

# EMPLOYMENT INSURANCE SYSTEM BILL 2017

---

## ARRANGEMENT OF CLAUSES

---

### PART I

#### PRELIMINARY

*Clause*

1. Short title and commencement
2. Application
3. Interpretation

### PART II

#### ADMINISTRATION OF EMPLOYMENT INSURANCE SYSTEM

4. Administration of Employment Insurance System
5. Director General
6. Powers of Organization to hold properties, etc.
7. Exercise of functions and powers of Organization

### PART III

#### COMMITTEES

8. Employment Insurance Committee
9. Establishment of committees
10. Non-eligibility for appointment as members of Employment Insurance Committee or committees
11. Cessation of membership of Employment Insurance Committee or committees
12. Disclosure of interest

### PART IV

#### REGISTRATION AND CONTRIBUTIONS

13. Determination of industry
14. Registration of industry
15. Employers deemed registered

*Clause*

16. All employees to be registered and insured
17. Employees deemed registered
18. Contributions
19. Contributions where employee has more than one employer
20. Payment of contributions
21. Interest on arrears of contributions
22. Assessment of contributions, arrears of contribution and interest in certain cases
23. Recovery of arrears of contributions and interest
24. Employer not to reduce wages, etc.
25. Power to appoint agent
26. Verification of contributions paid through agent

## PART V

## BENEFITS

27. Claim for benefits
28. Period for making claim for benefits
29. Determination of period for making claim for benefits
30. Loss of employment
31. Determination on question of loss of employment
32. Determination on contributions qualifying conditions
33. Approval of claim for benefits
34. Job search allowance
35. Early re-employment allowance
36. Reduced income allowance
37. Training allowance and training fee
38. Benefits not transferable or attachable
39. Payment of benefits to dependant
40. Payment of training fee upon death of insured person
41. Suspension and termination of benefits
42. Repayment of benefits improperly received
43. Rights of insured person under other written laws

PART VI  
RE-EMPLOYMENT PLACEMENT PROGRAMME

*Clause*

- 44. Re-employment placement programme
- 45. Power to establish centre or institute

PART VII  
FINANCIAL PROVISIONS

- 46. Employment Insurance Fund
- 47. Expenditure to be charged on Fund
- 48. Expenditure on administration
- 49. Power to accept grants, donations, etc.
- 50. Power to invest
- 51. Power to borrow
- 52. Annual estimates
- 53. Accounts and reports
- 54. Audit
- 55. Annual report
- 56. Annual report and audited accounts to be laid
- 57. Valuation of assets and liabilities
- 58. Imposition of surcharge

PART VIII  
SOCIAL SECURITY APPELLATE BOARD

- 59. Matters to be decided by Appellate Board
- 60. Institution of proceedings, etc.
- 61. Commencement of proceedings
- 62. Powers of Appellate Board
- 63. Representation in proceedings before Appellate Board
- 64. Reference to High Court
- 65. Appeal
- 66. Stay of payment pending appeal

## PART IX

## EMPLOYMENT SERVICES OFFICER, ENFORCEMENT AND INVESTIGATION

*Clause*

67. Appointment and functions of Employment Services Officer
68. Power to examine training
69. Powers of enforcement, inspection and investigation
70. Power to require information and conduct inspection
71. Obstructing, etc., Director General, Deputy Directors General and Employment Services Officer
72. Fraud or forgery in connection with payment of contributions or claim for benefits
73. Giving false or misleading information or document
74. Court's order in respect of contributions or benefits due and payable to Organization
75. Copy of entry to be prima facie evidence, and production of documents
76. Prosecution
77. Compounding of offences

## PART X

## GENERAL

78. Duty to keep returns, particulars, etc.
79. Appointment of collection agent
80. Engagement of auditors, actuaries, etc.
81. Public servant
82. Power of Organization to establish or take over companies
83. Power to exempt
84. Power to amend schedule
85. Power to make regulations
86. Disposal of documents after more than three years
87. Recommendations to review System
88. Offences by body corporate, etc.
89. Organization may deal with authorized person
90. Electronic submission of documents

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE

FOURTH SCHEDULE

A BILL

*i n t i t u l e d*

An Act to provide for the Employment Insurance System administered by the Social Security Organization to provide certain benefits and a re-employment placement programme for insured persons in the event of loss of employment which will promote active labour market policies, and for matters connected therewith.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

PART I

PRELIMINARY

**Short title and commencement**

**1.** (1) This Act may be cited as the Employment Insurance System Act 2017.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

**Application**

2. (1) This Act shall apply to all industries having one or more employees.

(2) This Act shall not apply to persons described in the First Schedule.

**Interpretation**

3. In this Act, unless the context otherwise requires—

“required number of monthly contributions” means the number of monthly contributions paid in respect of an insured person irrespective of whether the contributions are made in consecutive months or not as specified in the Fourth Schedule;

“contribution” means the sum of money payable to the Organization by an employer in respect of an insured person and includes any amount payable by or on behalf of the insured person in accordance with this Act;

“early re-employment allowance” means an incentive paid in lump sum to an insured person for accepting an offer of employment from any employer and commencing the employment within the waiting period or the period of receiving job search allowance at the rate as specified in the Third Schedule;

“training allowance” means a monthly payment to an insured person for a period of not more than six months for attending any training in Malaysia provided by a training provider;

“job search allowance” means a monthly payment for a period of three to six consecutive months to assist an insured person who has lost his employment during the period he is seeking for an employment;

“reduced income allowance” means a lump sum payment to assist an insured person who has two or more employments and has lost one or more of his employments;

“benefit” means a job search allowance, an early re-employment allowance, a reduced income allowance, a training allowance and a training fee;

“wages” means all remunerations payable in money by an employer to an employee including any payment in respect of leave, holidays, overtime and extra work on holidays but does not include—

