INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

Securing the Frontline's Future: A Qualitative Study on Military Retirement Benefits as Strategic Incentives for Recruitment, Retention, and Post-Service Well-Being in Malaysia

Mohd Yusof Ahmad[1], Hafizah Mat Nawi[2], Redwan Yasin*[3], Wan Amir Azlan Wan Haniff [4], Siti Mariam Atan[5], Zulhazmi Yusof [6]

[1,2,3] National Defence University of Malaysia

[4,5,6]Department of Law, UiTM Johor Branch Segamat Campus

***Corresponding Author**

DOI: https://doi.org/10.47772/IJRISS.2026.100700743

Received: 30 July 2026; Accepted: 04 August 2026; Published: 11 August 2026

ABSTRACT

A strong armed forces workforce is essential for national security, but the increasing liabilities in public pensions create financial strain on government spending. This study examines military retirement benefits, administered through public pensions and the Armed Forces Fund Board, as strategic incentives seeking to augment recruitment, retention, and the welfare of military service members' well-being after serving in military service in Malaysia. Unlike public service retirees, who retire at 60 years old, military personnel must leave service in their late 30s to mid-40s, creating a gap of 15 to 25 years before they can access senior social welfare programs. Many retirees realize their LTAT benefits are exhausted within 3 to 5 years owing to limited financial literacy and dependence on lump-sum payments, as well as escalating living expenses. Drawing on the Theory of Planned Behaviour and Life-Cycle Consumption Model, this study takes a qualitative, phenomenological approach, using semi-structured interviews and focus group discussions with active service members, non-Bumiputra recruits, and retirees, which will be assessed using Braun and Clarke's six-phase thematic analysis. These findings are projected to indicate that retirement benefits are very important psychological incentives to recruit and retain personnel and also to increase levels of workforce diversity while simultaneously highlighting the risks of retirement living off lump-sum payments which would jeopardize post-service stability.

Keywords: LTAT, Theory of Planned Behaviour, non-bumiputera, Lump-Sum Depletion, Retention, Fiscal, Theory of Reasoned Action, KWAP

INTRODUCTION

1.1 Background of the Study

The credibility, unity, and fighting capabilities of the armed forces are essential to national security and social stability in multi-ethnic societies and countries (Mohd Hisham, 2022; Radzi, 2024). Kassim et al., (2024); Mohd Hisham (2022) believes that in developing a nation against the shifts in geopolitical risk, advanced defense equipment is required in addition to a dedicated, well-prepared, and highly resilient armed forces. Nevertheless, according to Nasruddin & Halizahari (2025), in order to produce and sustain a workforce, employment security, and comprehensive social protection of Malaysian Armed Forces, there is a need to rely on social and economic incentives from all levels of the organization.

Rahman & Lau, (2024) ; O'Keefe & Rongen, (2025); Alias & Foziah, (2022) highlighted military retirement benefits, funded through public pension schemes and the Armed Forces Fund Board or known as *Lembaga Tabung Angkatan Tentera* (LTAT) as a foundation. They are not just passive payments that occur after completion of military service, but are an influential psychological and economic safety net to mitigate the harsh physical, personal, and premature career burden in military life (Nasruddin & Halizahari, 2025) However, Rahman & Lau (2024); O'Keefe & Rongen (2025) stated that the retirement system of the military in Malaysia is situated within a broader, dynamic macro-economic and demographic context

Rahman & Lau (2024) further stated that with Malaysia moving to an aged society, the increased pension liabilities under the defined-benefit scheme and the growing life expectancies are placing substantial long-term pressure on the federal government's operating expenditure (OPEX). Consequently, ongoing national policy discussions are also becoming more focused on balancing the fiscal viability of public welfare and retirement programs with the strategic necessity to keep defense personnel's pay competitive (Kassim et al., 2024; Radzi, 2024).

1.2 The Institutional Architecture: LTAT vs. Public Pensions

The military personnel retirement plan in Malaysia is structured differently from the general civil service. Civil service personnel are mainly covered under defined-benefit schemes funded by the federal budget with investments made through the Retirement Fund (Incorporated) or also known as *Kumpulan Wang Amanah Pekerja* (KWAP). In contrast, military members, rely on a mandatory provident fund, administered by LTAT.

In the LTAT system, non-commissioned personnel or known as Other Ranks must set aside 10% of their monthly basic salary, with the government matching this by contributing 15%. Additionally, officers can participate in voluntary savings programs. Besides managing the money they have deposited into their accounts and declaring annual dividends, LTAT is legally obligated to assist members and veterans in benefiting from good housing, healthcare, and other provisions that help them improve their socio-economic situation after leaving service.

