

## EPF Guideline

### **Employees Provident Fund (EPF) Withdrawal Procedure**

	<b>Account 1</b>	<b>Account 2</b>
% of distribution from monthly contribution	70%	30%
Purpose of Account	Savings for retirement. This savings cannot withdraw before you attain the age of 55 years old.	<ol style="list-style-type: none"> <li>1. To own a house</li> <li>2. To finance you and your children's education.</li> <li>3. For medical expenses.</li> <li>4. Upon attaining age of 50 years old.</li> </ol>

Types of residential housing withdrawals:

- 1) To purchase or build a first house.
- 2) To purchase or build a second house.
- 3) To reduce or redeem the housing loan for first house.
- 4) To reduce or redeem the housing loan for second house.
- 5) To assist spouse to reduce or redeem his/her housing loan.

<b>HOUSE PURCHASE FOR AN INDIVIDUAL</b>	<b>JOINT PURCHASE WITH SPOUSE OR OTHER INDIVIDUAL</b>
<p>The difference between the house price and the loan amount plus an additional 10% of the house price</p> <p><b>OR</b></p> <p>All your savings in Account 2 (Whichever is lower but not less than RM500.00)</p> <p><b>100% HOUSING LOAN</b></p> <p>10% of the house price</p> <p><b>OR</b></p> <p>All your savings in Account 2 (Whichever is lower but not less than RM500.00)</p>	<p>The difference between the house price and the loan amount plus an additional 10% of the house price</p> <p><b>OR</b></p> <p>All the savings in each purchaser's Account 2 subject to maximum amount eligible for withdrawal (Whichever is lower but not less than RM 500.00)</p> <p><b>CASH PURCHASE</b></p> <p>Price of the house with an additional 10% of the house price</p> <p><b>OR</b></p> <p>All your savings in Account 2 (Whichever is lower but not less than RM500.00)</p>

#### **1) To purchase or build a second house.**

- Members are allowed to withdraw their EPF savings for a second time to purchase another house on condition that members have sold (not in possession) the first house purchased through EPF withdrawal.

#### **2) To reduce or redeem the housing loan for first house.**

- Application for withdrawal can be made once every year from the date of the last housing withdrawal, with a minimum amount of RM500, but subject to showing proof of sale or not in possession of the first house to EPF.

### 3) To assist spouse to reduce or redeem his/her housing loan

- Members are allowed to withdraw all money from Account 2 or the difference between the purchase price and loan amount, whichever is lower, to assist their spouse to reduce or redeem the housing loan even though they are not the borrower.

NOTE: The member need not be a joint owner of the house, the condition of withdrawal includes the proof of marriage.

#### CASH PURCHASE FROM DEVELOPER

- (a) A confirmation letter from the developer stating that purchase is by cash; **AND**
- (b) Proof of payments of at least 20% of the price of the house; **AND**
- (c) Architect's Certificate to confirm progress of construction is not less than 20%

Further detail can be referred to:

Kumpulan Wang Simpanan Pekerja  
Email : [enquiry@epf.gov.my](mailto:enquiry@epf.gov.my)  
Website : [www.kwsp.gov.my](http://www.kwsp.gov.my)

## TERMS & CONDITIONS

### Withdrawal Eligibility

Members are eligible to apply if they are:

- A Malaysian citizen; or
- A Permanent Resident; or
- A Malaysian citizen who have withdrawn your savings under Leaving The Country Withdrawal before 1 August 1995 but subsequently returned and re-contribute to EPF; or
- A Non-Malaysian citizen (Expatriate) who became a member of the EPF before 1 August 1998.

You need to have savings in your Account II and you must also have not reached 55 years of age on the date the application is received by the EPF.

### Conditions of Withdrawal

Conditions of withdrawal to purchase a house are as follows:

- You have purchased a house (house types: bungalow / terrace / semi-detached / flat / condominium / apartment / studio apartment / service apartment / town house) or a shop house with a dwelling unit; and
- You financed the purchase of the house by obtaining a housing loan from any financial institution approved by the EPF **OR** You purchased the house by cash; and
- You have executed the Sales and Purchase Agreement not more than three years from the date the application is received by EPF; and

- You have never made Housing Withdrawal **OR** You are buying a second house – You have previously made Housing Withdrawal but have since sold the house and subsequently purchased another house. You must produce the proof of sale of the first house; and
- You wish to purchase a house by way of hire purchase from any authority authorised by the EPF.
- You purchased a piece of land and built a house on it simultaneously (the date of Land Purchase Agreement with the House Construction Agreement must be within 6 months).

