

FREQUENTLY ASKED QUESTIONS

WAGE SUBSIDY PROGRAM

EMPLOYMENT INSURANCE SYSTEM (EIS), SOCSO

BIL.2 / 2020 | APRIL 7, 2020

1. What is the Wage Subsidy Program?

- Wage subsidies are financial assistance given to employers/enterprises having local workers earning RM4,000 and below for a period of 3 months only.
- The purpose of the Wage Subsidy Program is to help employers who are economically affected as a result of COVID-19 to enable them to continue their company operations and to prevent workers from losing their jobs and sources of income. This program is applicable for all companies.

2. When does the Wage Subsidy Program come into effect and when does it end?

- The Wage Subsidy Program goes into effect on April 1, 2020.
- The Wage Subsidy Program is for 3 months beginning April 1, 2020 or from the respective month the application is submitted.
- The last date to apply for the Wage Subsidy Program is September 15, 2020.

3. What are the improvements to the Wage Subsidy Program announced on April 6, 2020?

- The Wage Subsidy Program announced on April 6, 2020 replaces the Wage Subsidy Program announced on 27 March 2020.

The improvement to the Wage Subsidy Program is as shown in the Table 1 below:

a) Company Size	75 employees and below	76 to 200 employees	201 employees and above (more than 200 persons)
b) Financial assistance	RM1200 per month per employee	RM 800 per month per employee	RM 600 per month per employee
c) Restricted to the number of employees	75 persons	200 persons	200 persons
d) Period of assistance	3 months	3 months	3 months
e) Conditions for eligibility			

Rate of reduction of income or sales	No preconditions	Rate of reduction of 50% or more of total sales or income in comparison between January 2020 and subsequent months	Rate of reduction of 50% or more of total sales or income in comparison between January 2020 and subsequent months
Registration of employers	<ol style="list-style-type: none"> <li>1. Employers and employees must register and contribute to Socso.</li> <li>2. Employers must have registered with Companies Commission of Malaysia (SSM).</li> <li>3. Employers must have commenced operation before 1<sup>st</sup> January 2020.</li> </ol>		
Employees salary	Employees salary of RM4000 and below.		
Other conditions	For employers that choose to receive subsidy assistance, they are required to continue to employ workers for at least 6 months, ie within 3 months of receiving wage subsidy and 3 months thereafter.		
f) Effective date of enforcement	From 1 <sup>st</sup> April 2020 onwards		
g) How to apply	Application must be made by employers via the Socso website at <a href="http://prihatin.perkeso.gov.my">prihatin.perkeso.gov.my</a> from 9 <sup>th</sup> April 2020 onwards.		
h) Last date of application	15 <sup>th</sup> September 2020 or depending on the availability of funds allocated or, any decision made by the government.		
i) Method of payment	<ul style="list-style-type: none"> <li>• The wage subsidy will be credited to the employer account within 7- 14 days from the date of approval. Employees earning RM4,000 and less.</li> </ul>		

4. Who is NOT eligible to apply for the Wage Subsidy Program?

- Employers or companies registering and operating on or after January 1, 2020;
- Employers and employees who have not registered or contributed to SOCSO;
- Employees who have received the Employment Retention Program (ERP) financial aid during the same month;
- Monthly paid employees over RM4,000;
- Retired employees;
- Public sector employees, federal and state statutory bodies, all statutory remuneration bodies, Local Authorities (Local Authorities) and self-employed (non-employers) including freelancers; as well as
- Foreign workers and expatriates.

5. For application for the Wage Subsidy Program, what is the required document?

## TRANSLATED FROM BAHASA MALAYSIA VERSION

- The documents required for the Wage Subsidy Program application are:
  - i. List of employee names (according to enterprise size and eligibility limits);
  - ii. Employer's bank account information (Copy of Bank Statement front page only);
  - iii. The Business Registration Number (BRN) information registered by the employer at the time of opening the bank account as in 5 (ii) above. Please consult the bank for details;
  - iv. Copy of SSM / ROS / ROB / Professional, Scientific or Technical Services / Business License from relevant authorities;
  - v. PSU50 Declaration; and
  - vi. \*\* Supporting documents such as financial statements or sales reports that have been verified by management or other related documents.

\*\* Note: Supporting documents requirement for companies of 76 employees and above

6. What does this mean for Business Registration Number (BRN) information to be obtained from the bank?

- Business Registration Number (BRN) is an employer registration number that is registered by the employer at the time of opening the company's current account.
- Employers will need to fill out the BRN Form that needs to be downloaded from the web site at [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my) and upload it back to the website once it has been completed.
- The Bank and BRN Account information of the company as above is required for the purpose of direct payment to the employer account by Electronic Fund Transfer (EFT).

