perniagaan / Starting or expanding a business <input type="checkbox"/> Membayar hutang secara ansuran atau sekaligus / Debt payments in instalments or in lump sum <input type="checkbox"/> Membayar premium insurans / Paying insurance premiums <input type="checkbox"/> Membayar zakat, wakaf, derma/sumbangan sukarela / Paying zakat, waqaf, charity/voluntary donations <input type="checkbox"/> Tidak berkenaan (Nota: Jangan pilih 'Tidak Berkenaan' bersama pilihan lain) / Not applicable (Note: Do not select 'Not Applicable' together with other options) <input type="checkbox"/> Lain-lain, sila nyatakan: ____ / Others, please specify: ____ 	<p>22. Sebelum kemudahan pengeluaran Akaun Fleksibel diperkenalkan, saya mendapatkan wang untuk perbelanjaan yang dinyatakan di atas daripada... (Pilih semua yang berkaitan) / Before Akaun Fleksibel withdrawal facility was introduced, I obtained money for the expenses mentioned above from (Select all relevant answers)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pendapatan/gaji semasa / Current income/salary <input type="checkbox"/> Simpanan peribadi (contoh: simpanan bank, tunai) / Personal savings (e.g., bank account, cash) <input type="checkbox"/> Bantuan daripada keluarga atau rakan / Assistance from family or friends <input type="checkbox"/> Pinjaman peribadi atau kad kredit / Personal loans or credit cards <input type="checkbox"/> Pendapatan sampingan (contoh: kerja sambilan, jualan 'online') / Side income (e.g., part-time work, online sales) <input type="checkbox"/> Tidak berbelanja untuk perbelanjaan tersebut sebelum ada kemudahan pengeluaran ini / Did not spend on those expenses before this withdrawal facility was available <input type="checkbox"/> Lain-lain, sila nyatakan: ____ / Others, please specify: ____
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C. PERSEPSI DAN TINGKAH LAKU KEWANGAN / PERCEPTIONS AND FINANCIAL BEHAVIOUR

<p>23. Pernyataan yang paling tepat menerangkan cara saya mengurus kewangan saya (Pilih satu jawapan) / The statement that best describes how I manage my finances (Select one answer)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Saya mempunyai bajet dan perancangan kewangan yang terperinci / I have a detailed budget and financial plan <input type="checkbox"/> Saya mempunyai bajet dan perancangan kewangan secara umum / I have a general budget and financial plan <input type="checkbox"/> Saya belum mempunyai bajet atau perancangan kewangan, tetapi ingin belajar membuatnya / I do not have a budget or financial plan yet, but want to learn how to create one <input type="checkbox"/> Saya tidak mempunyai bajet atau perancangan kewangan, dan tidak bercadang untuk membuatnya / I do not have a budget or financial plan, and do not plan to create one <p>24. Pada masa akan datang, saya rasa saya akan membuat pengeluaran daripada Akaun Fleksibel / In the future, I expect to make withdrawals from Akaun Fleksibel</p> <ul style="list-style-type: none"> <input type="checkbox"/> Setiap bulan, atau lebih kerap / Every month, or more frequently <input type="checkbox"/> 1 atau 2 kali setahun / 1 or 2 times a year <input type="checkbox"/> Beberapa kali setahun, bergantung kepada situasi semasa / A few times a year, depending on my future situation <input type="checkbox"/> Tidak merancang membuat pengeluaran / Do not plan to withdraw <input type="checkbox"/> Tidak pasti / Not sure <p>25. Saya berasa lebih terjamin dari segi kewangan apabila mengetahui saya boleh mengeluarkan simpanan Akaun Fleksibel apabila memerlukan / I feel more financially secure knowing that I can withdraw from Akaun Fleksibel when needed</p> <p>26. Pengeluaran Akaun Fleksibel telah menyumbang kepada kesejahteraan hidup saya melangkaui keperluan kewangan (Contoh: mengurangkan tekanan emosi dan mental, meningkatkan kualiti hidup melalui penyertaan sosial, aktiviti riadah dan penjagaan diri) / Akaun Fleksibel withdrawals have</p>	<p>contributed to my overall wellbeing beyond just financial needs (e.g., reducing emotional and mental stress, enhancing quality of life through social participation, leisure and self-care)</p> <p>27. Saya bimbang pengeluaran Akaun Fleksibel akan menjejaskan kecukupan simpanan persaraan saya / I am concerned that withdrawals from Akaun Fleksibel could affect the adequacy of my retirement savings</p> <p>28. Saya merancang untuk menyimpan lebih daripada kadar caruman wajib atau jumlah biasa untuk menggantikan simpanan yang telah dikeluarkan / I plan to save more than the mandatory contribution rate or usual amount to replenish the withdrawn savings</p> <p>29. Kemudahan pengeluaran Akaun Fleksibel mengukuhkan keyakinan saya terhadap KWSP sebagai institusi yang boleh dipercayai, bukan sahaja untuk persaraan malah dalam menghadapi cabaran sepanjang hayat / The Akaun Fleksibel withdrawal facility strengthens my confidence in EPF as a reliable institution, not only for retirement but also in facing life's challenges</p> <p>Pilihan jawapan berikut adalah bagi Soalan 26 hingga 29. The following answer options apply to Questions 26 to 29.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sangat setuju / Strongly agree <input type="checkbox"/> Setuju / Agree <input type="checkbox"/> Agak setuju / Somewhat agree <input type="checkbox"/> Agak tidak setuju / Somewhat disagree <input type="checkbox"/> Tidak setuju / Disagree <input type="checkbox"/> Sangat tidak setuju / Strongly disagree <input type="checkbox"/> Tidak pasti / Not sure <p>30. Sila kongsi sebarang maklum balas atau cadangan untuk KWSP / Please share any additional feedback or suggestions for EPF</p>
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Appendix B: Demographic Distribution of Survey Respondents