- (a) any contributions payable by the employer to any pension fund, social security fund or provident fund;
- (b) any traveling allowance or the value of any traveling concession;
- (c) any sum paid to the employee to pay for special expenses incurred as a result of his employment;
- (d) any gratuity payable on discharge or retirement;
- (e) any annual bonus;
- (f) any benefit under any other written law administered by the Organization; and
- (g) any other remuneration as prescribed;

“Committee” means the Employment Insurance Committee established under section 8;

“Appellate Board” means the Social Security Appellate Board constituted under section 83 of the Employees’ Social Security Act 1969 [*Act 4*];

“Director General” means the Director General of the Organization appointed under subsection 59(1) of the Employees’ Social Security Act 1969;

“Fund” means the Employment Insurance Fund established under section 46;

“Board” means the Social Security Organization Board established under section 59B of the Employees’ Social Security Act 1969;

“employer” means the owner of an industry or the person with whom an employee has entered into a contract of service or apprenticeship and includes—

- (a) a manager, an agent or a person responsible for the payment of wages to the employee; and
- (b) the legal representative of the owner of the industry or such person;

“Minister” means the Minister charged with the responsibility for human resources;

“insured person” means an employee who is registered under section 16 or deemed to be registered under section 17 in respect of whom contributions are or have been paid, or are payable;

“dependant” means a widow or widower, a child, a parent, a sibling under twenty-one years old or a grandparent of the deceased insured person;

“officers and servants of the Organization” means the officers and servants of the Organization appointed under section 59L of the Employees’ Social Security Act 1969;

“Employment Services Officer” means an officer appointed under section 67 and includes an Inspector;

“employee” means a person who is employed for wages under a contract of service or apprenticeship with an employer, whether the contract is expressed or implied or is oral or in writing, on or in connection with the work of an industry to which this Act applies;

“training provider” means any person who has a training facility to carry out trainings for the purposes of re-employment placement programme;

“Inspector” means an Inspector appointed under section 12 of the Employees’ Social Security Act 1969 and includes the Director General and every Deputy Director General;

“Organization” has the meaning assigned to it in the Employees’ Social Security Act 1969;

“industry” includes any business, trade, undertaking, manufacture or calling of employers, and includes any calling, services, handicraft or industrial occupation of employees;

“re-employment placement programme” means a programme managed by the Organization for insured persons for the purposes of re-employment of the insured persons;

“System” means the Employment Insurance System established under section 4;

“contributions qualifying conditions” means the required number of monthly contributions over an eligibility period as specified in the Fourth Schedule;

“eligibility period” means a period comprising a certain number of consecutive months immediately preceding the loss of employment in respect of an insured person as specified in the Fourth Schedule;

“waiting period” means the period of seven days from the date of the approval of a claim for benefits under section 33;

“Deputy Director General” means the Deputy Director General of the Organization appointed under subsection 59(2) of the Employees’ Social Security Act 1969 including those appointed in accordance with subsection 5(3);

“minimum retirement age” has the meaning assigned to it in the Minimum Retirement Age Act 2012 [Act 753].

## PART II

### ADMINISTRATION OF EMPLOYMENT INSURANCE SYSTEM

#### **Administration of Employment Insurance System**

4. (1) There shall be a social security scheme to be known as the “Employment Insurance System”.

(2) The System shall be administered by the Organization.

(3) For the purpose of administering the System, the Organization shall vest in the Board such powers and shall imposed upon the Board such duties as the Organization may determine.

**Director General**

**5.** (1) The Director General of the Organization shall be the Director General for the purposes of this Act.

(2) The Deputy Directors General of the Organization shall be the Deputy Directors General for the purposes of this Act.

(3) Notwithstanding subsection (2), the Minister may appoint one or more Deputy Directors General for the purposes of this Act.

(4) If for any period the Director General is temporarily absent from Malaysia or temporarily incapacitated through illness, or for any other reasons is unable to perform his duties, or where the office of the Director General becomes vacant, the Minister shall appoint one of the Deputy Directors General to perform the duties of the Director General during such period.

(5) The terms and conditions of the service of the Deputy Directors General appointed under subsection (3) shall be determined by the Minister after consultation with the Minister of Finance.

**Powers of Organization to hold properties, etc.**

**6.** The Organization may, upon such terms and conditions as the Organization deems fit for the purposes of this Act—

- (a) enter into contracts;
- (b) acquire, purchase, take, hold and enjoy movable and immovable property of every description; and
- (c) convey, assign, surrender, yield up, charge, mortgage, demise, lease, reassign, transfer or otherwise dispose of, or deal with, any movable or immovable property or any interest vested in the Organization.

**Exercise of functions and powers of Organization**

**7.** (1) All functions including powers which may be exercised by the Organization under this Act shall be exercised by the Director General.

(2) Notwithstanding subsection (1), the Director General may, in writing, delegate any of his powers and functions subject to such terms and restrictions as he thinks fit to the Deputy Directors General, Employment Services Officers, or officers and servants of the Organization for the purposes of this Act.

PART III  
COMMITTEES

**Employment Insurance Committee**

8. (1) A committee by the name of “Employment Insurance Committee” is established.

(2) The functions of the Committee is to advise the Board on all matters relating to the System including the rates of contribution, benefits and the employees to be insured under this Act, and on matters relating to the investment of the Fund.

