



LAWS OF MALAYSIA

Act 841

PENSIONS ACT 1951

(Revised—2022)

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PENSIONS ACT 1951

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ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title
2. Interpretation
3. Application

PART II

PROVISIONS RELATING TO PENSIONS

4. Pensions, etc., to be charged on Federal Consolidated Fund
5. Pensions, etc., not an absolute right
6. Service not accounting for pension, etc.
7. Grant of pension, etc.
8. Retirement in the public interest
9. Compulsory retirement
10. Maximum pension from public service

PART III

CESSATION OF PENSIONS, GRATUITY OR OTHER ALLOWANCE

11. Pension, etc., to cease on bankruptcy
12. Pension, etc., to cease on conviction
13. Pension, etc., may cease on accepting employment in certain companies, or in engaging in certain occupations for gain

PART IV

PROVISIONS RELATING TO DERIVATIVE
PENSION OR GRATUITY

Section

14. Derivative pension or derivative gratuity where officer dies in service or after retirement
15. Cessation of derivative pension

PART V

GENERAL

16. Pension, etc., not to be assignable, etc.
17. Liability of pensioners to be called upon to take further employment
18. Power to make regulations

PART VI

REPEAL AND SAVING PROVISIONS

19. Repeal and saving

SCHEDULE

LAWS OF MALAYSIA**Act 841****PENSIONS ACT 1951**

An Act to regulate the granting of pensions, gratuities and other allowances to officers in the public service of the Federation of Malaya.

[27 February 1951]

PART I**PRELIMINARY****Short title**

1. This Act may be cited as the Pensions Act 1951.

Interpretation

2. In this Act, unless the context otherwise requires—

“Federal officer” means—

- (a) an officer in the service of the Government of the Federation whose conditions of employment do not involve a liability to serve under the Government of a State; and
- (b) an officer in the service of the Government of the Federation or of the Government of a State whose conditions of employment involve liability to serve under one or more of the Governments of a State;

“Federation” means the Federation established in accordance with the Federation of Malaya Agreement 1957;

“last drawn salary” means the last drawn monthly salary payable in accordance with the salary scales under the revision of salaries and terms and conditions of service pursuant to the recommendations of the Report of the Cabinet Committee of 1977, or any changes of salary scales under any revision thereafter;

“officer” means a Federal or State officer and includes a police officer of any rank;

“other public service” means public service not under the Government of the Federation or under the Government of any State in the Federation;

“pensionable officer” means an officer who has been emplaced on the pensionable establishment or deemed to have been so emplaced;

“public service” means service in a civil capacity under the Government of the Federation, or any State Government in the Federation, in any statutory or local authority or in such other service as the Yang di-Pertuan Agong may determine to be “public service” for the purpose of this Act;

“public service in the Federation” means public service under the Government of the Federation or any State Government or service in any statutory or local authority or such other service as the Yang di-Pertuan Agong may determine to be “public service in the Federation” for the purpose of this Act;

“salary” means —

- (a) in respect of public service in the Federation a monthly salary payable in accordance with the salary scale attached to the office in which an officer is serving or has served together with any pensionable allowance; and
- (b) in respect of other public service, emoluments which count for pension in accordance with the law or regulations in force for such service;

“State officer” means an officer in the service of the Government of a State whose conditions of employment involve liability to serve only in that State;

“statutory or local authority” means a statutory or local authority within the purview of the revision of salaries and terms and conditions of service in statutory and local authorities pursuant to the recommendations of the Royal Commission appointed by the Yang di-Pertuan Agong.

***Application**

3. (1) This Act shall apply to all officers—

- (a) appointed to the public service in the Federation after the commencement of this Act;
- (b) in the public service in the Federation at the commencement of this Act; and
- (c) who have been transferred from any territory now comprised in the Federation to any other public service before the commencement of this Act.

(2) For the purpose of paragraph (1)(c), nothing in this Act or in any regulation made under this Act shall—

- (a) diminish the amount of pension, gratuity, other than a gratuity under section 14 or other allowance for which an officer in the public service in the Federation at the commencement of this Act would have been eligible had this Act not been enacted; or
- (b) adversely affect the conditions which would have been applicable to that pension, gratuity or other allowance.