7. What is PSU 50 Declaration?

- The PSU 50 Declaration is a written document in which the employer certifies or declares that the detail provided by the employers in the form is true and correct for the purpose of applying for the Wage Subsidy Program.

8. Why are workers paid RM4,000 and above not covered under the Wage Subsidy Program despite making monthly SOCSO contributions?

- The Wage Subsidy Program is an aid from the Government through the Economic Stimulus Package (PRIHATIN) to assist employers affected by the COVID-19 crisis to continue operating and retaining their employees. The program is also aimed at helping workers in the B40 group earning RM4,000 and below.

9. On the application of Wage Subsidy Program for the subsequent month, does the employer have to submit a new application for the next claim?

- Employers do not need to submit a new Wage Subsidy Program application for the second and third claims. However, employers are required to update information changes for the second and third claims in the event of any changes to the business status or number of eligible employees through the system. Failure of the employer for not reporting such change may result in legal action.

10. Can an employer who has been operating before January 1, 2020 but not registered with SOCSO apply for the Wage Subsidy Program?

- Yes. Any employer who wishes to apply for the Wage Subsidy Program but is not yet registered with SOCSO must meet the following requirements:

- i. Registered with SSM, Local Authorities or Professional, Scientific or Technical Services authorities before January 1, 2020

- ii. Have at least one employee

- iii. Register with SOCSO

11. Can an employer who has received an ERP apply for the Wage Subsidy Program?

- Yes. An employer who meet the prescribed Subsidy Program application requirements as shown in Table 1 (Question 3) can submit an application even if they have previously received an ERP.

- However, the company cannot claim a Wage Subsidy Program for employees who have received ERP assistance during the same month.

12. Can an employer reapply the latest Wages Subsidy Program (April 6, 2020) if the employer has applied for the previously announced Wages Subsidy Program (March 27, 2020)?

- Yes. For employers who have applied for the Wage Subsidy Program in line with the announcement on March 27, 2020 and have more than 100 employees, employers can now submit new applications for the remaining employees with a limit of no more than 200. The terms of application are as shown in Table 1 (Question 3).

13. How can a company of 76 employees and above prove a 50% or lower income or sales rate?

- Employers can prove a decrease of 50% or more with supporting documents showing total sales or revenue in January 2020 compared to the following months.

14. My company has various Departments / Divisions / Branches / Units. Can I select only certain employees from the specific Departments / Divisions / Branches / Units for application for the Wage Subsidy Program?

- Yes. Employers can choose any local employee who earns RM4,000 and below to receive the wage subsidy.

15. Should an employer apply for the Wage Subsidy Program in June, will the wage subsidy be paid from April (backdated) or commenced in June?

- Wage subsidies will be paid from the month the application is submitted and there is no backdated monthly payment.

16. If I do not apply for the Wage Subsidy Program, can I terminate my employees at any time?

- Yes. However, any employer who wishes to terminate his employee is subject to all the Labor and Employment Laws in Malaysia such as the Employment Act 1955 and the Companies Relations Act 1967.

17. One of the eligibility conditions for the Wage Subsidy Program is for employers to retain employees for 6 months. If there is an employee who has voluntarily quit his employment and received a previous wage subsidy, does the employer have to submit a new application?

- No. If a voluntary termination of an employee occurs within the first 3 months of the Wage Subsidy Program, the employer will only need to update the employee's eligibility information in the system. Failure of the employer for not reporting such change may result in legal action.

18. Do employees have the right to apply for the Wage Subsidy Program individually?

- No. All applications for the Wage Subsidy Program must be submitted by the employer.

19. How will an employer determine whether a wage subsidy application has been approved or rejected?

- The employer will be notified of the status of the application by email.
- A list of employers who have received approval of the Wage Subsidy Program will also appear on the SOCSO website <https://eiscentre.perkeso.gov.my/> including the number of approved employees.

20. What is the definition of salary or income of RM4,000 and below intended for the application of the Wage Subsidy Program?

- The interpretation of wages or income is in accordance with the Employee Social Security Act 1969 [Act 4]. All monetary payments to employees are treated as salaries such as basic pay / overtime / commissions / payments during annual leave, sickness, maternity leave, vacation, general leave and so on / incentives allowance, including good behavior, living expenses and so on / Service Charge.

21. How do I pay my employees wages if they participate in the Wage Subsidy Program?

The employer must pay the workers' salaries as usual, at same rate, and then submit their Wage Subsidy Program application to SOCSO. The subsidy assistance received from SOCSO is financial assistance to the employer. SOCSO and EIS contribution payments are mandatory and must continue based on the employee's actual salary.