(3) The Committee shall consist of the following members:

- (a) the Chairman of the Board who shall be the Chairman;
- (b) the Director General who shall be the Deputy Chairman;
- (c) one member representing the Ministry responsible for human resources;
- (d) one member representing the Ministry responsible for finance;
- (e) one member representing the Prime Minister’s Office responsible for economic planning;
- (f) one member representing the department responsible for labour in Peninsular Malaysia;
- (g) one member representing the department responsible for labour in Sabah;
- (h) one member representing the department responsible for labour in Sarawak;

- (i) one member representing the department responsible for industrial relations;
- (j) one member representing the department responsible for skills development;
- (k) one member representing the Institute of Labour Market Information and Analysis;
- (l) not more than three members of any association or trade union representing employees who shall be appointed by the Minister;
- (m) not more than three members of any association or trade union representing employers who shall be appointed by the Minister;
- (n) not more than three other members with experience, knowledge and reasonable expertise in employment insurance, labour matters and investment who shall be appointed by the Minister.

(4) The Minister may revoke the appointment of any member of the Committee appointed under paragraphs (3)(l), (m) and (n).

(5) Any member appointed by the Minister under paragraph (3)(l), (m) or (n) may, at any time, resign as a member of the Committee by giving written notice to the Minister.

(6) The members of the Committee shall be paid such allowances and other expenses as the Board may determine.

(7) A member of the Committee shall hold office on such conditions and for such terms as may be specified in his letter of appointment and is eligible for reappointment for any term as the Board may determine.

(8) The Committee shall meet at least three times in each year.

(9) The quorum for a meeting of the Committee shall be nine persons including the chairman of the meeting.

(10) The Committee may invite any person to attend any meeting of the Committee for the purpose of advising the Committee on any matter under discussion but that person shall not be entitled to vote at the meeting.

(11) Any person invited under subsection (10) may be paid such allowances as the Board may determine.

(12) Subject to this Act, the Committee may determine its own procedures.

(13) The Organization shall appoint a secretary and assistant secretary to the Committee who shall be from amongst the officers and servants of the Organization.

### **Establishment of committees**

**9.** (1) The Board may establish any committee as the Board deems necessary or expedient to advise and assist the Board in the performance of its functions and in the exercise of its powers under this Act.

(2) The Board may delegate its functions and powers to any such committee subject to such terms and restrictions as the Board considers fit.

(3) Any committee established under subsection (1)—

(a) shall be chaired by the Chairman of the Board;

(b) shall conform to and act in accordance with any direction given to the committee by the Board; and

(c) may determine its own procedure.

(4) The members of the committee established under subsection (1) may be appointed from amongst the members of the Board or such other persons as the Board thinks fit.

(5) The members of the committee shall be paid such allowances and other expenses as the Board may determine.

(6) A member of the committee shall hold office on such conditions and for such terms as may be specified in his letter of appointment and is eligible for reappointment for any term as the Board may determine.

(7) The Board may revoke the appointment of any member of the committee.

(8) A member of a committee may, at any time, resign by giving written notice to the Chairman of the committee.

(9) The Board may, at any time, discontinue or alter the constitution of a committee.

(10) A committee shall hold its meetings at such times and places as the Chairman of the committee may determine.

(11) A committee may invite any person to attend any meeting of the committee for the purpose of advising the committee on any matter under discussion but that person shall not be entitled to vote at the meeting.

(12) Any person invited under subsection (11) may be paid such allowances as the Board may determine.

### **Non-eligibility for appointment as members of Employment Insurance Committee or committees**

**10.** The following persons are not eligible to be appointed as or become a member of the Committee, or any committee established under section 9:

- (a) a person who has been convicted of an offence involving fraud, cheating, criminal breach of trust, criminal misappropriation of property or any offence involving dishonesty or moral turpitude and sentenced to imprisonment for a term not less than one year;
- (b) a bankrupt; and
- (c) a person of unsound mind or is otherwise unable to carry out his functions.

**Cessation of membership of Employment Insurance Committee or committees**

**11.** A member of the Committee, or any committee established under section 9, shall cease to be a member if he fails to attend three consecutive meetings without leave of the Chairman of the Committee or committee, as the case may be.

**Disclosure of interest**

**12.** If any member of the Committee, or committee established under section 9, has any direct or indirect interest in any matter being considered by the Committee or committee established under section 9, as the case may be, he shall forthwith declare to the Chairman the nature and extent of his interest in the matter and the member shall not be present or take part in any discussion or decision of the Committee, or committee established under section 9, as the case may be, about the matter.

PART IV

REGISTRATION AND CONTRIBUTIONS

**Determination of industry**

**13.** The Organization may, on the basis of any information or evidence available to the Organization, determine whether any activity carried out by any person falls within the meaning of “industry” to which this Act applies.

**Registration of industry**

**14.** (1) Every employer shall register his industry to which this Act applies with the Organization within such period and in such manner as prescribed.

(2) Any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

**Employers deemed registered**

**15.** Notwithstanding subsection 14(1), an employer that has registered his industry with the Organization in accordance with the Employees' Social Security Act 1969 before the coming into operation of this Act shall be deemed to have registered its industry under this Act on the date this Act comes into operation.

**All employees to be registered and insured**

**16.** (1) All employees in the industries to which this Act applies shall be registered and insured by the employers—

- (a) in the case of employees who are employed on or before the date the industries are registered under section 14, on the date the industries of the employers are so registered; and
- (b) in the case of employees who are employed after the date the industries are registered under section 14 or 15, within thirty days from the date the employees enter into employment,

in such manner as prescribed irrespective of the amount of wages.

(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.

(3) Notwithstanding that the employee in the industries to which this Act applies has not been registered in accordance with subsection (1), an employee in that industry shall be deemed to have been registered by the employer on the date the contribution is first paid by his employer under this Act.

(4) The employer referred to in subsection (3) shall not pay the contributions in respect of the employee for the months prior to the month the first contribution is paid.

(5) Any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

### **Employees deemed registered**

**17.** (1) Notwithstanding subsection 16(1), an employee in the industry to which the Employees' Social Security Act 1969 applies that has been registered with the Organization in accordance with the Employees' Social Security Act 1969 before the coming into operation of this Act shall be deemed to have been registered under this Act on the date this Act comes into operation.

