

MEDIA RELEASE

‘Extend HRD levy exemption period for another 6 months’

MEF has called on the government to extend the Prihatin Rakyat Economic Stimulus Package that exempted HRDF registered employers from paying the mandatory Human Resources Development (HRD) levy under the Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) for six (6) months after it ended on the 15th of September 2020.

MEF President YBhg Dato’ Dr Syed Hussain Syed Husman J.P. said the exemption had given 31,000 HRDF registered employers some relief in resuscitating their business from the devastating impact of Covid-19 but the slow recovery process had been disrupted by the latest Conditional Movement Control Order (CMCO) following detection of high number of Covid-19 infections recently.

“Prior to the latest CMCO, most employers were already struggling to regain business traction during the Recovery Movement Control Order (RMCO) period as evidenced by the large number of companies closing down, the 4.7% rate of unemployment, and retrenchments reaching 80,000 so far,” said Dato’ Dr Syed Hussain.

“This is why government support is highly critical for sustainability of employers in order for them to remain in business and to retain their employees during these difficult and unprecedented times.”

He said MEF had written to the government to propose that the HRD levy exemption be extended beyond 15th Sept 2020 to a further six (6) months to 15th Mar 2021.

“We hope that YAB Tan Sri Muhyiddin and the government would consider the proposal to extend the HRD levy exemption in a positive manner as this would provide a cash flow relief of a further RM440 million to employers during the proposed 6 months exemption of HRDF contributions,” he added.

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

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