However, you are not eligible to withdraw for the purpose of:

- Purchase a piece of land or a housing lot only;
- Renovating, repairing or make extension works to an existing house.

### Amount Eligible For Withdrawal

You can withdraw your savings based on the following, whichever is lower:

#### i. Individual Purchase

The difference between the price of the house  
and the housing loan with an additional 10%  
of the price of the house

**OR**

All balance available available in Account II.

#### ii. Joint Withdrawal With Spouse, Family Members or Other Individuals

The difference between the price of the house  
and the housing loan with an additional 10%  
of the price of the house

**OR**

All balance available in Account II for all applicants  
subject to the difference of amount stated above.

If you purchased a house by cash, you are eligible to withdraw as much as the price of the house with an additional 10% of the price of the house **OR** all balance available in Account II, whichever is lower.

You can choose to determine the amount you wish to withdraw from your savings in Account II, subject to the maximum amount you are entitled to withdrawal by completing "Surat Akujanji Pilihan Amaun Pengeluaran".

### Frequency of Withdrawal

This withdrawal is only allowed for your first house only. However, if you have made a withdrawal previously to buy your first house and subsequently have sold the house, you may withdraw to buy a second house. Proof of sale of the first house must be produced.

After making this withdrawal, you are eligible to withdraw your savings to reduce / redeem the housing loan for the same house once a year.

### Example 1 (Individual Purchase)

Encik Sallehuddin purchased a house costing RM75,000 and obtained a housing loan of RM60,000. His total EPF savings in Account II is RM40,000. Therefore the amount of savings that he can withdraw is:

#### Calculation:

Price of the house	RM 75,000.00
Housing loan	RM 60,000.00
Difference between the above	RM 15,000.00
Add 10% from price of the house	RM 7,500.00
Maximum Amount Eligible For Withdrawal	RM 22,500.00
Available Balance in Account II	RM 40,000.00
Amount that can be withdrawn	RM 22,500.00

Since the maximum amount he is eligible to withdraw is lower than his total savings in Account II, Encik Sallehuddin can withdraw RM22,500 only.

### Example 2 (Individual Purchase Without Housing Loan)

Encik Amirul purchased a house costing RM125,000.00. He did not apply for a housing loan. He paid the housing developer RM35,000.00. His EPF savings is RM60,000 in Account II.

#### Calculation:

Price of the house	RM 125,000.00
Minus loan amount	<i>NIL</i>
Difference between the above	RM 125,000.00
Add 10% from price of the house	RM 12,500.00
Maximum Amount Eligible For Withdrawal	RM 137,500.00
Available Balance in Account II	RM 60,000.00
Amount that can be withdrawn	RM 60,000.00

Since Encik Amirul has only RM60,000.00 in Account II, he can only withdrawal all of his savings in Account II.

### Example 3 (Joint Purchase)

Encik Amir and Puan Syuhada purchased a house costing RM100,000 and they obtained a housing loan of RM100,000. Encik Amir has RM20,000 in his Account II while Puan Syuhada has RM3,600 only in her Account II.

#### Calculation:

Price of the house	RM 100,000.00
Housing Loan	RM 100,000.00
Difference between the above	<i>NIL</i>
Add 10% from price of house	RM 10,000.00
Maximum Amount Eligible For Withdrawal By The Couple	RM 10,000.00
Available Balance in Account II for Encik Amir	RM 20,000.00
Available Balance in Account II for Puan Syuhada	RM 3,600.00
The Amount Chosen To Be Withdrawn By Encik Amir	RM 7,000.00
Amount that can be withdrawn by Puan Syuhada	RM 3,000.00
Total amount that can be withdrawn by the couple	RM 10,000.00

Since both members obtained 100% housing loan, the maximum amount that can be withdrawn by this couple is 10% of the price of the house only, i.e. RM10,000 to cover for side cost. Applications will be processed according to the amount they choose to withdraw respectively, by completing the "Surat Akujanji Pilihan Amaun Pengeluaran".