(2) The registration of the employees referred to in subsection (1) shall be subject to the First Schedule.

### **Contributions**

**18.** (1) The contributions payable under this Act in respect of an employee shall comprise a contribution payable by the employer and a contribution payable by the employee.

(2) The contributions payable under this Act shall be paid to the Organization at the rates as specified in Part 1 of the Second Schedule based on the amount of the monthly wages of the employee insured under this Act.

(3) Notwithstanding subsection (2) and after taking into consideration the sustainability of the Fund, in every three years or more the Minister may, by order published in the *Gazette*, determine the rates of contribution to be in accordance with Part I, Part II or Part III of the Second Schedule, as the case may be.

(4) Where the Minister determines the rates of contribution under subsection (3) to be in accordance with Part I, Part II or Part III of the Second Schedule, as the case may be, the assumed monthly wages for the purposes of calculating the benefits shall be as specified in Part I, Part II or Part III of the Third Schedule, respectively.

(5) Notwithstanding subsections (3) and (4), the Minister may, by order published in the *Gazette* and subject to such conditions, determine—

- (a) the minimum rate of contribution to be paid by an employer in respect of an employee based on the amount of the monthly wages of the employee insured in accordance with Part I, Part II or Part III of the Second Schedule, as the case may be; and

- (b) the minimum rate of benefits to be provided by the Organization based on the amount of the assumed monthly wages of the employee insured in accordance with Part I, Part II or Part III of the Third Schedule, as the case may be.

### **Contributions where employee has more than one employer**

**19.** If an employee has two or more employers, every employer shall pay the contributions in respect of the employee separately.

### **Payment of contributions**

**20.** (1) A contribution shall be paid in respect of an employee registered under section 16 or deemed to have been registered under section 17 every month for the wages payable to the employee for that month within such period and in such manner as prescribed.

(2) The contributions payable in respect of an employee shall cease when the employee attains the minimum retirement age.

### **Interest on arrears of contributions**

**21.** If the amount of the monthly contribution payable by the employer in respect of an employee under section 18 is not paid within such period as referred to in section 20, the employer shall be liable to pay interest on such amount to the Organization at the rate as prescribed by the Minister in respect of any period during which such amount remains unpaid.

### **Assessment of contributions, arrears of contribution and interest in certain cases**

**22.** (1) An Employment Services Officer may assess any contributions, arrears of such contributions or interest on arrears of such contributions which are due from any employer based on any information available if the employer—

- (a) fails to pay the contributions, arrears on such contributions or interest on arrears of such contributions payable in respect of an employee; and

(b) fails to—

- (i) keep or maintain any returns, particulars, register book or record pertaining to each employee as required to be kept or maintained by the employer under this Act; or
- (ii) submit any returns, particulars, register book or record pertaining to each employee as required under this Act.

(2) The Employment Services Officer shall serve the assessment made under subsection (1) on the employer either personally or by registered post.

### **Recovery of arrears of contributions and interest**

**23.** (1) The Organization may recover any arrears of contributions or interest on arrears of contributions from the employers as a debt due to the Organization.

(2) The amount of contributions, arrears of contributions or interest on arrears of contributions payable in respect of an employee as assessed under subsection 22(1) shall be conclusive evidence of such amount.

(3) The employer shall pay any arrears of contributions in respect of an employee to the Organization and the employer is entitled to recover the contributions payable by the employee in respect of the arrears from the employee for the period of not more than six months.

### **Employer not to reduce wages, etc.**

**24.** (1) Employer shall not, solely by reason of his liability for any contributions payable under this Act, directly or indirectly, reduce the wages of any employee, or discontinue or reduce benefits payable to the employee under the conditions of service which are similar to the benefits conferred by this Act except as provided for in any other written law.

(2) Any employer who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

### **Power to appoint agent**

**25.** (1) The Organization may appoint such number of agents subject to such terms and conditions to collect and receive payment of contributions on behalf of the Organization.

(2) The agents appointed under subsection (1) shall, as soon as practicable, inform the Organization the actual time and date of the payment of the contributions made by the employer.

(3) Any agent who contravenes subsection (2) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

### **Verification of contributions paid through agent**

**26.** Any contribution paid to the Organization by an employer through any agent appointed under section 25 shall be verified by the Organization.

## **PART V**

### **BENEFITS**

#### **Claim for benefits**

**27.** Every claim for benefits under this Act shall be submitted in such manner to the Organization with such evidence in support of the claim as prescribed.

#### **Period for making claim for benefits**

**28.** An insured person who considers that he has lost his employment shall submit an application for claim for benefits to the Organization within sixty days from the date he considers that he has lost his employment.

### **Determination of period for making claim for benefits**

**29.** (1) Upon receipt of the claim for benefits under section 28, the Organization shall determine the date on which the insured person has lost his employment.

(2) If a claim for benefits is made after the period of sixty days from the date determined under subsection (1), the Organization shall reject the claim and notify the insured person in writing in such manner as prescribed.

(3) If the claim for benefits is rejected under subsection (2), the claim for benefits shall be deemed to have never been made by the insured person.

### **Loss of employment**

**30.** (1) Loss of employment occurs if the contract of service of an insured person is terminated or becomes void due to any reason other than the following:

- (a) the voluntary resignation by the insured person;
- (b) the expiry of the contract of service of the insured person;
- (c) termination of the contract of service by mutual consent of the employer and the insured person without terms and conditions;
- (d) completion of the work in accordance with the terms of the contract of service;
- (e) the retirement of the insured person; or
- (f) the termination of contract of service of the insured person due to misconduct.

