

Malaysian employer group clashes with Socso

by Adelle Chua | 31 Oct 2017



Malaysia's largest employer group is still in a war of words with the Social Security Organisation amid claims the latter failed to carry out significant consultation over recent legislation.

Passed last week, the Employment Insurance System Bill has led to significant tensions between the two groups as the Malaysian Employers' Federation feels its views have not been considered.

However, Socso belied claims that it had not conducted sufficient consultations with the MEF and insisted it had 42 engagements with employer groups and 41 with employee groups while the bill was being formulated.

"The allegations that there were insufficient engagements are entirely baseless," said Socso's EIS chief Mohn Sahar Darusman.

MEF executive director Shamsuddin Bardan also said the bill gave the human resources minister the authority to amend the combined 0.4 per cent contribution rate to up to 1.5 per cent but Sahar refuted this.

Instead, he claimed that any proposed increase in contribution rates for the EIS would need the approval from Socso's board of directors.

Socso's board is made up of representatives from employers, employees, and from the finance ministry. Even after Socso's board had passed any proposed increase of contribution rates, he said, it would still need the cabinet's approval.

"Socso is also responsible to submit our annual report, which will now cover the EIS, to the cabinet and Parliament every year."

Suggestions of role duplication have also caused some contention but Sahar denied the EIS would be duplicating the roles of some government agencies – especially those relating to job matching, job search and training.

"With nine years of existing experience of employment services through the Return to Work Programme, Socso operates on an entirely different model of employment services which is person-centred and personalised," he said.

"This is not practised by other private or public agencies at present."

Under the EIS, there would be a designated employment service officer for each retrenched worker to assist with job search, job matching and job placement as well as to monitor all activities until the worker had successfully found a new job.

"We will work with other public and private agencies, not compete with them," he said. "The EIS caters only to those who contribute to the fund to get them re-employed."

Sahar also said he hoped that all parties would no longer make false allegations on the EIS.

"Policies and strategies for the EIS aren't carved in stone and will evolve according to economic and labour market conditions," he said.

He added that the EIS committee, which is made up of employers, employees and the government, will make recommendations and implement the EIS in the best interests of all parties.