1.3 Problem Statement: The Post-Service Vulnerability Gap

Although a system is available to manage military retirements, Ahmad et al. (2025) and Alias & Foziah (2022) argue that this fails to adequately address important socio-economic vulnerabilities, including the necessity for mandatory early discharge. This is because, unlike public servants, who usually work in the civilian sector until the age of sixty, military personnel usually retire several years after leaving service, usually in their late 30s to mid-40s (Ahmad et al., 2025; Alias & Foziah, 2022).

Therefore, veterans undergo a highly prolonged transition period (typically 20–30 years) prior to the conventional senior social welfare programs such as Bantuan Warga Emas (BWE) starting at age 60 (O'Keefe & Rongen, 2025). Over 3-5 years after service when many military retirees discharge from the military, a large portion of them use up their LTAT gratuities (O'Keefe & Rongen, 2025; Ahmad et al., 2025; Alias & Foziah, 2022). Even after their departure after their service end, many military retirees exhaust the lump sum LTAT gratuities in three to five years.

In addition, the financial pressure continues to grow due to low levels of financial literacy, lack of readiness for retirement, short term credit and inflation, and rising living costs driven by inflation (Ahmad et al., 2025; Alias & Foziah, 2022). On the other hand, Mohd Hisham (2022), for instance, has argued that despite the Malaysian government's efforts of promoting ethnic reconciliation and ethnic diversity in a well-balanced civil service and armed forces to guarantee national unity and confidence in institutions, recruitment of non-Bumiputra individuals is still markedly low.

1.4 Research Objectives & Significance

Although quantitative econometrics have probed the macro-level fiscal burden of malaysian public pensions (rahman and lau 2024; kassim et al 2024), the qualitative perspective on personal service members' perceptions, experiences, and beliefs concerning retirement security over their life course are limited (ahmad et al., 2025; radzi, 2024). Drawing upon a qualitative, phenomenological approach, this study fills this evidence gap by examining military retirement benefits. By drawing upon the lived experiences of active personnel, non-bumiputra recruits, and discharged veterans in this study, the aim is to:

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

1. Evaluate how long-term retirement security and job stability perceptions affect initial enlistment decisions and career retention within the atm.
2. Unpack the socio-financial realities and anxieties experienced by personnel approaching early retirement, focusing on financial literacy, ltat lump-sum reliance, and post-service transition readiness.
3. Propose specific policy reforms that will promote fiscal sustainability through better human capital protection, organizational attractiveness, and the well-being of veterans.

PROBLEM STATEMENT

2.1 The Core Dilemma: Fiscal Rationalization vs. Military Human Capital Anchors

Malaysia faced a tough financial question on how to balance the necessity of ensuring national security with the ever-increasing federal debt and unfunded liabilities of retirees. Pension schemes and state military unit savings, administered through defined benefit accounts, are a growing percentage of federal operating expenses. And the challenges of an aging population, longer life expectancies and erratic revenue streams are forcing policymakers to tighten public spending and reform retirement systems.

But the reduction of military pensions and retirement security spending cannot be evaluated only in terms of a financial benefit. The military profession is a complex job of high personal risk, physical exertion, self control, and long, lasting familial separations. Retirement pensions and required provident funds with LTAT are the important incentives to ensure that personnel remains loyal to the organization and to be ready for fighting. Unpopular cost-cutting initiatives may threaten job security, morale, organizational unity, and the recruitment and retention programmes.

2.2 The Post-Service Vulnerability Gap and Financial Literacy Deficit

An issue that is widely referred to as the structural gap in Malaysian Armed Forces retirement is the early retirement time period stipulated. Non-commissioned (Other Ranks) personnel often retire in their late 30´s to mid-40´s giving them a period of 15-25 years before they are eligible for standard senior social benefits such as Bantuan Warga Emas (BWE) which comes by the time they turn 60.

According to a study, lots of military retirees start wasting their LTAT within three to five years after dropping out of service. A lack of financial proficiency, dependence on lump sum income in lieu of annuity income, poor money management before retirement and rising living costs all contribute to this rapid depletion. Early retirement leads, therefore, to the service members transitioning from a stable institutional context to a state of financial uncertainty as individuals age.

