

Implementation of amended Employment Act 1955 deferred to Jan 1

By Hana Naz Harun - August 26, 2022 @ 4:38pm



Datuk Seri M. Saravanan said this decision was made after discussions with industry players and stakeholders, including chambers of commerce. NSTP/ FARIZ ISWADI ISMAIL.

KUALA LUMPUR: The Human Resources Ministry will defer the implementation of the amended Employment Act 1955 from Sept 1, 2022, to Jan 1, 2023.

Its minister Datuk Seri M. Saravanan said the decision was made after discussions with industry players and stakeholders, including chambers of commerce.

Among the key amendments include the extension of maternity leave allocations from 60 days to 98 days, reduced weekly working hours from 48 to 45 hours, and a seven-day paternity leave for married male employees.

"They have all said that they need more time, as we are now in the economic recovery phase.

"The ministry has discussed the matter with the cabinet, and they all agree to delay the implementation of the amendments to Jan 1, 2023," he told reporters today.

Saravanan said the three-month extension would allow industries to recover from the after-effects of the Covid-19 pandemic, including the shortage of foreign workers.

He also said no further extensions would be given after Jan 1.

"We give employers a three-month notice in advance. We should be implementing it now, but we're giving employers more time to prepare.

"By hook or by crook, we will implement the amendments on Jan 1," he added.

The Employment (Amendment) Act 2022 was passed during the Parliament sitting in March.

The amendments, to be implemented in the peninsula and Labuan, would also allow employees to work flexible hours where they get to choose the location, time, and days of work.

This would include flexibility to work from home during emergencies such as the Covid-19 pandemic.

It also sees higher penalties for offences under the act, with maximum fine penalties raised from RM10,000 to RM50,000, while the existing punishment of a fine originally capped at RM50,000 will be further increased to RM100,000.

The amended law also prohibits the termination of female employees who are pregnant or suffering from illness arising out of her pregnancy, except on grounds relating to misconduct, wilful breach of the employment contract or closure of business.

Saravanan said to ensure compliance by next year, the ministry would conduct more awareness programmes for employers and go on roadshows for employees to better understand the amendments.

"Although there have been requests from quarters such as the MTUC (Malaysian Trades Union Congress) not to postpone, but after listening to everyone, the best is to give another three months," he added.

Meanwhile, Saravanan said it would first implement the amended law before improving and expanding it to cover more types of employees.

When asked if the ministry would consider legislating maternity leave for local domestic workers, he said: "Let us settle this existing act first then further improve it. We will study (the act) and implement additional features (in the future)."

He also said the ministry was proposing some form of a savings scheme to cover private sector employees.

This, he said, was due to the fact that Malaysia was fast becoming an ageing nation.

"We are going through a lot of proposals. (Having no savings) is a serious problem in Malaysia, especially for the private sector.

"Most of them withdraw all their savings from their Employees Provident Fund as soon as they turn 60 and one day, and they have no safety net.

"The ministry is looking at it very seriously. I will come up with some form of social security for the private sector," he added.