



2.0 WAGE SUBSIDY PROGRAM-SOCSO
(PROGRAM SUBSIDI UPAH PERKESO (PSU) 2.0)

Wage Subsidy Program is one of the efficacious steps or constructive measures introduced by SOCSO (Social Security Organization) also known as PERKESO (Pertubuhan Keselamatan Sosial) to employers whose business operations are directly or indirectly affected by the current pandemic of Covid-19. It is a form of financial assistance where payments are made to employers for their workers as part of their salary. A general introduction on the implementation of this program; it was first initiated on 27th of Mac 2020 for three (3) months and extended for the next three (3) consecutive months on 5th of June 2020. Subsequently, on the 23rd of September 2020, the 2.0 Wage Subsidy Program was formally introduced as extension of three (3) months period for the existing application as well as for new application. Unlike the previous Wage Subsidy, the new application under 2.0 Wage Subsidy covers a longer period that is for six (6) months, enforceable on the 1st of October 2020.

The main objective of this program is to help reduce the costs of labor on part of the employers as well as to increase the workers' take-home pay. Likewise, it is also to prevent loss of occupation and fixed earning among the employees. Undoubtedly, this program serves as a fundamental assistant and platform to various areas of economic sector in maintaining their business operation rather than having to disemploy experienced workers. Even worse is to shut down the business due to lack of capital to pay the employees' salary.

However, it is important to note that PSU 2.0 is applicable subject to compliance of several requirements under the Employers Circular No. 10/2020 (PERKESO).

Requirement under Employers Circular No. 10/2020 (PERKESO)

General requirements before application for PSU 2.0 can be made;

Applicable only to Private Sectors in which both employers and employees are registered with SOCSO before the 1st of September 2020. Such Private Sector or company must also be registered under the Companies Commission of Malaysia (CCM) or the Local Authority (Pihak Berkuasa Tempatan- PBT) before the 1st of September 2020 and has started its business operation before such date. It is of the same importance to ensure that the company is registered with the Inland Revenue Board of Malaysia (LHDN).¹

The subsidy is provided for the term of six (6) months strictly to local employees only with a maximum salary of RM 4,000.00 and below. Employers applying for PSU 2.0 shall not reduce their employees' salary and continue hiring during the term of such subsidy revenue. Employers also shall not reduce working hours or issue unpaid leaves to employees unless prior agreements have been made between both sides.²

The subsidy amounting to RM 600.00 shall only be given to a certain limited number of employees not exceeding 200 for each employer. Nevertheless, such limitations on numbers of employee shall be treated as a whole under one company or any other institution regardless of the number of branches each company has. Also, as previously explained above, for the existing applications, RM600.00 shall be for the period of three (3) months, while it is for a longer period of six (6) months for the new applications.³

Apart from all of the above requirements, employers must also prove of at least 30% rate of profit loss out of the total monthly sales in the year of 2020 upon the announcement of Movement Control Order (MCO). The profit loss is to be compared with the normal percentage of profit of the same month on the previous year before the implementation of MCO in Malaysia.⁴

¹ Garis Panduan Pelaksanaan Subsidi Upah 2.0. (n.d.). doi:www.perkeso.gov.my/program-subsidi-upah

² *Ibid*

³ Employers Circular No. 10/2020 (PERKESO). (n.d.). Retrieved October 26, 2020, from <http://www.perkeso.gov.my/program-subsidi-upah>

⁴ *Ibid*

Hence, employers applying for PSU 2.0 must ensure that all requirements stipulated under the Employers Circular No. 10/2020 are complied with. Also, it is crucial that all information and data provided must be genuine and not for the purpose of misleading. Any inaccurate statements or false documents submitted to SOCSO will cause your application to be suspended or rejected.

Please find further details on PSU 2.0 via SOCSO's official website; www.perkeso.gov.my/program-subsidi-upah. Meanwhile, for those employers applying under the new application, they can do so via <https://prihatin.perkeso.gov.my> before 31st of December 2020.

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