MEF: Govt must give us time

PETALING JAYA: Employers are asking for guidance and leniency as they prepare to provide 1.8 million foreign workers with Social Security Organisation (Socso) coverage starting Jan 1.

Malaysian Employers Federation (MEF) director Datuk Shamsuddin Bardan said employers should be given support and not be prosecuted in the first year.

“The government should give more briefings on the scheme rather than crack down on employers.

“Taking action is unwarranted because a change of system is not easy, it takes time,” he said.

Shamsuddin said it would not be easy to register the 1.8 million foreign workers in Malaysia.
“There could be glitches in the system. Employers must be given time for the registration itself,” he said, adding that besides preparing to register their foreign workers under Socso, employers also have to be prepared to spend more for their workers’ 1.25% Socso contribution.

“There would be an increase of wages cost to employers of more than RM400mil per year.

“Currently, under the Workmen's Compensation Act (WCA) 1952 we are contributing about RM75 per worker on a yearly basis,” said Shamsuddin.

The WCA provides compensation for death or disability.

Human Resources Minister M. Kulasegaran on Nov 21 said the Cabinet had decided to place foreign workers under Socso in line with the Equality of Treatment (Accident Compensation) Convention, 1925 (No.19) and Conference Committee on the Application of Standard under the International Labour Organisation (ILO), which Malaysia had ratified.

He said employers who hire foreign workers with valid documents including expatriates must register them with Socso and contribute to the Employment Injury Scheme under the Employees’ Social Security Act 1969 (Act 4).

On Dec 5, Kulasegaran said the Cabinet had approved for a one-year “cooling-off” period from Jan 1 next year to Jan 1, 2020, for employers to settle the outstanding compensation of their workers before the employees are registered with Socso.

The Federation of Malaysian Manufacturers, whose members employ some 700,000 foreign workers, has requested a grace period of one year before the scheme is fully implemented.

Its president Datuk Soh Thian Lai said presently foreign workers were covered by comprehensive insurance schemes bought by their employers which among others, covers them when they get injured at the workplace.

“The insurance is purchased when the employee starts work and is usually renewed annually.

“Our members are requesting that the government allows the insurance policies of the respective workers to run its course before making it mandatory for the employee to contribute to the foreign worker’s Socso scheme.

“We hope we can have 2019 as the grace period for the Socso scheme,” he said.

Soh said the Socso scheme for foreign workers was good because the organisation was experienced in helping workers.

“Socso will also be able to know immediately when a foreign worker changes jobs as its system will record it.

“The government will then be able to track the movement of foreign workers in the country more effectively,” he said.
The Malaysian Trades Union Congress president Datuk Abdul Halim Mansor said the registration process would require a proper mechanism.

“The main concern is how the registration will be done and how will we handle those who are without a permit,” he said.

He revealed that the National Labour Advisory Council would re-convene on Jan 29 to discuss, among others, how the administration would best be done.

TAGS / KEYWORDS:
Government, Socso, Human Resources Ministry, Foreign Workers