2.3 The Empirical Gap

Although the trade-offs faced by public pension liabilities and defence expenditures in malaysia have been examined through an existing quantitative macro-econometric analysis (rahman & lau, 2024; kassim et al., 2024), qualitative research on subjective experiences of armed forces personnel as they view retirement benefits in light of their career decisions has yet to explore these issues (nasruddin & halizahari, 2025; mohd hisham, 2022; ahmad et al., 2025).

The existing quantitative analyses do not explore the psychology, socio-cultural, behaviour patterns (such as self-efficacy, family expectation, and the desire to advance in their careers) on how decisions regarding employment and financial benefits and anxieties related to exit from military service are affected, it is not included in the calculations. This study fills this gap by examining the qualitative nature of military retirement benefits as a strategic driver for recruitment, retention, and post-service well-being following a period of service (ahmad et al., 2025; radzi, 2024).

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

LITERATURE REVIEW

Referring to nasruddin & halizahari (2025); mohd hisham (2022), the conceptual basis of military retirement systems as strategic recruitment and retention engines is grounded in behavioral motivation, organizational behavior, and life-cycle financial planning. That is why mohd hisham (2022); ahmad et al., (2025), believed that the theory of planned behavior (tpb) and the theory of reasoned action (tra) could be useful approach to observe individual's decision to join or remain in an organization as it is determined by their attitude towards the expected outcome, subjective social norms, and self-efficacy.

in the military, job security, competitive pay, work-life benefits, and long-term pension guarantees contribute to a positive organizational disposition: perceived bodily safety and discipline are less likely to be the focus of service than their opposite side (nasruddin & halizahari, 2025; mohd hisham, 2022; ahmad et al., 2025).

Furthermore, the literature on organizational job attractiveness suggests that long-term social protection is a crucial employer branding tool to attract non-bumiputra recruits demanding institutional justice, objective career development, and socio-economic security (mohd hisham, 2022). Individually, malaysia's military retirement architecture operates in an institutional dual structure distinct from the general civil service level (o'keefe & rongen, 2025). Civil servants in this context are entitled to defined-benefit public pensions administered through the retirement fund (kwap) (rahman & lau, 2024; o'keefe & rongen, 2025), but military personnel are particularly reliant on other ranks and the armed forces fund board (ltat), a statutory provident fund where the non-commissioned member contributes 10% of their base salary with a 15% government contribution (alias & foziah, 2022).

However, from a macro-econometric perspective, increasing defined-benefit pension liabilities and extended life expectancies are putting severe pressure on the federal budget, leading to urgent policy discussions on the interplay between military and social welfare spending and fiscal sustainability (rahman & lau, 2024; kassim et al., 2024). While defense allocations yield socio-economic spillovers beneficial for national stability and human security (kassim et al., 2024; radzi, 2024), increased public operating expenditures (opex) have prompted calls for parametric pension reform and new models, such as defined-contribution or hybrid (rahman & lau, 2024; o'keefe & rongen, 2025).

Although ltat and public pensions are appropriately structured, a substantial body of empirical literature documents a widely felt "post-service vulnerability gap" experienced by military personnel (o'keefe & rongen, 2025; ahmad et al., 2025; alias & foziah, 2022). Non-commissioned personnel undergo mandatory discharge in their late 30s or mid-40s (ahmad et al., 2025; alias & foziah, 2022), leaving them with a 15-25-year gap before accessing civil senior safety nets, such as the senior citizens assistance (bwe), at age 60 (o'keefe & rongen, 2025).

Based on the life-cycle consumption model, most military retirees quickly deplete lump-sum ltat gratuities within three to five years after discharge. This low initial financial literacy is compounded by short-term debt, lack of structured annuity options, and increasing cost-of-living pressures (ahmad et al., 2025; alias & foziah, 2022). This situation has led current literature to emphasize that without continuous pre-retirement financial education, transition support, and robust asset allocation by fund managers, early retirement schemes fail to provide long-term socio-economic protection for veterans (rahman & lau, 2024; ahmad et al., 2025)

PROPOSED APPROACH / METHODOLOGY

For the purpose of policy consideration, the current study applies an interpretivist research philosophy and phenomenological research design and seeks to assess the subjective realities and experiences of malaysian armed forces personnel in regard to military retirement benefits. Drawing on behavioral theories, including the theory of planned behavior and the life-cycle consumption model, the proposed study will also examine how economic security, job-life balance, and institutional fairness impact enlistment intentions, career persistence, and post-service transition insecurity.

The theory of planned behaviour stipulates that the intention of an individual to exercise a specific behavior is affected both by his attitude toward the behavior and by the subjective norm that refers to the

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume X Issue VII July 2026

impression of how others look at his action. This behavioral intention will accelerate the performance of the behavior in question. As mentioned by yu-long chao (2012), the attitude toward the behavior is mathematically defined as the product of the beliefs about the outcome of exercising that behavior and the evaluation of each of those outcomes.

