

THE IMPORTANCE OF AN EDUCATION SAVINGS PLAN THROUGH SIMPAN SSPN DURING TOUGH TIMES

In these difficult times marked by the high cost of living, the cost of a tertiary education can really add up, whether it is public or private, local or international. It is very important to inculcate saving habits among parents when it comes to their children's future education.

PTPTN is a respected agency that has contributed a lot to the community and the country, engraving itself into the hearts of the community. In line with PTPTN's motto, Peluang Kejayaan Anda (Your Opportunity To Succeed), it has created a better reputation in realising dreams and success opportunities for Malaysians.

To bend a bamboo, you have to start when it is still a shoot. Financial planning is the key to empowering individuals with the knowledge and skills they need to improve their financial well-being.

LEAD TO DEBT-FREE GRADUATES

The National Higher Education Fund (PTPTN) has taken a different approach than just providing loans to students. It has helped Malaysians plan their finances early for their children's future education through savings, which in turn leads to debt-free graduates.

This is where the National Education Savings Scheme (Simpan SSPN) comes in — a product that combines the benefits of education savings with takaful protection in one package. It is a competitive savings product where parents can save for their children and also enjoy other benefits such as winning exciting and lucrative prizes.

If parents start saving for their children at an early age, they can continue their studies in their chosen field without facing a lack of funds, according to PTPTN chairman Datuk Norliza Abdul Rahim.

"Financial planning for educational purposes is a step parents need to focus on. Considering that the cost of higher education will increase every year, we urge parents to start saving to avoid financial problems when their children pursue higher education. Take advantage of this opportunity because it will make an immediate difference in an individual's life and give them a brighter future," says Norliza.

PTPTN continues to excel as Simpan SSPN has achieved outstanding results for five consecutive years. As at end-December, total accumulated deposits for Simpan SSPN stood at RM14.24 billion, while total deposit performance for 2022 for Simpan SSPN was RM3.36 billion, continuing the upward trend since 2018. This proves that the organisation's efforts to change the mindset of the community by cultivating the practice of saving through Simpan SSPN are widely accepted.

"I have observed that most young parents are now becoming smarter by doing financial planning, which is good and can certainly guarantee a better future for their children. Through PTPTN's various media campaigns, I think parents are increasingly aware of the responsibility of saving for their children at a young age," says the chairman.

"I have observed that most young parents are now becoming smarter by doing financial planning, which is good and can certainly guarantee a better and perfect future for their children. Through PTPTN's various media campaigns, I think parents are increasingly aware of the responsibility of saving for their children at a young age."

— Datuk Norliza Abdul Rahim, PTPTN Chairman

SIMPAN SSPN STILL RELEVANT AS DEPOSITORS CAN ENJOY VARIOUS BENEFITS

Simpan SSPN, which was introduced in 2004, offers various privileges and benefits to depositors. Among them are competitive dividend rates, government guaranteed and shariah-compliant savings.

PTPTN also give a free matching grant up to RM10,000 for eligible families. The matching grant is a financial incentive offered to beneficiaries who are children who are accepted and enrolled in any higher education institution recognised by the government.

"PTPTN continues this incentive because it is beneficial and helps low-income communities ensure that they benefit twice from the advantages of savings. This is the alternative for the community to not depend too much on loans for their children," Norliza explains.

According to her, there are various campaigns to reward the Simpan SSPN depositors, including the annual promotional campaign Cabutan WOW! Simpan SSPN 2023. This campaign, which runs from January until December this year, offers attractive prizes to 138 winners totalling RM500,000 through an annual draw and five other draws.

On another note, PTPTN has been using a proactive strategy to engage with borrowers who want to make their loan repayments. In line with digital transformation and fulfilling the aspiration of higher education digitisation, PTPTN has created the myPTPTN application in an effort to improve online services as well as promote cashless payments.

Among the facilities provided in myPTPTN are checking loan statements, loan repayment, salary deduction application, direct debit for loan repayment and Simpan SSPN.

To encourage the number of users of myPTPTN, PTPTN is running a campaign called myPTPTN Pay 2 Win, which starts from June 1 until Nov 23. The main prize is a Honda Vario 160 motorcycle, while the second place winner will take home an iPad Pro 12.9" 256GB tablet. The third prize is a Samsung smartphone, the Galaxy Z Flip 4 256 GB.

THE EXTENSION OF INCOME TAX RELIEF UP TO RM8,000

The extension of the individual income tax relief of up to RM8,000 until 2024 announced by Prime Minister Datuk Seri Anwar Ibrahim will also benefit Simpan SSPN depositors.

With the announcement, Simpan SSPN depositors will continue to be able to enjoy these privileges in addition to the other benefits provided. This income tax relief incentive is based on the current year's net savings amount.

Parents as depositors who open



a Simpan SSPN account are eligible for exemption on savings of up to RM8,000 per year each if they file a separate tax relief.

Datuk Norliza said, "The exemption is a special incentive for depositors because this benefit makes Simpan SSPN the only savings product that provides different advantages compared to other savings.

"I would like to express my gratitude and appreciation to the government for the incentive of income tax relief on savings through Simpan SSPN being extended until 2024. I am optimistic that this incentive will increase the motivation and encouragement for parents to continue to save for the purpose of education and time in front of the children thus reducing dependence on PTPTN loans."

Malaysians should take the opportunity to save through Simpan SSPN which offers various privileges and benefits to depositors. Parents who want to open or add savings can do so online through the myPTPTN application more easily, quickly and securely, she adds.

POSITIVE RESPONSE TO THE DISCOUNT INCENTIVE FOR LOAN REPAYMENTS

In a separate note, the government's move to give discounts of up to 20% for three months, from March 1 to May 31, which helped to reduce the burden of PTPTN borrowers, also received an encouraging response, says Norliza.

A total of 645,815 borrowers enjoyed this discount incentive, with the amount of discount given reaching as much as RM187.27 million. Meanwhile, the total refund collection received in the same period was as much as RM1.11 billion.

"PTPTN thanks all borrowers who have repaid loans while enjoying the discount incentives. PTPTN also greatly appreciates the initiative of strategic partners such as finance institutions, the government and private agencies in an effort to hold a campaign to repay the PTPTN loan throughout the discount implementation period," says Norliza.