**NOTE—see s.28 of the Pensions Act 1980 [Act 227].*

(3) In the application of this Act to officers who were officers on the Malayan Establishment within the meaning of section 2 of the *Malayan Establishment Pensions Ordinance 1948 [*M.U. Ord. No. 4 of 1948*] immediately before 1 July 1954, the following provisions apply:

- (a) where any such officer was in the public service in the Federation immediately before 1 July 1954, all rights accrued to that officer in respect of pensions, gratuities or other allowances under the Malayan Establishment Pensions Ordinance 1948 or the Minutes made under that Ordinance shall continue to subsist under this Act as if the service in respect of which such rights accrued had been public service in the Federation; and
- (b) nothing in this Act or in any regulation made under this Act shall—
 - (i) diminish the amount of a pension, gratuity or allowance for which any officer referred to in paragraph (a) would have been eligible under the Malayan Establishment Pensions Ordinance 1948 or the Minutes made under the Ordinance had that Ordinance not been repealed and had that officer continued to serve on the Malayan Establishment; or
 - (ii) adversely affect conditions that would have been applicable to such pension, gratuity or other allowance under such Ordinance or Minutes.

PART II

PROVISIONS RELATING TO PENSIONS

Pensions, etc., to be charged on Federal Consolidated Fund

4. The sums of money granted by way of pension, gratuity or other allowance in accordance with this Act shall be charged on and paid out of the Federal Consolidated Fund.

*NOTE—Malayan Establishment Pensions Ordinance 1948 has since been repealed by Pensions (Amendment) Ordinance, 1954 [*Ord. No. 23 of 1954*]*—see* s.3 of Ord. No. 23 of 1954.

Pensions, etc., not an absolute right

5. (1) No officer shall have an absolute right to compensation for past services or to any pension, gratuity or other allowance under this Act, and nothing in this Act shall limit the right of the Government of the Federation or of the Government of any State to dismiss any officer without compensation.

(2) Where the Yang di-Pertuan Agong is satisfied that an officer has been guilty of negligence, irregularity, or misconduct, the Yang di-Pertuan Agong may reduce or altogether withhold the pension, gratuity or other allowance for which such officer would have become eligible but for this section.

Service not counting for pension, etc.

6. (1) No pension, gratuity or other allowance shall be granted under this Act to any officer—

- (a) in respect of any service while on probation or agreement, unless, without break of service, he is confirmed in his appointment in the public service in the Federation and emplaced on the pensionable establishment or in an office in any other public service which is at the time of confirmation pensionable in accordance with the law and regulations in force in such service;
- (b) in respect of any service on leave without salary other than leave without salary granted on grounds of public policy;
- (c) in respect of any service during which he is undergoing training and for which he is paid only an allowance; or
- (d) in respect of any service during which the officer was liable to contribute to the Employees Provident Fund established under the *Employees Provident Fund Act 1951

*NOTE—Employees Provident Fund Act 1951 [Act 272] has since been repealed by Employees Provident Fund Act 1991 [Act 452]—see s.75 of Act 452.

[Act 272] or to any other provident fund established under any written law or otherwise except upon condition that there shall be first paid to the Government a sum equal to the total amount of the contributions paid by the Government or employer to those funds on account of the officer in respect of such service, together with the interest on the contributions.

(2) For the purpose of paragraph (1)(a), any interruption in service caused by a temporary suspension of employment not arising from misconduct or voluntary resignation shall be disregarded.

Grant of pension, etc.

7. (1) No pension, gratuity or other allowance shall be granted under this Act to any officer until he has retired from the public service.

(2) No pension, gratuity or other allowance shall be granted under this Act to any officer who has retired from the public service in the Federation unless the officer has retired—

- (a) on or after attaining the age of fifty-five years;
- (b) subject to the prior consent of the Yang di-Pertuan Agong in the case of a Federal officer, or of the Ruler or Yang di-Pertua Negeri, as the case may be, of the State in the case of a State officer, having been obtained to his retiring from the public service, on or after attaining the age of—
 - (i) fifty years, in the case of a male officer other than a male officer of the categories referred to in subparagraph (ii); or
 - (ii) forty-five years in the case of a female officer, an officer of the Fire Services holding the rank of Sub-Officer and below, a police officer below the rank of Assistant Superintendent of Police, a prison officer below the rank of Superintendent and a male nurse at a mental hospital;

- (c) on medical evidence to the satisfaction of the Yang di-Pertuan Agong in the case of a Federal officer, or of the Ruler or Yang di-Pertua Negeri, as the case may be, of the State in the case of a State officer that he is incapable of discharging the duties of his office, by reason of infirmity of mind or body likely to be permanent;
- (d) on the abolition of his office;
- (e) on the termination of his employment in the public interest;
- (f) on compulsory retirement for the purpose of facilitating improvement in the organization of the department to which he belongs by which greater efficiency or economy may be effected; or
- (g) on the ground of national interest at the instance of the Government.

