



A STUDY ON THE RETIREMENT PLANNING BEHAVIOUR
OF WORKING INDIVIDUALS IN
RAUB, PAHANG

NUR NADHIRAH BINTI HAZLIMI
2016663464

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ABSTRACT

Retirement is defined as an act of ending one's working career or the period after they permanently quit a job or profession. In reality, the number of pre-retirees will increase. Malaysian has less confidence in retirement planning because of financial illiteracy. Only 40% of Malaysians are ready for retirement. The person that want to life comfortable after the retirement need make a retirement planning.

The issues are getting from Bank Negara Malaysia website. It arises when there is insufficient fund funding the expenses of retirement person. Only 40% of Malaysian is financially ready for retirement said by deputy governor of Bank Negara. Next issue is because of the age issue. The government had risen the retirement age from 55 to 60 in 2013. Next issue is most Malaysian need to save more to cater for the increasing cost of living, especially medical costs. The minimum wage provision stated by the government was RM 1,050.

This research was conducted in Raub, Pahang and the questionnaires distributed was 383 set.

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CHAPTER 1: RESEARCH OVERVIEW

1.1 Introduction

The introductory chapter provides a comprehensive background to the study of focusing on the research topic. Specifically, this research aims to study on the retirement planning behaviour of working individuals in Raub, Pahang. In depth, this chapter presents an overview of the scenario with research background, problem statement, research objective, research question, significant of the study, scope of study, limitation of study, definition of key terms and finally the summary.

1.2 Research background

Retirement is an act of peoples who are working that need to retire after a working for a many year. Labor Force Participation Rate in Malaysia increased to 68.50 percent in June from 68.40 percent in May of 2018. Labor Force Participation Rate in Malaysia averaged 66.49 percent from 2010 until 2018, reaching an all-time high of 69.60 percent in September of 2013 and a record low of 62.30 percent in November of 2010.

The labour force participation rates is the number of persons who are employed and unemployed but looking for a job divided by the total working-age population. The estimated population of Malaysia in 2018 is 32.4 million as compared to 32.0 million in 2017 with an annual population growth rate of 1.1 per cent.

Life expectancy in Malaysia has grown, with the average male living until age 72 and female to age 77. That could mean another 17 years living in retirement, should a man retire at age 55. These factors necessitate working longer beyond current retirement age. The retired people have certain notions what they want to do after their retirement. Travelling, golfing or spending time with friends and family are the common aspiration to them after retirement. Some expect that to have more free time and no dependents to look after. In reality, retirement does not always live up to people aspirations. The aspirations just remain a dream because they failed to save adequately from early. They are no able to satisfy their dream because they cite not have enough money.