(2) For the purpose of paragraph (1)(a), “voluntary resignation” means an act by an insured person to terminate his contract of service with an employer at any time during the period of the contract of service other than the following:

- (a) a resignation under a voluntary separation scheme by mutual consent of the employer and the insured person;

- (b) a resignation tantamount to a constructive dismissal or a resignation due to willful breach of the terms and conditions of the contract of service by the employer;
- (c) a resignation due to any threat to the insured person or family of the insured person, or sexual harassment towards the insured person;
- (d) a resignation due to a command by the employer to perform work outside the scope of work which endangers the health and safety of the insured person; or
- (e) a resignation due to the closure of the workplace or the workplace is not in operation because of natural disasters, riots, civil commotion, demonstrations or other similar situation, or the workplace becomes unsafe due to fire, gas leak or other similar dangerous situation.

### **Determination on question of loss of employment**

**31.** (1) Any question or disputes on whether loss of employment has occurred shall be determined by the Organization.

(2) For the purpose of determination under subsection (1), the Director General or any officer of the Organization authorized by the Director General may refer to any authorities under any written laws for the verification of the loss of employment in relation to any claim for benefits by an insured person under this Act.

(3) If the Organization determines that loss of employment does not occur, the claim for benefits shall be rejected and the claim for benefits shall be deemed to have never been made by the insured person.

### **Determination on contributions qualifying conditions**

**32.** (1) After the Organization determines that the insured person has lost his employment under section 31, the Organization shall determine whether—

- (a) the insured person fulfils the contributions qualifying conditions in respect of the claim for benefits as specified in the Fourth Schedule; and

- (b) the insured person has not attained the minimum retirement age,

on the date he lost his employment.

(2) For the purpose of calculating the required number of monthly contributions, the contribution payable for the month the insured person has lost his employment shall be taken into account irrespective of whether wages for the month is paid to the insured person or not.

(3) If before an insured person lost his employment he receives monthly temporary disablement benefits under the Employees' Social Security Act 1969 and the employer does not pay any wages to the insured person—

- (a) the monthly contribution shall be deemed to have been made in respect of the insured person during the period he receives the temporary disablement benefits; and

- (b) the period in which the insured person receives the temporary disablement benefits shall be calculated as part of the eligibility period.

(4) If an insured person has made any claim for benefits and the claim for benefits has been approved by the Organization under section 33 and thereafter the insured person makes a subsequent claim for benefits in respect of another loss of employment, the contributions paid by such employer in respect of which the loss of employment relates shall be calculated for the purpose of the subsequent claim in accordance with the contributions qualifying conditions as specified in the Fourth Schedule.

(5) The number of monthly contributions which has been taken into account for the purpose of determining the contributions qualifying conditions in respect of a claim for benefits by an insured person shall not be taken into account for any subsequent claim for benefits by such insured person.

**Approval of claim for benefits**

**33.** (1) After considering the contributions qualifying conditions in respect of a claim for benefits by an insured person—

(a) in the case where the contributions qualifying conditions is fulfilled, the Organization shall approve the claim for benefits; and

(b) in the case where the contributions qualifying conditions is not fulfilled, the Organization shall reject the claim for benefits and the claim for benefits shall be deemed to have never been made by the insured person.

(2) The Organization shall notify its decision made under subsection (1) to the insured person.

(3) After approving the claim for benefits under paragraph (1)(a), the Organization shall determine the relevant benefits to be provided to the insured person.

**Job search allowance**

**34.** (1) Subject to sections 35 and 36, if the claim for benefits in respect of an insured person has been approved under section 33, the insured person shall be entitled to a job search allowance—

(a) at the rate as specified in the Third Schedule; and

(b) for the period which shall be in accordance with the contributions qualifying conditions in respect of the claim for benefits by the insured person as specified in the Fourth Schedule.

(2) The payment for the job search allowance shall be made by the Organization immediately after the waiting period in such manner as prescribed.

(3) If an insured person has attained the minimum retirement age, the payment for the job search allowance shall continue to be paid to the insured person if the loss of employment occurs before the minimum retirement age.

(4) An insured person shall not be in any employment during the period of receiving the job search allowance.

(5) If an insured person accepts an offer of employment by any employer during the period of receiving the job search allowance, the insured person shall notify the Organization within seven days from the date of acceptance of the offer.

(6) Any person who contravenes subsection (4) or (5) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

### **Early re-employment allowance**

**35.** (1) If an insured person—

- (a) accepts an offer of employment and reports duty for work within the waiting period;
- (b) accepts an offer of employment within the waiting period but reports duty for work within the period of receiving a job search allowance; or
- (c) accepts an offer of employment and reports duty for work within the period of receiving a job search allowance,

the insured person shall be entitled to an early re-employment allowance at the rate as specified in the Third Schedule in such manner as prescribed.

(2) If an insured person is entitled to an early re-employment allowance in accordance with paragraph (1)(b) or (c)—

- (a) the insured person shall be paid the early re-employment allowance on the month following the month the insured person has reported duty for work with an employer; and
- (b) the insured person shall be paid the job search allowance for the month in which the insured person reported duty for work.

(3) In the case where an insured person accepts an offer of employment and reports duty for work within the waiting period, he may elect whether to accept the early re-employment allowance or not.

(4) If an insured person elects not to accept the early re-employment allowance under subsection (3), the contributions qualifying conditions in respect of the insured person shall not be affected and the claim for benefits shall be deemed to have never been made by the insured person.

(5) No early re-employment allowance shall be paid by the Organization to an insured person after the period of receiving job search allowance expires.

