

MALAYSIA

Go slow on us, MEF says as govt empowers Employment Act from Sept 1

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Malaysian Employers Federation (MEF) President Datuk Dr Syed Hussain Syed Husman - Bernama pic

SHAH ALAM –Bosses have urged Putrajaya to reconsider the implementation of the amendment to the Employment Act 1955 (EA 1955) that comes into effect from Sept 1.

In a statement, Malaysian Employers Federation (MEF) President Datuk Syed Hussain Syed Husman said the amendments will burden employers.

“Employers should be given time to reconsolidate and recover their businesses which were severely impacted due to Covid lockdowns in 2020 and 2021,” he said.

he said there will be various additional costs from the amendments that employers will be subjected to, including an increase in minimum wages from RM1,100 or RM1,200 per month to RM1,500 per month.

The amendment also states that the cost of overtime per year will increase from RM 2,000 per month to RM4,000 per month.

Working hours will be reduced from 48 hours per week to 45 hours per week, maternity leave is increased from 60 days to 98 days and paternity leave is granted for 7 continuous days per birth.

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“It will be very challenging for employers to absorb the estimated additional cost of RM110.99 billion per year, especially at the time of uncertainty and volatile global market due to supply chain issues arising from Covid -19 and the geopolitical conflict in Ukraine,” he said.

Other provisions are for employers to be flexible work arrangements, hospitalisation leave and new procedures on the application for foreign workers.

Syed Hussain added there are not many guidelines over flexible work arrangements.

Apart from the amendments to the EA 1955, employers are also challenged with possible amendments to the Trade Unions Act that will introduce a multiplicity of Unions at the workplace as compared to a single union currently.

Due to that, he said MEF urged the government to reconsider the implementation of the amendment of EA 1995 to allow businesses to have some space to breathe and recover from the economic impact of Covid-19.