Retirement in the public interest

8. (1) Where an officer's services are terminated on the ground that, having regard to the conditions of the public service, the usefulness of the officer to the public service and all the other circumstances of the case, such termination is desirable in the public interest, and a pension, gratuity or other allowance cannot otherwise be granted to him under this Act, the Yang di-Pertuan Agong may, if he thinks fit, grant such pension, gratuity or other allowance as he thinks just and proper.

(2) The pension, gratuity or other allowance granted under subsection (1) shall not exceed an amount for which the officer would be eligible if he retired from the public service in the circumstances described in paragraph 7(2)(c).

Compulsory retirement

9. The Yang di-Pertuan Agong, in the case of a Federal officer, and the Ruler or Yang di-Pertua Negeri, as the case may be, of the State in the case of a State officer, may require any officer to retire from the public service in the Federation—

- (a) upon attaining the age of fifty-five years;

- (b) on medical evidence to the satisfaction of the Yang di-Pertuan Agong in the case of a Federal officer, or of the Ruler or Yang di-Pertua Negeri, as the case may be, of the State in the case of a State officer, that he is incapable of discharging the duties of his office, by reason of infirmity of mind or body likely to be permanent;
- (c) on the abolition of his office;
- (d) on the termination of his employment in the public interest; or
- (e) for the purpose of facilitating improvement in the organization of the department to which he belongs by which greater efficiency or economy may be effected.

Maximum pension from public service

10. (1) A pension granted to a pensionable officer under this Act shall not exceed one-half of his last drawn salary.

(2) Where a pensionable officer has been or is granted a pension or pensions in respect of any other public service, he may be granted the full pension for which he is eligible in respect of his public service in the Federation, but no such officer shall draw from the Consolidated Fund an amount of pension which, when added to the amount of any pension or pensions drawn in respect of the other public service, exceed six-tenths of his last drawn salary.

(3) For the purpose of subsection (2), an allowance or pension granted in respect of injury or disease shall not be taken into account but where the officer is granted such an allowance or pension the amount of that allowance or pension together with the amount of his pension shall not exceed two-thirds of his last drawn salary.

PART III

CESSATION OF PENSION, GRATUITY OR OTHER ALLOWANCE

Pension, etc., to cease on bankruptcy

11. (1) An officer shall not be granted a pension, gratuity or other allowance under this Act if at the date of his retirement from the public service—

- (a) he has been adjudged a bankrupt or declared insolvent by a court, whether in the Federation or elsewhere; and
- (b) he has not obtained his discharge from such adjudication or declaration.

(2) If any person to whom a pension or other allowance has been granted under this Act is adjudicated a bankrupt or is declared insolvent by a court, whether in the Federation or elsewhere, then such pension or allowance shall forthwith cease.

(3) In any case where a pension, gratuity or allowance is not granted to an officer under subsection (1) or a pension or allowance ceases under subsection (2), the Yang di-Pertuan Agong may, as he thinks fit, during the remainder of the officer's or pensioner's life, or during such shorter period or periods, either continuous or discontinuous, cause all or any part of the moneys to which such officer or pensioner would have been entitled by way of pension, gratuity or allowance, had he not become a bankrupt or insolvent, to be paid to, or applied for the maintenance and personal support or benefit of, all or any, to the exclusion of any other person, of the following persons:

- (a) the officer or pensioner himself;
- (b) any wife, child or children of the officer or pensioner,

in such proportions and manner as the Yang di-Pertuan Agong thinks proper, and such moneys shall be paid or applied accordingly.

(4) For the purposes of subsection (3), moneys applied for the discharge of the debts of the officer or pensioner shall be regarded as applied for his benefit.

(5) When the person referred to in subsection (1) or (2) is discharged from his bankruptcy or insolvency, his pension or allowance shall be restored to him with effect from the date of such discharge.

Pensions, etc., to cease on conviction

12. (1) Subject to subsections (2) and (3), where any person to whom a pension or other allowance has been granted under this Act is sentenced to death or to any term of imprisonment by any Court of competent jurisdiction, whether in the Federation or elsewhere, for any crime or offence, the Yang di-Pertuan Agong may direct that such pension or allowance shall forthwith cease, and thereupon such pension or allowance shall cease accordingly.

(2) The pension or allowance under subsection (1) shall be restored with retrospective effect in the case of a person who after conviction receives a free pardon.