Table B.1 presents the demographic distribution of survey respondents alongside the population of Akaun Fleksibel withdrawers derived from administrative data. Overall, the respondent profile broadly mirrors the underlying population, although there is some over- and underrepresentation across subgroups. In particular, withdrawers aged below 30 and members earning below RM3,000 are slightly underrepresented in the survey sample.

To address these imbalances, survey weights were applied based on gender, age, and ethnicity. The weighted distribution is reported for reference. For variables such as employment status, sector, and earnings, information was obtained by matching survey responses with administrative data. Respondents who could not be matched were classified under as “Others”.

Table B.1: Comparison of demographic distribution of survey respondents and population of withdrawers

		Survey respondents (%)	Withdrawers population (%)	Point difference	Weighted distribution (%)
Gender	Male	67.5	57.8	9.7	57.6
	Female	32.5	42.2	-9.7	42.5
Age	Below 30	19.1	34.5	-15.4	34.5
	30 - 39	39.9	35.9	4.0	35.9
	40 - 49	32.3	22.7	9.6	22.7
	50 & above	8.6	6.9	1.7	6.9
Ethnicity	Malay	65.4	64.4	1.0	64.1
	Chinese	8.4	11.4	-2.9	11.7
	Indian	6.0	8.0	-2.0	8.0
	Other Bumiputera	18.0	14.1	4.0	14.0
	Others	2.1	2.2	0.0	2.2
Status	Active	73.5	86.5	-12.9	72.8
	Inactive	4.5	13.1	-8.6	4.6
	Others	21.9**	0.4	21.5	22.6
Sector	Formal	72.7	85.3	-12.6	71.9
	Informal	0.8	1.2	-0.4	0.9
	Others	26.5**	13.5	12.9	27.2
Region	PM, Central Region	39.8	32.9	6.9	39.9
	PM, Northern Region	14.9	20.9	-6.0	16.2
	PM, Eastern (East Coast) Region	8.5	13.1	-4.6	8.7
	PM, Southern Region	14.2	14.4	-0.2	14.8
	East Malaysia	22.6	18.7	3.9	20.4
Earning group	Below RM3k	44.5	66.8	-22.3	47.7
	RM3k - <RM5k	17.1	18.5	-1.4	15.8
	RM5k - <RM10k	11.9	10.5	1.4	10.2
	RM10k & above	4.7	4.2	0.5	3.7
	Others	21.9**			22.6
Education*	Primary & below	6.7	11.2	-4.5	7.3
	Secondary	45.3	56.9	-11.7	44.7
	Tertiary	48.0	31.9	16.2	48.1

Notes: PM = Peninsular Malaysia, *Education = Population distribution is based on Labour Force Survey, **Non-matched cases, etc.
Sources: DOSM (2025), EPF (2025b)

Data Quality

The analysis in this report is based on weighted responses from the survey, which was distributed to all members who made withdrawals from their Akaun Fleksibel over the period of May 2024 to June 2025. Despite the census-style approach, not all members responded. Hence, the results are subject to sampling variability as the respondents may not perfectly represent the entire population of withdrawers.

This variability is quantified through relative standard errors (RSEs), standard errors (SEs) and 95% confidence intervals as presented in Table B.2. Estimates with lower RSE values are considered more precise, while higher RSEs indicate greater variability and less reliable estimates. As a rule of thumb, estimates with an RSE below 5% is often considered low, while between 5% and 10% is moderate. For example, the estimated proportion of male withdrawers is 57.5% with an RSE of 0.8%, a standard error of 0.5%, and a 95% confidence interval of 56.6% to 58.5%, indicating a high level of reliability for this demographic characteristic.

