

The Importance of *Shariah* Compliant Retirement Funds

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الْحَمْدُ لِلَّهِ نَحْمَدُهُ وَنَسْتَعِينُهُ وَنَسْتَغْفِرُهُ. وَنَعُوذُ بِاللَّهِ مِنْ شُرُورِ أَنْفُسِنَا وَمِنْ سَيِّئَاتِ
أَعْمَالِنَا. مَنْ يَهْدِهِ اللَّهُ فَلَا مُضِلَّ لَهُ وَمَنْ يَضِلَّ فَلَا هَادِيَ لَهُ.

وَأَشْهَدُ أَنْ لَا إِلَهَ إِلَّا اللَّهُ وَحْدَهُ لَا شَرِيكَ لَهُ، وَأَشْهَدُ أَنَّ سَيِّدَنَا مُحَمَّدًا عَبْدُهُ
وَرَسُولُهُ.

اللَّهُمَّ صَلِّ وَسَلِّمْ عَلَى سَيِّدِنَا مُحَمَّدٍ وَعَلَى آلِهِ وَأَصْحَابِهِ أَجْمَعِينَ.

أَمَّا بَعْدُ،

فَيَا عِبَادَ اللَّهِ، اتَّقُوا اللَّهَ وَأُوصِيكُمْ وَإِيَّايَ بِتَقْوَى اللَّهِ، فَقَدْ فَازَ الْمُتَّقُونَ.

Let us all increase our devotion towards Allah the Almighty by performing all that He has decreed and abstaining from all that He has prohibited. Hopefully, we will be blessed in this world and in the Hereafter.

Dear Brothers and Sisters,

In our country, the Employees Provident Fund (EPF) is the **statutory body** entrusted to assist the Malaysian workforce to save for retirement in accordance with the EPF Act 1991.

There are two types of **contributions** accepted by the EPF, which are:

FIRST: Compulsory contributions from the employees and the employers in the private sector and non-pensionable employees and the employers of the public sector.

SECOND: To encourage Malaysians to save for retirement, the EPF also provides voluntary contribution schemes with special incentives such as the *i-Saraan* scheme, which is voluntary for those who are self-employed or have no fixed income and the *Kasih Suri Keluarga Malaysia* EPF account for housewives.

Beginning January 2017, EPF also set up the *Shariah* Savings Account which enables members to have *shariah*-compliant retirement savings.

Five years after the *Shariah* Savings Accounts was introduced, only 15% of EPF members who are Muslims in the state of Pahang have switched to it. This situation is worrying because there are still many Muslims who let their retirement savings be managed in non-*Shariah* compliant conventional accounts.

The Prophet (peace be upon him [PBUH]) said in a *hadith* narrated by Imam al-Bukhari:

يَأْتِي عَلَى النَّاسِ زَمَانٌ، لَا يُبَالِي الْمَرْءُ مَا أَخَذَ مِنْهُ، أَمِنَ الْحَلَالِ أَمْ مِنَ الْحَرَامِ

Which means: “A time will come to mankind when a man will not care whether what he gets comes from a lawful or an unlawful source.”

Dear Brothers and Sisters,

The *Shariah* Savings Account is not an option but an obligation for all Muslim EPF members.

Therefore, Muslim EPF members need to be aware of the obligation to immediately switch to the *Shariah* Savings Account.

The *Shariah* Savings Account will help members prepare retirement savings that can be fully utilized, including to perform *Hajj* and *Umrah*, without any doubts or worries about the source of the funds.

The Prophet (PBUH) also reminded us of the importance of abandoning things that are *haram* (unlawful) and doubtful in saving the religion and honor of Muslims.

In the *hadith* narrated by Imam al-Bukhari and Imam Muslim from Abu Abdullah Nu'man bin Basyir (May Allah be pleased with him) who said, I heard the Prophet (PBUH) said: *“The lawful is clear and the unlawful is clear, and between that are matters that are doubtful (not clear); many of the people do not know whether it is lawful or unlawful. So, whoever leaves it to protect his religion and his honor, then he will be safe, and whoever falls into something from them, then he soon will have fallen into the unlawful.”*

Among the things that are often associated with conventional investment are the elements of *riba* (interest), *maysir* (gambling) and *gharar* (uncertainty in the contract) which are often found in investments in the banking and insurance sector as well as the conventional financial system. Allah the Almighty says in the Quran in Chapter 2 (*Surah Al-Baqarah*) verse (*ayat*) 278:

أَعُوذُ بِاللَّهِ مِنَ الشَّيْطَانِ الرَّجِيمِ

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُمْ مُؤْمِنِينَ

Which means: “*You who believe, be mindful of Allah: give up any outstanding dues from usury, if you are true believers.*”

Dear Brothers and Sisters,

The Pahang *Shariah* Law Consultative Committee meeting decided that property acquired in a manner that does not comply with *shariah* such as *riba*, *gharar*, gambling, fraud, robbery, extortion, corruption and the like is illegal, cannot be used for personal benefit and interest, and must be cleansed by handing them over to the *Baitulmal*.

Dear Brothers and Sisters,

Let us work together to ensure that our savings are managed in accordance with the *shariah*, especially retirement savings for EPF members, by switching to *Shariah* Savings accounts so that they are pure and blessed.

Allah the Almighty says in the Quran in Chapter 2 (*Surah Al-Baqarah*) verse (*ayat*) 172:

أَعُوذُ بِاللَّهِ مِنَ الشَّيْطَانِ الرَّجِيمِ

يَا أَيُّهَا الَّذِينَ آمَنُوا كُلُوا مِن طَيِّبَاتِ مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِن كُنتُمْ إِيَّاهُ تَعْبُدُونَ

Which means: “*You who believe, eat the good things We have provided for you and be grateful to Allah, if it is Him that you worship.*”

بَارَكَ اللهُ لِي وَلَكُمْ فِي الْقُرْآنِ الْعَظِيمِ، وَنَفَعَنِي وَإِيَّاكُمْ بِمَا فِيهِ مِنَ
الآيَاتِ وَالذِّكْرِ الْحَكِيمِ، وَتَقَبَّلَ مِنِّي وَمِنْكُمْ تِلَاوَتَهُ، إِنَّهُ هُوَ السَّمِيعُ
الْعَلِيمُ. أَقُولُ قَوْلِي هَذَا وَأَسْتَغْفِرُ اللهَ الْعَظِيمَ لِي وَلَكُمْ، وَلِسَائِرِ
الْمُسْلِمِينَ وَالْمُسْلِمَاتِ، وَالْمُؤْمِنِينَ وَالْمُؤْمِنَاتِ، فَاسْتَغْفِرُوهُ إِنَّهُ هُوَ
الْغَفُورُ الرَّحِيمُ.