

Employees' Social Security (Amendment) Act 2022

Amendment of Section 5

All employees to be insured

5. (1) Subject to this Act, all employees in industries to which this Act applies irrespective of the amount of wages shall be insured in the manner provided by this Act.

(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 Third Schedule

To reflect the amendment of Section 5 above, **new contribution rates** under the Third Schedule (Rates of Contribution) have been introduced for wages of employees exceeding RM4,000 and RM5,000 respectively.

**Please refer to the amended Third Schedule for more details.*

Amendment of Fourth Schedule

To reflect the amendment of Section 5 above, **new contribution rates and corresponding assumed monthly wage** under the Fourth Schedule (Disablement Benefit and Dependants' Benefit) have been introduced for wages of employees exceeding RM4,000 and RM5,000 respectively.

**Please refer to the amended Fourth Schedule for more details.*

Effects of these Amendments

Prior to these amendments, the wage ceiling for an Employees' Social Security 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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