Table B.2: Sampling precision measures for key demographic groups

Demographic	Estimates	Sampling precision		95% confidence interval
		RSE (%)	SE (%)	
Gender				
Male	57.5	0.8	0.5	56.6 - 58.5
Female	42.5	1.1	0.5	41.5 - 43.4
Age Group				
Below 30	34.5	1.5	0.5	33.4 - 35.5
30 - 39	35.9	1.2	0.4	35.0 - 36.8
40 - 49	22.7	1.5	0.3	22.0 - 23.4
50 & above	6.9	2.9	0.2	6.4 - 7.3
Ethnicity				
Malay	64.1	0.7	0.5	63.2 - 65.0
Chinese	11.7	3.0	0.3	11.0 - 12.4
Indian	8.0	3.6	0.3	7.4 - 8.6
Other Bumiputera	14.0	2.1	0.3	12.2 - 14.5
Others	2.2	6.4	0.1	1.8 - 2.4

In addition to sampling variability due to non-response, the survey is also subject to non-sampling errors, which may arise at any stage of data collection and processing. Although survey design, careful questionnaire development, and structured data cleaning were implemented to minimise errors, they cannot be fully eliminated. Overall, the combination of weighted responses, internal consistency, low RSEs, and narrow confidence intervals suggest that the dataset is of high quality and provides reliable insights into the demographic composition of withdrawers.

Appendix C: Multiple Regression Results

Table C.1: Sociodemographic factors associated with withdrawal frequency and amount

	Frequency model	Amount model
Model Statistics:		
• Observations (N):	4,922,165	4,922,165
• Model P-value (Prob > F):	0.0000	0.0000
• R-squared:	0.1243	0.4257
• Adjusted R-squared:	0.1243	0.4257
Predictors		
	Coefficient	Coefficient
Age group: 18-24		
25 - 29	0.6253036***	266.0051***
30 - 34	0.7185468***	303.4347***
35 - 39	0.5613182***	278.6008***
40 - 44	0.2290624***	549.973***
45 - 49	-0.0738207***	1186.736***
50 & above	-1.043194***	-1806.107***
Gender: Female		
Male	0.1974167***	118.1253***
Ethnic group: Malay		
Bumiputera Others	0.1745021***	150.4277***
Chinese	-1.444296***	658.9358***
India	-0.7601709***	-98.70831***
Others	-0.3333437***	269.7198***
Member status: Inactive		
Active	1.434625***	0.4585461
Earnings group: No earnings		
Below RM3k	2.092839***	-147.611***
RM3k - < RM5k	3.308809***	204.8123***
RM5k - < RM10k	3.132845***	568.4163***
RM10k & above	2.384777***	2254.172***
Total savings	2.58e-06***	0.0297467***
_cons	1.304862***	682.8312***

Note: Asterisk * refers to the level of significance. *** p<0.01, ** p<0.05, * p<0.1.

Appendix D: Logistic Regression Results

Table D.1: Factors associated with perceived outcomes

Blocks	Predictors	Financial Needs	Financial Security	Overall Wellbeing	Adequacy Concern
Withdrawal Behaviour	Frequency	0.95249495	0.98485878	1.0140598	0.98576941**
	Amount	0.99998958	1.00001800	1.0000168	0.99999281
Sociodemographic	Gender: Male				
	Female	2.4777110*	0.97816673	1.6457409*	1.2376414***
	Age group: <30				
	30-39	1.11727060	1.24094430	1.2582651	0.68783306***
	40-49	0.82814387	0.85379124	0.79903369	0.51301369***
	≥50	1.18469650	0.50343889	0.62039157	0.47244198***
	Ethnic group: Malay				
	Chinese	2.3181293	1.31379050	1.35815360	2.4967624***
	Indian	1.25471200	0.55334167	0.54372911	1.6127133***
	Bumiputer others	1.49652700	1.13018830	0.94796185	0.93065996
	Others	4.29480860	0.87057581	0.47022039	0.90420380
	Education: No formal & Primary				
	Secondary	0.55710042	0.35088819*	0.55816512	0.47116449***
	Tertiary	1.09473350	0.35345097	0.72417064	0.47388054***
	Member status: Inactive				
	Active	2.6802694	2.0319888	1.2790799	1.1443388
	Earning group: No earnings				
	<RM3k	0.48008370	0.12862325	0.22707008*	1.05793300
	RM3k - <5k	0.27438321	0.08473755*	0.13458983**	1.05257450
	RM5k - <RM10k	0.49523726	0.13065329	0.14186438**	1.08780390
≥RM10k	0.33141364	0.20391989	0.36786095	0.86106742	
Financial Sources Pre-Akaun Fleksibel Withdrawals	Current salary/income: False				
	True	2.0978844*	1.7279539*	1.4107361	0.87297795
	Own Savings: False				
	True	0.65742519	0.4148868**	0.49343081**	1.3721867***
	Family & friends: False				
	True	1.1992424	1.6405557	1.4604301	0.76698273***
	Personal loans & credit cards: False				
	True	1.9031690	0.8388154	0.9771400	0.8185809**
	Side income: False				
	True	0.6865255	1.4352656	1.2087643	0.9424333
Did not spend: False					
True	2.1574031	1.2192036	1.2874056	1.1198753	

