

Employment Insurance System (Amendment) Act 2022

Amendment of Section 16

(2) Notwithstanding subsection (1), if the wages of an employee at any time exceed ~~four thousand ringgit~~ a month, his wages shall for the purposes of this Act be deemed to be ~~four thousand ringgit~~ a month.

→ five thousand ringgit

Amendment of Second Schedule

To reflect the amendment of Section 16 above, new contribution rates payable by the employer and employee have been introduced when the monthly wages of an employee exceed RM4,000 and RM5,000 respectively.

Amendment of Third Schedule

To reflect the amendment of Section 16 above, new total contribution rates and corresponding assumed monthly wages have been introduced when the wages of an employee exceed RM4,000 and RM5,000 respectively.

Effects of these Amendments

Prior to these amendments, the wage ceiling for an Employees' Insurance System was RM4,000. This meant even where an employee earns more than RM4,000 a month, their contributions were capped at the RM4,000 rate. The increase of the wage ceiling to RM5,000 means the contribution cap has also increased.

For more insight into this area of law, please contact our Partners in the **Employment & Industrial Relations Practice Group**:



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