

## MEF : THANKS THE GOVERNMENT AND THE MINISTER OF HUMAN RESOURCES FOR DEFERMENT OF IMPLEMENTATION OF EMPLOYMENT ACT AMENDMENT

PETALING JAYA: The Minister of Human Resources today announced that the implementation of the Employment (Amendment) Act which was earlier scheduled for 1<sup>st</sup> September 2022 was deferred to 1<sup>st</sup> January 2023. The postponement is to give more time to enable employers to rebuild and recover their businesses.

MEF President Datuk Dr Syed Hussain Syed Husman, PJN. JP. states that “MEF is really thankful to the government especially to the Human Resources Minister YB Datuk Seri M Saravanan for the deferment of the implementation of the Amendments to the Employment Act 1955(EA 1955) to 1<sup>st</sup> January 2023. The government had previously announced that the amendments to the EA 1955 was scheduled to be implemented with effect from 1<sup>st</sup> September 2022.”

“Even though MEF earlier called for the implementation to be deferred for at least until the end of 2023, the deferment to 1<sup>st</sup> January 2023, will assist employers especially the MSMEs to be more focussed on recovering and re-establishing their businesses.”

**Datuk Dr Syed Hussain** states further that the amendment to the EA 1955 is estimated to impose additional costs as listed below:

- i. Increase in cost of overtime per year due to increased coverage of EA from RM 2000/month to RM 4, 000 per month

RM 80.87 bil/year

- ii. Reduction of hours of work from 48 hours/week to 45 hours/week

RM26.88 bil/year

iii.	Increase of maternity leave from 60 days to 98 days	RM 2.97 bil/year
iv.	Paternity leave of 7 continuous days per birth	RM 0.275 bil/year
	<b>TOTAL</b>	<b>RM 110.99 bil/year</b>

It is very challenging for the employers to absorb the estimated additional cost of RM 110.99bil per year especially during uncertainties and volatile global market due to supply chain issues arising from Covid-19 and the geopolitical conflict in Ukraine.”

“The deferment will allow employers to fully understand the provisions of the amendment and draw up relevant company policies based on the requirements of the amended EA 1955. This will lead to better compliance of the amended EA 1955”

“The Labour Department Peninsular Malaysia will also be given ample time to come up with the required template for employees to apply to employers for flexible work arrangements. The enforcement agencies will also be more able to strengthen their strategies to get employers to fully comply with the EA 1055 especially on the amended provisions.”

For further information, please contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email [mef-hq@mef.org.my](mailto:mef-hq@mef.org.my).

**26<sup>th</sup> August 2022**