(3) Where a pension or allowance ceases pursuant to subsection (1), the Yang di-Pertuan Agong may cause all or any part of moneys to which the pensioner would have been entitled by way of pension or allowance to be paid to or applied for the benefit of any wife, child or children of the pensioner, or after the expiration of his sentence, for the benefit of the pensioner himself, in the same manner and subject to the same qualifications and restrictions as in the case of bankruptcy or insolvency under section 11.

Pension, etc., may cease on accepting employment in certain companies, or in engaging in certain occupations for gain

13. (1) If any person to whom a pension or other allowance has been granted under this Act—

- (a) becomes either a director of any company, the principal part of whose business is in any way directly concerned with the Federation;
- (b) becomes an officer or servant employed in the Federation by any such company; or

(c) engages in any occupation for gain in the Federation, without obtaining the prior written permission of the Yang di-Pertuan Agong, the Yang di-Pertuan Agong may direct that such pension or allowance shall forthwith cease.

(2) The Yang di-Pertuan Agong may, on being satisfied that the person whose pension or allowance has ceased pursuant to a direction under subsection (1) has ceased to be a director of such company or to be employed as an officer or servant of such company in the Federation or has ceased to be engaged in such occupation as referred to in subsection (1), as the case may be, give directions for the restoration of such pension or allowance to such date as he shall specify, with retrospective effect if he thinks fit, and such pension or allowance shall be restored accordingly.

(3) This section shall not apply to an officer who has been retired from the public service for a period of not less than five years or who has attained the age of sixty years.

PART IV

PROVISIONS RELATING TO DERIVATIVE PENSION OR DERIVATIVE GRATUITY

Derivative pension or derivative gratuity where officer dies in service or after retirement

14. (1) Where a pensionable officer dies in service, the Yang di-Pertuan Agong may grant to such of his dependants as he thinks fit, a derivative pension or derivative gratuity appropriate to his case, or if there are no dependants, grant to his legal personal representatives a derivative gratuity.

(2) The derivative pension granted under subsection (1) may be paid for a period not exceeding twelve and a half years with effect from the date immediately following the date of death of the officer.

(3) For the purpose of subsection (1), a permanent officer who has been confirmed in his appointment and who dies in service before his emplacement on the pensionable establishment shall be deemed to be a pensionable officer.

(4) Where an officer who has retired on pension from the public service in the Federation dies within the period of twelve and a half years of his date of retirement, the Yang di-Pertuan Agong may grant to his widow or widows and minor children or to his minor children a derivative pension of the same amount as the pension which was paid or payable to the officer on account of his retirement, for a period not exceeding the difference between the period of twelve and a half years and the period during which the pension was paid or payable to the officer.

(5) Where a derivative pension is granted to any dependant under this section in respect of the death of an officer, the pension so granted shall take into account the compensation awarded under any written law relating to workmen's compensation or other social security benefits.

(6) Where a dependant who is not entitled to any workmen's compensation or social security benefits is eligible to receive both a derivative pension under this section and a pension or allowance under any written law, other than the Widows and Orphans Pension Act 1915 [*Act 681*], the grant of either a derivative pension under this section or a pension or allowance under any such written law shall be determined by the Yang di-Pertuan Agong, whose decision shall be final.

(7) Subject to subsection (5), where a derivative pension is granted, the amount of the derivative pension shall be subject to a minimum of not less than one-fifth of the deceased officer's last drawn salary.

Cessation of derivative pension

15. (1) A widow in respect of whom a derivative pension is granted under section 14 shall cease to be eligible for such pension upon her remarriage.

(2) A minor child in respect of whom a derivative pension is granted under section 14 shall cease to be eligible for such pension upon the child attaining the age of eighteen years or upon marriage below that age.

PART V

GENERAL

Pension, etc., not to be assignable, etc.

16. A pension, gratuity or other allowance granted under this Act—

- (a) shall not be assignable or transferable, except for the purpose of satisfying—
 - (i) a debt due to the Government of the Federation or to the Government of any State; or
 - (ii) an order of any court for the payment of periodical sums of money towards the maintenance of the wife or former wife or minor child, whether legitimate or not, of the officer to whom the pension, gratuity or other allowance has been granted; and
- (b) shall not be liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatever.

Liability of pensioners to be called upon to take further employment

17. (1) Every pension granted under this Act shall be subject to the condition that unless the officer has attained the age of fifty years, if a man, and of forty-five years, if a woman, the officer may, if physically fit for service, be called upon by the Yang di-Pertuan Agong to accept an office in the Federation not less in value than the office which the officer held at the date of retirement.