### **Reduced income allowance**

**36.** (1) If an insured person has two or more employments at the same time and has lost one or more of his employments, whether on the same date or not, but has not lost all of the employments—

(a) the insured person shall be entitled to a reduced income allowance for each loss of employment—

(i) at the rate as specified in the Third Schedule; and

(ii) for the period which shall be in accordance with the contributions qualifying conditions in respect of the claim for benefits by the insured person as specified in the Fourth Schedule; and

(b) the insured person shall not be entitled to a job search allowance, a training allowance or early re-employment allowance.

(2) The reduced income allowance shall be paid lump sum to the insured person.

(3) If an insured person who has two or more employments at the same time—

(a) has lost one or more of his employments, whether on the same date or not, but has not lost all of the employments;  
or

(b) has lost all of the employments on the same date,

each claim for benefits in respect of each loss of employment shall be treated as a separate claim for the purpose of determining the contributions qualifying conditions in respect of that insured person.

(4) If an insured person who has two or more employments has lost all of the employments on the same date, he shall be entitled to one job search allowance for one loss of employment and a reduced income allowance for the other loss of employment.

(5) In relation to his entitlement to the job search allowance under subsection (4), the insured person may elect the loss of employment in respect of which the job search allowance shall be paid.

(6) If an insured person who has two or more employments has lost two or more of the employments on the same date, or all of the employments on the same date, the required number of monthly contributions—

(a) shall be calculated based on the number of monthly contributions made by the employer in respect of which the loss of employment relates; and

(b) shall not be based on the number of monthly contributions made by any or all of the employers in respect of the insured person.

(7) If an insured person has lost his last employment and prior to that loss of employment he has been employed by two or more employers and has lost all the employments, the contributions made by the two or more employers may be taken into account in calculating the required number of monthly contributions in respect of the first-mentioned loss of employment provided that the contributions made by the two or more employers have not been taken into account for the calculation of any reduced income allowance.

**Training allowance and training fee**

**37.** (1) If an insured person has lost an employment, he may apply to the Organization to undergo any training provided by a training provider approved by the Organization—

- (a) within the period the insured person receives the job search allowance;
- (b) within the period of not more than twelve months after the period the insured person receives the job search allowance; or
- (c) within the period of six months after accepting an offer of employment and reporting duty for work.

(2) The Organization may approve the application under subsection (1) subject to such conditions as determined by the Organization.

(3) An insured person who attends any training provided by a training provider approved by the Organization shall be entitled to a training allowance which shall not be more than six months from the date as determined by the Organization at the rate as specified in the Third Schedule and in such manner as prescribed.

(4) The maximum period of training in respect of an insured person shall be equivalent to the period of payment for the job search allowance which he is entitled to.

(5) Any training fees charged to the insured person by a training provider under this section shall be borne by the Organization and the amount of the training fees shall be as specified in the Third Schedule.

(6) The Organization shall pay the training fees to the training provider who provides the training to the insured person.

(7) For the purpose of subsections (5) and (6), “training fees” means all costs relating to the training of an insured person including meals and materials for the training.

**Benefits not transferable or attachable**

**38.** (1) The right to receive any benefit under this Act shall not be transferable or assignable.

(2) No benefits payable under this Act shall be liable to attachment by any decree or order of any court.

**Payment of benefits to dependant**

**39.** (1) If an insured person dies, is in coma or is of unsound mind—

(a) after the insured person has made a claim for benefits under this Act; or

(b) during the period which he is entitled to or is receiving a job search allowance, an early re-employment allowance, a reduced income allowance or a training allowance under this Act,

the job search allowance, early re-employment allowance, reduced income allowance or training allowance shall be paid to his dependants in such manner as determined by the Organization.

(2) If an insured person dies, is in coma or is of unsound mind in accordance with subsection (1), any training allowance that has been overpaid to the insured person for the remaining duration of his training after such circumstances occur shall not be recovered by the Organization.

**Payment of training fee upon death of insured person**

**40.** Upon the death of an insured person who is undergoing any training, the Organization shall pay the training fee to any training provider for the training that the insured person has attended as agreed between the Organization and the training provider.

**Suspension and termination of benefits**

**41.** (1) The Organization may, at any time, suspend any benefit being received by an insured person if there is reasonable ground to believe that—

- (a) the insured person has furnished false, untrue or incorrect particulars, documents or returns at the time of the claim for benefits is made or during the claim for benefits is being considered by the Organization under this Act;
- (b) the insured person is employed by any employer within the period of receiving the job search allowance; or
- (c) the insured person has contravened any provisions of this Act or the regulations made under this Act.

(2) The Organization may suspend the payment of any benefit for a period of not more than sixty days.

(3) If the Organization decides to suspend any benefit received by an insured person under subsection (1), the Organization shall carry out an inquiry in respect of the suspension.

(4) After completion of the inquiry, if the Director General is satisfied that—

- (a) the insured person does not commit any of the acts referred to in subsection (1), the payment of any benefits suspended under subsection (3) shall forthwith be resumed; or
- (b) the insured person has committed any of the acts referred to in subsection (1), the payment of any benefits suspended under subsection (3) shall be terminated.

**Repayment of benefits improperly received**

**42.** (1) Subject to section 39, where an insured person has received any benefit under this Act which he is not entitled to, he shall be liable to repay the amount of such benefit to the Organization, or in the case of the death of an insured person, the administrator of the deceased insured person's estate shall be liable to repay the amount of such benefit to the Organization from the deceased insured person's estate.

(2) The amount of the benefit received under subsection (1) shall be recovered as a debt due to the Organization.

(3) Notwithstanding subsections (1) and (2), where any person has received any benefit under this Act which he is not entitled to, and subsequently becomes entitled to any other benefit under this Act, the Organization may set off the amount of the benefit which he is not entitled to against the amount of the other benefits which he becomes entitled to.

