Retrenchment figure to stay below 40,000 this year, says SOCSO

KUALA LUMPUR (Jan 10): The Social Security Organisation (SOCSO) today lambasted the Malaysian Employers Federation (MEF) for the latter's bleak outlook of the local labour market.

"Datuk Shamsuddin Bardan (executive director of MEF) creating a gloomy scenario, is not good for the economy," Chief Employment Insurance System (EIS) officer of the SOCSO Datuk Mohd Sahar Darusman said at a press conference, after the scheme's briefing for the hospitality industry here today.

Sahar was speaking in response to Shamsuddin's projection that over 50,000 employees are at risk of losing their jobs this year.

In the past 10-20 years, retrenchment figures rarely exceeded 40,000 persons and is forecasted to stay below this level in 2018, he said.

On the matter of EIS, Sahar confirmed SOCSO received a total of 175 applications as of yesterday, claiming an interim benefit in the form of a RM600 monthly cash allowance, supported by the government.

Earlier on Oct 25, the Dewan Rakyat approved the revised EIS Bill after lawmakers from both sides of the divide showed support to the scheme, aimed at providing financial assistance and employment services to workers who lose their jobs.

Under the newly-passed EIS Act 2017, employees and employers will be required to contribute a fixed 0.2% of the employee's monthly salary, each, to the fund.

Allowances will be allocated for job search, early reemployment, training and reduced income.