(2) If a pensioner so called upon declines to accept such office, the payment of his pension may be suspended until he has attained the age of fifty years if a man and of forty-five years if a woman.

(3) This section shall not apply to officers in the public service in the Federation at the commencement of this Act.

Power to make regulations

18. (1) The Yang di-Pertuan Agong may make regulations for the granting of pensions, gratuities and other allowances to persons who have been in the public service in the Federation or to their legal personal representatives or dependants.

(2) Any pension or gratuity granted under this Act shall be computed in accordance with the provisions in force at the actual date of an officer's retirement.

(3) All regulations shall be published in the *Gazette* and shall come into operation on such date as may be prescribed in the regulations by the Yang di-Pertuan Agong.

(4) Where the Yang di-Pertuan Agong is satisfied that it is equitable that any regulation made under this Act should have retrospective effect in order to confer a benefit upon, or remove a disability attaching to, any person, that regulation may for that purpose, be given retrospective effect to any date, whether before or after the commencement of this Act.

(5) All regulations and any regulation varying or revoking such regulations shall have the same force and effect for all purposes as if those regulations were contained in this Act and the expression "this Act" shall be read and construed accordingly in the provisions of this Act.

PART VI**REPEAL AND SAVING PROVISIONS****Repeal and saving**

19. (1) The Ordinances and Enactments specified in the Schedule are repealed to the extent specified in the third column of the Schedule.

(2) Notwithstanding subsection (1)—

- (a) all notifications declaring offices to be pensionable offices or classes to be pensionable classes made under the Ordinances or any of the Enactments repealed shall be deemed to have been made under this Act and shall continue in force until cancelled or varied by notifications in the *Gazette* made under this Act;
- (b) all pensions, gratuities or other allowances granted under the Ordinances or any of the Enactments repealed shall be deemed to have been granted under this Act, and shall continue to be payable until determined under and in accordance with this Act;
- (c) all rights accrued in respect of pensions, gratuities or other allowances under the Ordinances and Enactments repealed shall continue to subsist under this Act as if service in respect of which such rights accrued had been service under the Government of the Federation or under the Government of any State in the Federation.

(3) All pensions, gratuities or other allowances granted in respect of service in the State of Kelantan and Perlis before the commencement of this Act shall be deemed to have been granted under this Act and shall continue to be payable until determined under and in accordance with this Act.

SCHEDULE**[Section 19]**

No.	Short title	Extent of repeal
S.S. Cap. 78	The Pensions Ordinance	The whole
F.M.S. Cap. 23	The Pensions Enactment	The whole
Johore Enactment No. 95	The Pensions Enactment	The whole
Johore Enactment No. 32	The Police Force Enactment	Section 34, in so far as it applies to police officers above the rank of subordinate police officer
Kedah Enactment No. 17 of 1349	Enactment No. 73 (Pensions)	The whole
Trengganu Enactment No. 14 of 1356	The Pensions Enactment	The whole
M.U. Ord. No. 12 of 1947	The Pensions (Special Provisions) Ordinance, 1947	The whole

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(Revised—2022)

*Particulars under paragraphs 7(ii) and (iii) of the Revision of
Laws Act 1968 [Act 1]*

LIST OF AMENDMENTS

Amending law	Short title	In force from
Ord. 23/1954	Pensions (Amendment) Ordinance, 1954	01-07-1954
Ord. 5/1955	Pensions (Amendment) Ordinance, 1955	27-02-1951; s.2: 03-03-1955
Ord. 6/1955	Pensions (Temporary Provisions) Ordinance, 1955	01-01-1955
Ord. 47/1955	Pensions (Special Provisions) Ordinance, 1955	08-12-1955
Ord. 64/1958	Pensions (Temporary Provisions) Ordinance, 1958	27-12-1958
Act 37/1968	Pensions (Amendment) Act, 1968	21-11-1968
Act 45	Judges' Remuneration Act 1971	03-09-1971
Act A121	Pensions (Amendment) Act 1972	01-08-1970
Act A122	Pensions (Amendment) (No. 2) Act 1972	01-08-1968
Act A170	Pensions (Amendment) Act 1973	01-01-1972
Act A423	Pensions (Amendment) Act 1978	01-01-1976

LIST OF LAWS OR PARTS THEREOF SUPERSEDED

No.	Title
Ord. 1 of 1951	Pensions Ordinance, 1951