### **Rights of insured person under other written laws**

**43.** (1) Any claim for benefits made under this Act shall not operate as a bar to—

- (a) any representation for reinstatement of employment under the Industrial Relations Act 1967 [*Act 177*];
- (b) any claim for termination or lay-off benefits payment under the Employment Act 1955 [*Act 265*], the Labour Ordinance of Sabah [*Sabah Cap. 67*] and the Labour Ordinance of Sarawak [*Sarawak Cap. 76*]; and
- (c) any complaint relating to premature retirement under the Minimum Retirement Age Act 2012.

(2) If an insured person makes a claim for benefits to the Organization under this Act and also makes a representation, claim or complaint under paragraph (1)(a), (b) or (c), as the case may be, the Organization shall hold the determination on the question of loss of employment in respect of the claim for benefits until the insured person's representation, claim or complaint under paragraph (1)(a), (b) or (c) has been resolved.

## **PART VI**

### **RE-EMPLOYMENT PLACEMENT PROGRAMME**

#### **Re-employment placement programme**

**44.** (1) Where an insured person makes a claim for benefits and the Organization has determined that the insured person has lost his employment, the insured person shall commence participation in the re-employment placement programme within the waiting period in such manner as prescribed.

(2) The insured person—

(a) shall comply with any direction given by the Organization in respect of the re-employment placement programme;

(b) shall be a person who is able and available to work, and actively seeking for work; and

(c) shall undergo any training as determined by the Organization.

(3) If there is any offer of employment from any employer that is suitable to the insured person, the Organization shall inform such offer to the insured person.

(4) The insured person may accept the offer of employment under subsection (3) and shall inform the Organization of acceptance of the offer.

(5) The insured person may refuse the offer of employment under subsection (3) if he has reasonable ground for such refusal, and he shall inform the Organization of his refusal to accept the offer.

(6) The Organization shall determine whether the refusal to accept the offer of employment under subsection (5) is based on reasonable grounds or otherwise.

(7) If the Organization is satisfied that the refusal to accept the offer of employment under subsection (5) is based on unreasonable grounds—

(a) the insured person shall lose his entitlement to receive any benefit under this Act; and

(b) in the case where the insured person is receiving any benefit under this Act, the Organization shall terminate the payment of such benefit.

### **Power to establish centre or institute**

**45.** The Organization may establish any centre or institute for the purpose of providing the re-employment placement programme to insured persons.

PART VII

FINANCIAL PROVISIONS

**Employment Insurance Fund**

**46.** (1) A fund to be known as the “Employment Insurance Fund” is established and shall be administered and controlled by the Organization.

(2) The Fund shall consist of—

- (a) contributions payable by employers and insured persons;
- (b) rents, interests, dividends and any other incomes derived from the assets of the Fund;
- (c) sums accruing to the Fund under this Act including the repayment of benefits;
- (d) moneys borrowed by the Organization under this Act;
- (e) fees and any interest on arrears of contributions imposed by or payable to the Organization under this Act;
- (f) moneys derived as income from the investment by the Organization under this Act;
- (g) moneys received by the Organization by way of grants, donations and gifts for the purpose of this Act;
- (h) moneys derived from the sale, disposal, lease or hire of, or any other dealing with, any property, mortgage, charge or debenture transferred to, vested in or acquired by the Organization;
- (i) other moneys and properties which may, in any manner, become payable to or vested in the Organization in respect of the performance of its functions and the exercise of its powers;
- (j) any costs paid to or recovered by the Organization in any settlement of action or proceedings, civil or criminal; and

- (k) all other moneys and properties lawfully received by the Organization.

### **Expenditure to be charged on Fund**

**47.** The Fund shall be expended for the following purposes:

- (a) the payment of benefits;
- (b) the payment of training fees to training providers in relation to the cost of training given by training providers to insured persons;
- (c) the payment of any expenses properly incurred for the re-employment placement programme in respect of insured persons including expenses incurred for collaboration with any institution;
- (d) the payment of expenses for the evaluation and impact study of the System;
- (e) the establishment and maintenance of centres or institutions for the purposes of re-employment placement programme;
- (f) the payment of expenses or costs incurred by the Organization for the establishment of the Appellate Board for the purpose of this Act;
- (g) the payment of expenses or moneys required to satisfy any judgment, decision or award by any court or tribunal against the Organization, the Chairman of the Board, Director General, Deputy Directors General, any of the members of the Board, Committee or committees established under section 9, Employment Services Officer, and officers and servants of the Organization in respect of any act, neglect or default done or committed in the performance of the functions or the exercise of the powers of the Organization under this Act;
- (h) the payment of allowances and other expenses to the members of the Board, the Committee and committees established under section 9;

- (i) the payment of legal fees and costs relating to any civil or criminal proceedings brought, instituted or maintained by or against the Organization under this Act;
- (j) the repayment of moneys borrowed under this Act and the interest or profit due on the borrowed moneys;
- (k) the establishment or taking over of a company under this Act and its maintenance;
- (l) the payment of other expenses and expenditure as may be permitted by this Act or any regulations made under this Act, or incurred in the performance of the functions or the exercise of the powers of the Organization.

### **Expenditure on administration**

**48.** (1) Notwithstanding section 47, expenditure may be incurred by the Organization out of the Fund up to such amount as the Minister may authorize as prescribed, for any one year, for carrying on the administration of the System for the following purposes:

- (a) paying for salaries, bonus, leave and transfer expenses, travelling and compensatory allowances, gratuities and compassionate allowances, contribution to benefit fund, welfare and recreation of the officers and servants of the Organization including the granting of loans and advances, and expenditure in respect of offices and payment of other services provided under this Act or any regulations made under this Act;
- (b) paying for fees and other remunerations to any auditor, actuary, agent, technical adviser, banker, stockbroker, surveyor, consultant or any other persons employed to carry into effect the purpose of this Act;
- (c) purchasing or hiring equipment, machinery and any other things including renting of any building or premises in the performance of its functions and in the exercise of its powers under this Act or any regulations made under this Act.

