

PTPTN AT 25: SECURING THE FUTURE FOR MALAYSIAN CHILDREN

THROUGH INNOVATIVE FINANCIAL EDUCATION PRODUCTS

As parents, one of the most important goals is to ensure your child's well-being. Investing in your child's education remains the foundation in ensuring a promising future, which is why saving up for it is a key financial goal for many parents. After all, there are many benefits when it comes to saving and planning ahead for your child's future.

For starters, it presents an opportunity to work on that important financial goal in a more manageable way, with the added benefit of increasing savings through compounding interest. Through this, parents will be better equipped with the necessary funds and finances for their child's education when he or she finally sets off for school. This not only helps secure a bright future for the child but also reduces the risk of debt that many young graduates are shackled with today.

Recognising the importance of financial planning for education, National Higher Education Fund Corp (PTPTN) has played an instrumental role in the democratisation of education in Malaysia. Since its inception in 1997, PTPTN has aimed to ensure that no student is excluded from higher education because of financial constraints.

Emphasising the importance of financial management

"Good financial management is critical these days, especially when it comes to safeguarding our children against the burden of learning debt," says PTPTN CEO Ahmad Dasuki Abdul Majid. Fortunately, in Malaysia, there have already been various initiatives implemented by the government to help citizens manage their finances.

The implementation of the National Financial Literacy Strategy 2019-2023 (National Strategy) is a prime example, as it is aimed at increasing the level of financial literacy and fostering responsible habits and attitudes in financial management. PTPTN has also played an instrumental role in advancing steps to create a more inclusive landscape by providing savings instruments through the National Higher Education Savings Scheme (Simpan SSPN).

"As the leading national higher education fund institution, it has always been PTPTN's intention to help the Malaysian community practise early, good and regular education savings planning for the future of children's education," says Ahmad Dasuki.

As the country's main education fund, PTPTN has been at the forefront of education funding for Malaysians. In 2004, it launched Simpan SSPN, a new savings instrument to help parents make financial plans for their children's higher education.

To further strengthen this effort, PTPTN introduced another savings product in 2015 named SSPN-i Plus. A savings plan designed to provide various benefits to depositors, SSPN-i Plus offers not only competitive dividends as well as tax relief but also takaful benefits, hospitalisation and other important benefits.

"Since PTPTN's inception, we have been committed to giving the best to our customers," says Ahmad Dasuki. "We have continued to innovate, introducing new enticing products, services, benefits and savings instruments in further support of the community and the shared aspiration for higher education.

Over the years, PTPTN has continued to enhance its offerings with value-added benefits, ensuring its position as the top choice for Malaysians when it comes to education financing. For instance, depositors for Simpan SSPN Prime and Simpan SSPN Plus can claim up to RM8,000 income tax relief per year.

Additionally, if the depositors (husband and wife) make separate tax assessments, they can open separate accounts for the same child to enjoy a maximum tax relief of up to RM8,000 per person. "Parents who deposit savings in Simpan SSPN



In 2020, Sonita Sudin from Kuantan, Pahang, drove home a brand-new Mercedes-Benz C200 FL AMG Line, the grand prize of Cabutan WOW! SSPN-i Plus 2020



In 2021, Khang Tsung Fei, a teacher from Kuala Lumpur, received a Gold Bar worth RM150,000, the main prize of Cabutan WOW! SSPN-i Plus 2021

Plus are eligible to receive tax relief of up to RM11,000, which is as much as RM8,000 for net savings in Simpan SSPN and RM3,000 for Takaful contributions," explains Ahmad Dasuki.

"Depositors who choose the pension scheme are eligible to enjoy income tax relief of up to RM15,000, which is as much as RM8,000 for net savings in Simpan SSPN and RM7,000 for takaful contributions. With the release of this tax relief and also the dividend rate given, depositors of Simpan SSPN get a profit of more than 3%, subject to the tax rate applied."

Along with competitive dividends and government-guaranteed savings, both products provide depositors with additional benefits such as free takaful protection (with savings of RM1,000 and above) and eligibility for PTPTN education loans.

Ahmad Dasuki notes that, since the introduction of Simpan SSPN more than 18 years ago, PTPTN has helped transform the mindset of Malaysians from one of borrowing to one of saving. "By emphasising the importance of making financial plans for the purpose of education from an early age, we have been able to produce debt-free graduates through Simpan SSPN," he states.

"PTPTN has helped students who face financial problems when they lose their parents. This is PTPTN's contribution and service to help the Malaysian community realise their dreams and ambitions by ensuring that children continue to receive an education."

— Ahmad Dasuki, PTPTN CEO



According to Ahmad Dasuki, the savings instrument created by PTPTN has helped overcome the dropout problem among students who want to continue their studies because this savings product has the benefit of takaful protection for free. "PTPTN has helped students who face financial problems when they lose their parents. This is PTPTN's contribution and service to help the Malaysian community realise their dreams and ambitions by ensuring that children continue to receive an education."

Fostering the culture of saving

Ahmad Dasuki says the privileges and benefits offered by PTPTN are designed to cultivate the saving habit among Malaysians. It has also made the practice attractive with various campaigns and programmes such as Cabutan WOW! Simpan SSPN.

"This is our annual signature programme, which offers lucrative prizes each year," explains the PTPTN CEO. "It serves as our token of appreciation for all Simpan SSPN depositors." Depositors of PTPTN have already reaped the benefits of the raffle campaign.

In 2020, Sonita Sudin from Kuantan drove home with a brand-new Mercedes-Benz C200 FL AMG Line, the grand prize of Cabutan WOW! SSPN-i Plus 2020. A college lecturer by profession, she has been saving with SSPN-i Plus for her three children since 2018. In 2021, Khang Tsung Fei, a teacher from Kuala Lumpur, received a gold bar worth RM150,000, which was the main prize of Cabutan WOW! SSPN-i Plus 2021.

As this year marks the 25th year of PTPTN's establishment, this year's raffle campaign is also symbolic of celebrating success in empowering savings practices in conjunction with the silver jubilee. As such, Cabutan WOW! 25 Years of PTPTN has lined up more amazing and lucrative prizes worth up to RM1 million that are up for grabs. The campaign comprises three categories: the Silver Jubilee Annual Draw, Babyku Simpan Special Draw and Series Draw.

The main prize of the Silver Jubilee Annual Draw is a Mercedes-Benz A250 AMG Line. The second and third prizes are RM100,000 and RM50,000 cash respectively, and 22 Honda Dash 125 motorcycles are lined up as consolation prizes. The Babyku Simpan Special Draw offers a total of RM250,000 cash for 250 winners and the Series Draw prize offers a total of RM200,000 cash for 75 winners.

"These are just some of the campaigns held especially for Simpan SSPN depositors as a token of PTPTN's appreciation. It is also one of our efforts to foster the practice of saving at an early age," says Ahmad Dasuki.

PTPTN has succeeded in enlightening many Malaysian parents about saving for their children's education. As at Nov 30, 2022, the amount of Simpan SSPN deposits received was RM13.38 billion, with a total of 5.68 million accounts.

PTPTN has also established strategic cooperation with various agencies, government and private bodies to ensure that its role and function as the country's higher education fund continues to grow. With this proactive step, PTPTN has brought awareness to the community, reinforcing its important and significant role in providing all Malaysians with a gateway to higher education.

To find out more about PTPTN and its benefits, privileges and campaigns, log on to www.ptptn.gov.my.