#### **Example 4 (Purchase Of A Housing Lot And Building) A House Simultaneously)**

Encik Nasaruddin purchased a piece of land costing RM80,000 on 1st January 2005 and obtained a loan of RM70,000 to finance the purchase. On 1st May 2005, he signed an agreement to build a house on the said land with a total construction cost of RM200,000. He obtained a housing loan of RM100,000 to build the house. The calculation for withdrawal by Encik Nasaruddin is as follows:

#### **Calculation:**

Price of the land	RM 80,000.00
Construction cost of the house	RM 200,000.00
Total Price of The Land and Cost of Construction of The House	RM 280,000.00
Total Housing Loan To Purchase The Land and To Build The House	RM 170,000.00
Difference between the above	RM 110,000.00
Add 10% from price of house	RM 28,000.00
Amount eligible to withdraw	RM 138,000.00
Savings in Account II	RM 150,000.00
Amount that can be withdrawn	RM 138,000.00

#### **HOW TO APPLY**

##### **A. Purchase from Developer / Public Auction**

Application can be submitted at the EPF counter or by post.

Submission at Counter  
You need to produce:

- Completed KWSP 9C (AHL) form
- Supporting documents (original and photocopy)
- Identification Card / Military Identification Card /MyKad

**OR**

- Police Identification Card affixed with your right and left thumbprint impressions on its copy and Certifying Letter from your employer confirming that your police number and Identification Card number refer to the same person;
- Personal Savings Account Passbook / Statement or Personal Current Account Statement which is still active; (To be certified by authorised EPF Officer or relevant Bank Officer);
- Sales and Purchase Agreement (purchase from developer) or Proclamation of Sale (purchase from public auction) containing your name or the names of all applicants for joint purchase that is executed not more than 3 years from the date the application is received by the EPF;

If you have obtained a housing loan, the following documents are required:

- Housing Loan Approval Letter (if the loan approval is less than one year)

**OR**

- Housing Loan Approval Letter and Housing Loan Agreement / Mortgage Form 16A (if the loan approval has been more than one year).

If you self-financed the purchase of the house, the following additional documents are required:

Purchase from Developer	Purchase from Public Auction
Letter from the developer confirming the purchase paid in cash; and	Letter from the developer confirming the purchase paid in cash; and
Proof of payment of at least 20% from the price of the house; and	Proof of payment of at least 20% from the price of the house; and
Architect Certificate with not less than 20% of construction progress.	Transfer of ownership documents <ul style="list-style-type: none"> <li>• Form KTN 16F ('Perakuan Jual Oleh Mahkamah')</li> <li><b>OR</b></li> <li>• Form KTN 16I ('Perakuan Jual Oleh Pentadbir Tanah')</li> <li><b>OR</b></li> <li>• Deed of Assignment in your name</li> <li><b>OR</b></li> <li>• Form KTN 16F/ 16I/ Deed of Assignment which has not been processed by the Land Office AND Declaration Letter from you to produce the above-mentioned transfer of ownership document (duly completed) within 6 months.</li> </ul>

## B. Purchase from an Individual

You need to produce:

- Completed KWSP 9C (AHL) form
- Supporting documents (original and photocopy)
- Identification Card / Military Identification Card /MyKad

**OR**

- Police Identification Card affixed with your right and left thumbprint impressions on its copy and Certifying Letter from your employer confirming that your police number and Identification Card number refer to the same person;
- Personal Savings Account Passbook / Statement or Personal Current Account Statement which is still active; (To be certified by authorised EPF Officer or relevant Bank Officer);
- Sales and Purchase Agreement (purchase from developer) or Proclamation of Sale (purchase from public auction) containing your name or the names of all applicants for joint purchase that is executed not more than 3 years from the date the application is received by the EPF;

If you have obtained a housing loan, the following documents are required:

- Housing Loan Approval Letter (if the loan approval is less than one year)
- Housing Loan Approval Letter and Housing Loan Agreement / Mortgage Form 16A (if the loan approval has been more than one year).
- Deed of title as the following:

<b>Individual / Strata Title Has Been Issued</b>	<b>Individual / Strata Title Has Not Been Issued</b>
Deed of Title in the name of the seller AND Letter of consent of transfer issued by the Land Office (if there is restriction on the property); <b>OR</b> Deed of Title in your name; <b>OR</b> Duly completed Form KTN 14A by the Land Office in your name.	Letter of consent of transfer from the developer AND Letter of consent of transfer issued by the Land Office / Local Authority (if there is restriction on the property); <b>OR</b> Deed of Assignment in your name.