Correspondingly, multiplying normative beliefs with motivation to adhere gives the measures of the subjective norm. Normative beliefs are the degree to which a person believes his significant others expect him to perform that behavior, and motivation to comply refers to the extent to which he or she would comply with the expectations of the significant others (yu-long chao, 2012). Figure 1.0 below outlines these noticeable beliefs.

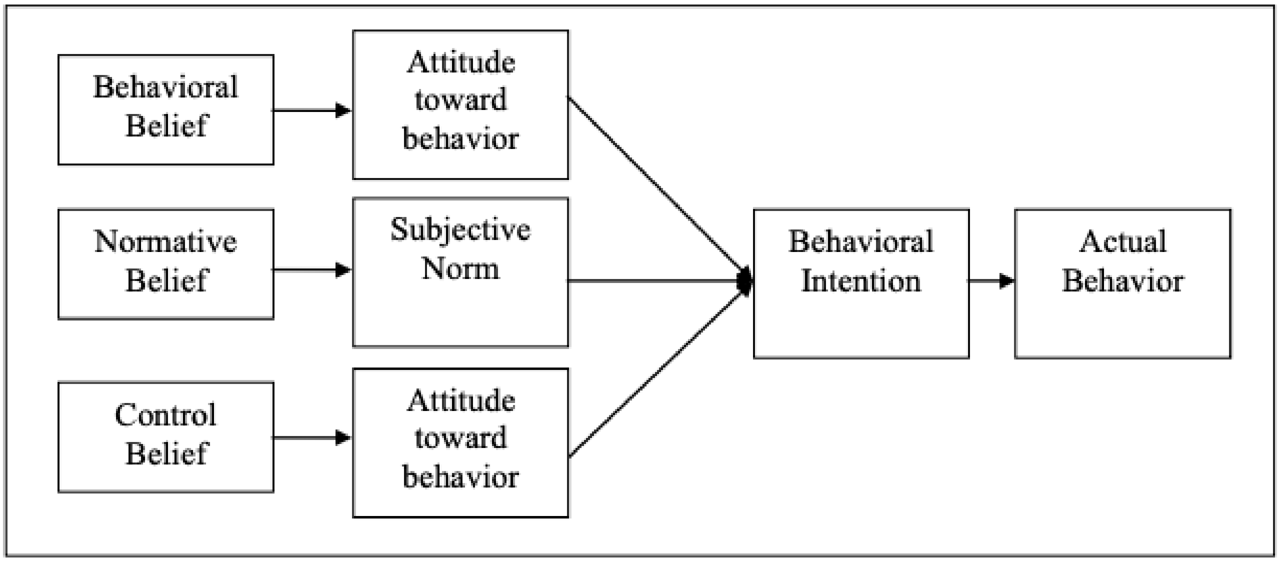

Figure 1.0: Theory of Planned Behavior Model by Azjen, 1991

The research method is qualitative whereby comprehensive personal interviews including semi-structured ones as well as fgds will be employed. The data will be purposively obtained from active service members, non-bumiputra recruits, and retirees. Respondents will be stratified by rank and stage of service to ensure a balance between the links to the statutory pensions and benefits from the ltat are in place.

The qualitative narrative data derived from verbatim audio transcripts will be critically analysed based on braun and clarke's 6-phased thematic analysis. This process is to discover predominant themes, such as a psychological anchor of pension security, the draining effects of lump-sum distributions, and gender or ethnicity-based welfare requirements. Methodological rigour and credibility will be attained through member-checking, peer debriefing and theoretical triangulation with institutional policy documents including the malaysian defence white paper and official ltat reports. The researcher follow ethical guidelines fully, involving voluntary participation in the study, fully informed consent and full anonymization for active service members.

EXPECTED FINDINGS

Drawing primarily from proposed qualitative methodology and tpb and life-cycle model concepts, the study aims to develop three central empirical themes concerning military retirement benefits in malaysia:

1. pension security as a psychological anchor for recruitment and retention:

The research would also determine that guaranteed statutory pensions and ltat savings are key anchors to overcome a majority of psychological harm posed by physical hazards, extended family separation, and demanding discipline of military service. Retention for women service members will be tied very closely with broad family healthcare measures and work-life balance benefits. For those not bumiputra, the clear career pathway and long-term financial stability will drive them to rise above the oppressive socio-cultural forces of enlistment in military personnel.

