



KEMENTERIAN SUMBER MANUSIA



International
Labour
Organization



Employment Insurance (EI) in Malaysia

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9th October 2024





POLICY DESIGN ON EMPLOYMENT INSURANCE (EI) IN MALAYSIA



Contribution

Current Practices

- Contribution collection 0.4% (0.2% - Employer and 0.2% - Employee)
- Wage Ceiling RM 6,000 – RM 23.80 (USD 5.58)
- SOCSO's Enforcement team will do a collection the contribution and verify the contribution paid by employer
- As per PERKESO statistic, 526K employer is actively contributing for EIS which involved 6.5 million employee

Eligibility Criteria

Current Practices

- Coverage applies to involuntary job loss, such as retrenchment, but not resignation or dismissal for misconduct.
- The worker must have made at least 12 months of contributions for the first claim follows 4th schedule
- The worker able to work, available to work and actively seeking for work
- With an average of 44 thousand applicants submitted and 79.3% approval rate

Benefits Provided

Current Practices

- Job Search Allowance (monthly) / Reduced Income Allowance (lump sum) – 80% for the 1st month, 50% for the 2nd month, 40% for the 3rd – 4th month and 30% for the 5th – 6th month.
- Early Re-employment Allowance – 25% of the balance of Job Search Allowance
- Training Fee and Allowance – RM4,000 and RM10 – RM20 per day
- Re-employment Placement Programme (REPP)

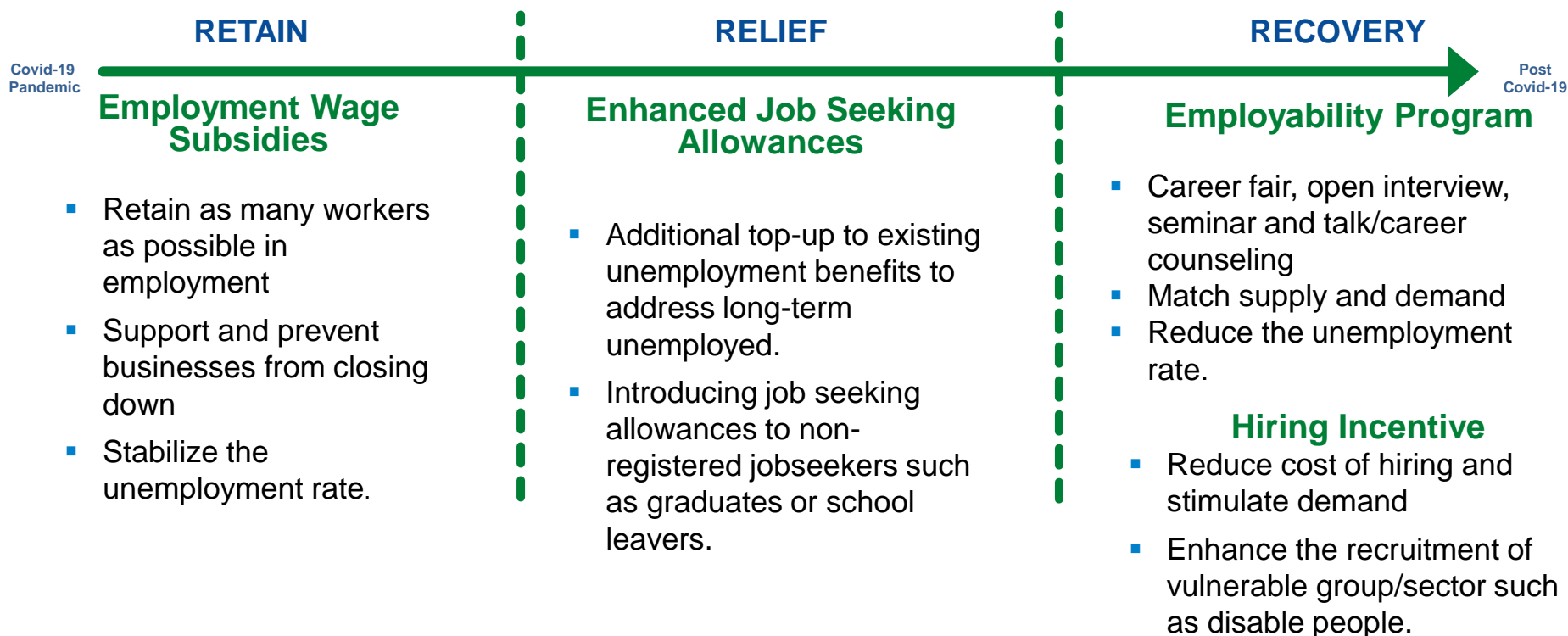


POLICY DESIGN ON EMPLOYMENT INSURANCE (EI) IN MALAYSIA



Creating New Policy Tools For Social Protection

To support stabilize the shock of the pandemic, PERKESO has built and implemented several policy tools, with **a total allocation of more than RM 27 billion (2.45% of MYR GDP)** from the government during the pandemic.



2.96 million worker able to retained their work during pandemic and more than 776 thousand been hired on the recovery stages



GOVERNMENT INITIATIVE UNDER NATIONAL BUDGET IN MALAYSIA



KERJAYA MADANI 2.0 PROGRAMME

DAYA KERJAYA 2.0

Employment Support Scheme in Private Sector and GLC/GLIC



Hiring incentives for Private Sector employers and GLC/GLIC who place jobs among vulnerable groups



Target : Hiring from the vulnerable group as per below:

- Person with Disabilities (PWD)
- Ex-convicts
- Old age / retirees



Employment Incentive RM1,500 per employee for a maximum period of 6 months

BINA KERJAYA 2.0

Formalize informal sector



An initiative that provides Skill Enhancement Programs (Training) through microcredential studies, professional certification or competency to informal sector workers.



Target : Individuals who are working in the Informal Sector such as gig workers or Self-Employed worker who have a Diploma education level and below.



Training fee up to RM4,000 based on the certification category and a training allowance of RM30 per day with a maximum period of 20 days.

With the allocation of RM 50 million for both programmes that was announced by Malaysia Prime Minister

Improvement of social security protection for Insured Person



**Child Care
Allowance**



**Mobility
Allowance**



**Training
Fees & Allowance**



**Early
Re-employment
Allowance**



**Progressive
Wage Policy**

THANK YOU

SOCIAL SECURITY ORGANIZATION (PERKESO)

9th – 10th October 2024

For further queries, feel free to email adam.aziz@perkeso.gov.my