If you self-financed the purchase of the house, the following additional documents are required:

- Letter from the lawyer in charge of the sale and purchase confirming the purchase paid in cash;
- Proof of payment of at least 20% of the price of the house; and
- If Form KTN 14A or Deed Of Assignment in your name as mentioned above has not been processed by the Land Office, the following documents are required:

<b>Individual / Strata Title Has Been Issued</b>	<b>Individual / Strata Title Has Not Been Issued</b>
Form KTN 14A in your name, which has not been processed by the Land Office	Form Deed Of Assignment which has not been processed

<p><b>AND</b> Receipt of Submission ("Penyata Penerimaan") from the Land Office</p> <p><b>AND</b> Declaration Letter from you to produce the duly completed Form KTN 14A within 6 months.</p>	<p><b>AND</b> Declaration Letter from you to produce the duly completed Deed of Assignment within 6 months.</p>
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If you self-financed the purchase of the house, the following documents are required:

- Letter from the developer confirming the purchase paid in cash;
- Proof of payment of at least 20% of the price of the house; and
- Architect Certificate with not less than 20% of construction progress.

### C. Purchase of Land and Construction of House Simultaneously

You need to produce:

- Completed KWSP 9C (AHL) form
- Supporting documents (original and photocopy)
- Identification Card / Military Identification Card /MyKad

#### OR

- Police Identification Card affixed with your right and left thumbprint impressions on its copy and Certifying Letter from your employer confirming that your police number and Identification Card number refer to the same person;
- Personal Savings Account Passbook / Statement or Personal Current Account Statement which is still active; (To be certified by authorised EPF Officer or relevant Bank Officer);
- Sales and Purchase Agreement (purchase from developer) or Proclamation of Sale (purchase from public auction) containing your name or the names of all applicants for joint purchase that is executed not more than 3 years from the date the application is received by the EPF;

If you have obtained a housing loan, the following documents are required:

- Housing Loan Approval Letter (if the loan approval is less than one year) **OR**
- Housing Loan Approval Letter and Housing Loan Agreement / Mortgage Form 16A (if the loan approval has been more than one year).
- House Construction Agreement containing your name or the names of all applicants for joint withdrawal and that is executed not more than 3 years on the date the application is received by the EPF;
- Sales and Purchase of Land Agreement containing your name or the name of all applicants for joint withdrawal and the date of agreement is within 6 months with the House Construction Agreement;
- Deed of Title of the land in the name of the seller/ developer; or
- If the Deed Of Title still in the name of the land owner, the following documents must be produced:
  - i) Power of Attorney that has been registered with the court, if the purchase of land and house construction is made through Power of Attorney; and
  - ii) Deed of Title of the land.



If you self-financed the purchase of the house, the following documents are required:

- Letter from the developer confirming the purchase paid in cash;
- Proof of payment of at least 20% of the price of the house; and
- Architect Certificate with not less than 20% of construction progress.

#### **D. Purchase/Build a Second House**

##### **You need to produce:**

- Completed KWSP 9C (AHL) form;
- Supporting documents (original and photocopy) where relevant depending on the type of purchase (whether purchase from developer or public auction, purchase from individuals, or purchase of land and construction of house simultaneously as a package);
- One of the following documents as the proof of sale of the first house:
- Transfer of ownership document Form KTN 14A duly completed by the Land Office;
- Deed of Assignment between you and the purchaser;
- Deed of Title in the name of the purchaser AND Sales and Purchase Agreement between you and the purchaser;
- Real Property Gains Tax Form (CKHT 5) AND Sales and Purchase Agreement between you and the purchaser;
- Public Auction Form (KTN 16F or KTN 16I) AND confirmation from the bank;
- Transfer of property ownership through a Court Order to any party AND Divorce Papers (for divorced cases); or
- Official Search from the Land Office showing your name and the new owner AND Sales and Purchase Agreement between you and the purchaser.

##### **Submission Of Application**

All application forms can be submitted to any EPF office either at the counter or by post.

- For applications submitted at the EPF counter, members are required to produce original documents together with their photocopies.
- For applications submitted by post, members are required to submit photocopies of documents that are certified by officers authorised by the EPF.