Withdrawal Usage	Daily necessity: Not helpful				
	Helpful	6.5943907***	4.8342865***	3.9119163***	1.1168165
	Shocks & emergencies: Not helpful				
	Helpful	15.017765***	3.1420543**	6.0618918***	1.2285556
	Seasonal & lifestyle: Not helpful				
	Helpful	51.476051***	1.9184417	1.8328691	1.2912817*
	Debts & investment: Not helpful				
Helpful	8.008781***	2.5486548**	2.5227904**	0.97876932	
Financial attitude & outlook	Budget & financial plan: No				
	Yes	1.119463	3.2816378***	2.3720518***	0.85010081*
	Withdrawal intent: No/not sure				
	Yes	0.91908399	3.0785977***	2.8009744***	0.64745851***
	Replenish intent: No				
	Yes	1.2453866	3.4534499***	3.8112742***	16.758043***
	_cons	0.10969562**	1.7120527	0.38938779	0.28259958***
II					
N	8238	8208	8212	7900	

Note: Asterisk * refers to the level of significance. *** p<0.01, ** p<0.05, * p<0.1.

Appendix E: Structural Equation Modelling Results

Table E.1: Direct effects in the relationships among perceived outcomes

Direct effects	Coefficient	Robust std. err.	z	P>z	95% conf. interval	
Financial security						
Financial needs	0.3034	0.0310	9.7800	0.0000	0.2426	0.3641
Overall wellbeing						
Financial security	0.6589	0.0333	19.7900	0.0000	0.5936	0.7241
Financial needs	0.2553	0.0300	8.5100	0.0000	0.1965	0.3141
Retirement adequacy						
Financial security	0.0242	0.0417	0.5800	0.5620	-0.0576	0.1059
Overall wellbeing	0.1080	0.0353	3.0600	0.0020	0.0388	0.1772
Financial needs	0.2239	0.0314	7.1300	0.0000	0.1624	0.2855
Age group	-0.0095	0.0006	-15.5200	0.0000	-0.0107	-0.0083
Ethnic group	0.0185	0.0040	4.6700	0.0000	0.0107	0.0262
Earnings group	0.0000	0.0000	-0.2700	0.7850	0.0000	0.0000

Table E.2: Indirect effects in the relationships among perceived outcomes

Indirect effects	Coefficient	Robust std. err.	z	P>z	95% conf. interval	
Financial security						
Financial needs	0	(no path)				
Overall wellbeing						
Financial security	0	(no path)				
Financial needs	0.1999	0.0228	8.7600	0.0000	0.1552	0.2446
Retirement adequacy						
Financial security	0.0711	0.0234	3.0400	0.0020	0.0252	0.1171
Overall wellbeing	0.0000	(no path)				
Financial needs	0.0565	0.0143	3.9500	0.0000	0.0285	0.0845
Age group	0.0000	(no path)				
Ethnic group	0.0000	(no path)				
Earnings group	0.0000	(no path)				

Table E.3: Total effects in the relationships among perceived outcomes

Total effects	Coefficient	Robust std. err.	z	P>z	95% conf. interval	
Financial security						
Financial needs	0.3034	0.0310	9.7800	0.0000	0.2426	0.3641
Overall wellbeing						
Financial security	0.6589	0.0333	19.7900	0.0000	0.5936	0.7241
Financial needs	0.4552	0.0333	13.6600	0.0000	0.3899	0.5205
Retirement adequacy						
Financial security	0.0953	0.0349	2.7300	0.0060	0.0270	0.1636
Overall wellbeing	0.1080	0.0353	3.0600	0.0020	0.0388	0.1772
Financial needs	0.2804	0.0271	10.3400	0.0000	0.2273	0.3335
Age group	-0.0095	0.0006	-15.5200	0.0000	-0.0107	-0.0083
Ethnic group	0.0185	0.0040	4.6700	0.0000	0.0107	0.0262
Earnings group	0.0000	0.0000	-0.2700	0.7850	0.0000	0.0000

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