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LTAT maintains 12% dividend payout for FY16, profit up 5.6%

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KUALA LUMPUR: Lembaga Tabung Angkatan Tentera (LTAT), the armed forces pension fund, declared a total dividend of 12% for the financial year ended Dec 31, 2016 (FY16), which it will pay RM685.5 million to its eligible members.

The FY16 dividend is the same as it announced in FY15, but lower than the 15% dividend it declared in FY14, according to data from LTAT's website.

The 12% dividend comprises a 6% dividend and a 6% special bonus in the form of unit trusts for its active members.

LTAT's announcement came

not long after the country's pension fund for civil citizens, the Employees Provident Fund, announced a lower dividend of 5.7% for FY16, versus 6.4% for FY15.

Without providing details, LTAT said total profit in FY16 climbed 5.6% to RM811 million, from RM766.8 million a year ago, despite lower contribution from members, which declined by 5% to RM8.6 billion from RM9.1 billion in FY15.

Its total assets for the year increased to RM9.5 billion, compared with RM9.3 billion in FY15.

In FY16, LTAT saw 11,179 withdrawal applications made by members of the armed forces, which amounted to RM1.7 billion;

another RM15.9 million was paid out to 1,952 members who were eligible to purchase a house or land under the Housing Withdrawal Scheme.

"Further, a total of RM7.5 million was paid out to 225 members or [their] next of kin under the Death and Disablement Benefits Scheme. From that total, RM5.7 million was paid out to 170 dependants of deceased members, as death benefits and a total of RM1.8 million were paid out to 55 members as disability benefits," the military pension fund board said.

Established via a parliament act in August 1972, LTAT provides a superannuation scheme, where serving members are required to

contribute 10% of their monthly salary to LTAT, while the government contributes another 15%.

Through Yayasan LTAT, the Armed Forces Fund Board has financed the construction of a hostel located at the International Islamic University Malaysia campus in Gombak, Selangor, for RM5 million, and plans to construct another hostel at the Universiti Teknologi Mara campus in Puncak Alam, Selangor, at an estimated cost of RM6 million.

LTAT is led by its chief executive Tan Sri Lodin Wok Kamaruddin.

LTAT said it invests no less than 70% of its funds in trustee investments and no more than 30% in non-trustee investments.