

Press Release

HIGHER MINIMUM WAGES BOOST FORECASTED SALARY AND BONUS OF NON-EXECUTIVES

PETALING JAYA, 24 Nov 2015 – Executives in the private sector can expect lower salary increments in 2016 while non-executives may anticipate slightly higher increments boosted mainly by higher minimum wages coming into effect next year.

In launching the latest MEF Salary Surveys for Executives and Non-Executives here today, MEF President Y.Bhg. Tan Sri Azman Shah Dato' Seri Haron said the surveys indicated that overall average forecasted salary increase for executives in 2016 of 5.57 per cent was lower than the 5.97 per cent in 2015.

“However, the salary survey for non-executives has revealed a slight increase from 5.44 per cent in 2015 to an average forecast salary increase of 5.51 per cent – mainly due to the expected increases in minimum wages,” he said.

The national minimum wages will be increased from RM900 to RM1,000 for Peninsular Malaysia and from RM800 to RM920 for Sarawak, Sabah and Federal Territory Labuan with effect from 1st July 2016.

Similarly, non-executives may anticipate higher bonus for next year based on the survey’s findings whereby forecasted bonus amounted to two months for 2016 compared to 1.7 months of actual bonus in 2015.

For the executives however, the average forecasted bonus for 2016 was 2.07 months – slightly lower than the 2.08 months of actual bonus granted in 2015.

Besides the Salary Surveys, MEF also launched the 10th edition of the MEF Analysis of Collective Agreements & Awards on Terms and Conditions of Employment 2014, and the MEF Allowances & Reimbursements Survey 2015.

“Over the years, these publications have developed into essential guides for employers to benchmark against practices of other companies,” said Tan Sri Azman.

The MEF Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2014 was based on 260 collective agreements concluded in 2014 and 33 Industrial Court Awards on terms and conditions of employment handed down in 2014.

It also revealed that the average across the board salary adjustment decided by Industrial Court was 6.2 per cent in 2014 compared to 6.4 per cent in 2013.

Meanwhile, the MEF Allowances & Reimbursements Survey 2015 provides employers with a comprehensive guide on the latest best practices on various types of allowances and reimbursements granted to employees.

The Survey covered 22 types of allowances and reimbursements, including transport allowance, outstation allowance, overseas business trip allowance, shift allowance, business entertainment allowance, overtime meal allowance, and other allowances and reimbursements.

For further information, contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email mef-hq@mef.org.my.