2. Post-service transition anxiety and the "lump-sum depletion" vulnerability:

The study's results are expected to indicate high levels of post-service financial anxiety for mid-career workers and veterans who are about to get their first mandatory early discharge (ages 38–48). Retirees are expected to demonstrate rapid depletion of their gratuities within three to five years post-discharge because of low baseline financial knowledge and the dependence on lump-sum ltat payouts. It is anticipated in this section that there is an acute need of veterans for structured annuity options, mandatory financial management training prior to retirement, and formal post-service help with re-employment.

CONCLUSION

This study suggests that military retirement benefits in Malaysia not only serve as vital strategic incentives for recruitment, retention, and workforce diversity but also expose structural gaps in the post-service system that put the well-being of veterans at risk (Nasruddin & Halizahari, 2025; Mohd Hisham, 2022; Ahmad et al., 2025; Alias & Foziah, 2022). According to Nasruddin and Halizahari (2025), pension schemes provided by law, and the provident funds managed by LTAT are powerful psychological anchors that increase the attractiveness of jobs to non-Bumiputra applicants (Mohd Hisham, 2022).

Nevertheless, an early exit from employment leads to a large financial gap due to poor financial literacy, and the large number of lump sum payments made to employees (Ahmad et al., 2025; Alias & Foziah, 2022). To ensure the Malaysian National Fiscal Duty meets the human resource needs of the military, a program of phased annuities instead of lump-sum payments would provide a better alternative.

Additionally, Rahman & Lau (2024); O'Keefe & Rongen (2025) strongly suggested that providing mandatory financial education to members of the armed forces at the time of their enlistment, and ensuring that transition benefits are consistent with those of the national social safety net programs could be beneficial.

Finally, changing Malaysia's military retirement system from a passive payout system to a sustainable life-cycle welfare model would not only allow the current armed forces to remain viable and attract new recruits who represent a variety of backgrounds and experiences, but also ensure that the nation remains committed to its common social contract with all members of the armed forces in Malaysia.

REFERENCES

1. Ahmad, M. Y., Nawi, H. M., Abdullah, M. N., & Ariffin, Z. Z. (2025). Financial planning of Malaysian military households: The mediating role of retirement awareness. *Social Security Management Journal*, *15*(10), 1480–1496.
2. Alias, A., & Foziah, N. H. M. (2022). Analysis towards the factor of inadequacy retirement fund among EPF members: A review paper. *International Journal of Law Policy and Governance*, *1*(2), 111–118. https://doi.org/10.54099/ijlpg.v1i2.440
3. Ajzen, I. (1991). The theory of planned behavior. Organizational behavior and human decision processes, 50(2), 179-211.
4. Kassim, Z., Suhaimi, Z. S., Subramaniam, S. A., Zahari, H. M., & Yahaya, M. N. (2024). Military spending and spillover effect on social welfare. *Environment and Social Psychology*, *9*(2), Article 1990. https://doi.org/10.54097/esp.v9i2.1990
5. Mohd Hisham, A. H. (2022). *Attitude, subjective norms and intention to enlist non-Bumiputra in the Malaysian Army: Moderating effect of self-efficacy* (Unpublished doctoral dissertation). Universiti Malaya, Kuala Lumpur, Malaysia.
6. Nasruddin, N. S., & Halizahari, M. (2025). The impact of work-life benefit, career growth opportunities and job security on the job attractiveness of women in joining the Malaysian Armed Forces. *International Journal of Academic Research in Business and Social Sciences*, *15*(3), 1155–1165. http://dx.doi.org/10.6007/IJARBSS/v15-i3/24593
7. O'Keefe, P., & Rongen, G. (2025). *Should Malaysia expand its social pension? Global evidence, design issues and options* (Social Protection & Labor Discussion Paper No. 2605). World Bank Group.

8. Radzi, E. M. (2024). Examining the impact of social security programs on military personnel and veterans: A scientometric and scoping review. *Social Security Management Journal*, *1*(2), 1–18. https://doi.org/10.32890/ssmj2024.1.2.1
9. Rahman, M. I. A., & Lau, W. Y. (2024). *Pension at stake: Issues and solutions to defined benefit pension scheme in Malaysia*. Palgrave Macmillan. https://doi.org/10.1007/978-981-97-2324-9
10. Yu-Long Chao (2012) Predicting people's environmental behaviour: theory of planned behaviour and model of responsible environmental behaviour, Environmental Education Research, 18:4, 437-461,