22. If an employee works with Company A and Company B and contributes to SOCSO, are both companies eligible to apply for the Wage Subsidy Program?

- Yes. Both companies are eligible to apply for the Employment Subsidy Program for the same employee while meeting the eligibility requirements as shown in Table 1 (Question 3).

23. My company has both Malaysian and non-citizen employees but has not registered with SOCSO. Can I register with SOCSO and apply for the Wage Subsidy Program on behalf of Malaysian citizens only?

- Yes. Employers must first register or contribute to SOCSO before applying for the Wage Subsidy Program. This application is available to Malaysian citizens only. Employers must also declare the total number of Malaysian and non-citizen employees \*\*.

\*\* Note: The definition of an enterprise size is based on the total number of Malaysian and non-citizen employees

24. What is the difference between EIS, ERP Program and Wage Subsidy Program?

	EMPLOYMENT INSURAN SCHEME (EIS)	EMPLOYMENT RETRENCHMENT PROGRAMME (ERP)	SALARY SUBSIDY PROGRAMME
<b>LAW/DIRECTIVES</b>	<ul style="list-style-type: none"> <li>Akta Sistem Insurans Pekerjaan 2017 [Akta 800]</li> </ul>	<ul style="list-style-type: none"> <li>Pakej Rangsangan Ekonomi (PRE) 2020 on 16 Mar 2020</li> </ul>	<ul style="list-style-type: none"> <li>PRIHATIN on 27 Mar 2020</li> <li>Improved PRIHATIN on 6 April 2020</li> </ul>
<b>BENEFICIARY</b>	<ul style="list-style-type: none"> <li>Employees being retrenched or job loss.</li> </ul>	<ul style="list-style-type: none"> <li>Employees on no pay leave (CTG) by employers.</li> </ul>	<ul style="list-style-type: none"> <li>Wage subsidy to employers to enable them to retained employees.</li> </ul>
<b>DATE ENFORCED</b>	<ul style="list-style-type: none"> <li>1 January 2018</li> </ul>	<ul style="list-style-type: none"> <li>1 Mac 2020 (application from 20 Mar 2020)</li> </ul>	<ul style="list-style-type: none"> <li>1 April 2020</li> </ul>

	EMPLOYMENT INSURAN SCHEME (EIS)	EMPLOYMENT RETRENCHMENT PROGRAMME (ERP)	SALARY SUBSIDY PROGRAMME
<b>APPLICATION</b>	<ul style="list-style-type: none"> <li>By an employee who suffered job loss.</li> </ul>	<ul style="list-style-type: none"> <li>By employers.</li> </ul>	<ul style="list-style-type: none"> <li>By employers.</li> </ul>
<b>CONDITIONS</b>	<ul style="list-style-type: none"> <li>Confirmati on the loss of employment.</li> <li>Having met the requirement to contribute to EIS</li> <li>Ready to work and actively seeking job. employment.</li> </ul>	<ul style="list-style-type: none"> <li>Employees earning RM4,000 and less.</li> <li>At least no leave pay of less than or 30 days.</li> </ul>	<ul style="list-style-type: none"> <li>Employees earning RM4,000 and less.</li> <li>Employers must retained employees for at least 6 months.</li> <li>Conditions as per Table 1. (Question 3)</li> </ul>

<b>BENEFITS</b>	<ul style="list-style-type: none"><li>• Allowance to seek jobs (EMP) (30% to 80% of salary for 3 - 6 months)</li><li>• Fees and allowances for training and others.</li></ul>	<ul style="list-style-type: none"><li>• RM600 per employee for 1 to 6 months.</li></ul>	<ul style="list-style-type: none"><li>• RM600 or RM800 or RM1,200 per month for each employee for the duration of 3 months, subject to the number of employees in the company.</li></ul>
<b>WHERE TO APPLY.</b>	<a href="https://eis.perkeso.gov.my">https://eis.perkeso.gov.my</a>	<a href="https://www.perkeso.gov.my">https://www.perkeso.gov.my</a>	<a href="http://prihatin.perkeso.gov.my/">http://prihatin.perkeso.gov.my/</a>

For further inquiries, please contact SOCSO Customer Service Officer at 03-4264 5555 / 03-8091 5100 / 1-300-22-8000 or email to [perkeso@perkeso.gov.my](mailto:perkeso@perkeso.gov.my)

SOCIAL SECURITY ORGANIZATION

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**Note: In the event there is ambiguity in the interpretation of the FAQs, the official BM version is required to be adhered.**