(2) The Board may, subject to such conditions, limitations or restrictions as the Board thinks fit, delegate to the Chairman of the Board, Director General, Deputy Directors General, any of the members of the Board, Committee or committees established under section 9, Employment Services Officer, or officers and servants of the Organization, the authority to sanction expenditure from the Fund or any other moneys vested in and under the control of the Board up to such limit as the Board may determine.

### **Power to accept grants, donations, etc.**

**49.** The Organization may accept grants, donations, gifts or bequests made to or in favour of the Fund.

### **Power to invest**

**50.** (1) For the purpose of this section—

“debentures” includes debenture stock, bond, note or other securities or obligations of a company, whether constituting a charge on the assets of the company or not and also includes the right to subscribe for any debenture;

“shares” means the paid-up shares whether fully paid or not in the share capital of a company and includes stocks and rights to subscribe for any stock or shares.

(2) The moneys in the Fund shall, in so far as the moneys are not immediately required to be expended by the Organization under this Act or any regulations made under this Act, be invested subject to such terms and conditions as determined by the Minister after consultation with the Minister of Finance as follows:

- (a) in investments or securities authorized for the investment of trust funds by any written law;
- (b) in investment in shares and debentures in any public company the prices of which are quoted or sought to be quoted on the stock exchange established in Malaysia;

(c) in such other investments or securities as the Board may decide based on the recommendation by the Committee.

(3) The investments made under subsection (2) may be varied, transposed or realized from time to time.

(4) The Minister may at any time, after consultation with the Minister of Finance, direct the vacation in part or in whole, or prohibit investment, in any security.

(5) The power to invest under subsection (2) shall vest in the Board.

(6) The Organization shall, with the approval of the Board and after consultation with the Minister of Finance, determine the procedure for investment of the Fund including its transfer or realization, the bank in which the Fund may be deposited, the raising and repayment of loans and the financial control and procedures.

### **Power to borrow**

**51.** (1) The Organization may, with the consent of the Minister of Finance, borrow any money required by the Organization for meeting any of its obligations or performing any of its functions at such rate of interest and for such period and upon such terms and conditions as to the time and method of repayment and otherwise as the Minister may approve.

(2) No moneys from any fund administered by the Organization under any other written law may be utilized for the purpose of borrowing under subsection (1).

### **Annual estimates**

**52.** (1) The Organization shall in each year prepare a budget showing the probable receipts and the estimate of the expenditure of the Organization for the ensuing year containing such adequate particulars as the Minister may determine for the discharge of the liabilities incurred by the Organization and for the maintenance of a working balance under this Act.

(2) The budget shall be submitted for the approval of the Minister before such date as he may fix.

### **Accounts and reports**

**53.** The Organization shall cause proper accounts of the Fund and proper records of its activities to be kept and shall, as soon as practicable after the end of each financial year, cause to be prepared for that financial year—

- (a) a statement of accounts of the Organization which shall include a balance sheet and an account of income and expenditure; and
- (b) a report of the works and activities of the Organization.

### **Audit**

**54.** (1) The accounts of the Organization shall be audited annually by the Auditor General.

(2) The Auditor General or any person authorized by him shall at all reasonable times have access to the books, accounts and other documents of the Organization and may, for the purpose of an audit, require any explanation and information from, or examine, any officer and servant of the Organization.

(3) The Board shall forward to the Minister a copy of the auditor's report and any observations together with an audited copy of the accounts of the Organization.

(4) The Minister may direct the Board to send a copy of the auditor's report and any statement of accounts to any Government department and such statement of accounts to the Auditor General as necessary.

### **Annual report**

**55.** The Board shall submit to the Minister the annual report of the works and activities of the Organization before 30 June the following year unless otherwise extended by the Minister.

### **Annual report and audited accounts to be laid**

**56.** The Board shall cause the annual report and the audited accounts of the Organization to be laid before each House of Parliament.

### **Valuation of assets and liabilities**

**57.** (1) The Board shall, in every five years, cause an actuarial review to be carried out on the implementation of the System under this Act, involving a valuation of the assets and liabilities of the Organization, and such report shall be submitted to the Minister.

(2) Notwithstanding subsection (1), the Minister may direct that such actuarial review and the valuation of the assets and liabilities to be made at any other time as he considers necessary.

### **Imposition of surcharge**

**58.** (1) The Organization may impose surcharge on any person who is or was in the employment of the Organization in such manner as determined by the Board if it appears to the Board that the person—

- (a) is or was responsible for any improper payment of moneys from the Fund or for any payment of such moneys which is not duly vouched;
- (b) is or was responsible for any deficiency in, or for the destruction of, any moneys, securities, stores or other properties of the Organization;
- (c) being or having been an accounting officer, fails or has failed to keep proper accounts or records; or
- (d) has failed to make any payment, or is or was responsible for any delay in the payment of money from the Fund to any person to whom such payment is due under any contract, agreement or arrangement entered into between that person and the Organization.

(2) The Board shall, before a person is surcharged under subsection (1), serve on him a notice in writing calling on him to show cause why he should not be surcharged.

(3) If a satisfactory explanation is not received within thirty days from the date of service of the notice under subsection (2), the Board may—

(a) in the case of paragraphs (1)(a) and (b), surcharge against the person a sum not exceeding the amount not collected, or of the improper payment made, or of the deficiency in the value of, or loss of, the moneys, securities, stores or other properties of the Organization; and

(b) in the case of paragraphs (1)(c) and (d), surcharge against the person such sum as the Board thinks fit.

(4) The Board shall cause the Director General to be notified of any surcharge made under subsection (1) and the Director General shall thereupon notify the person surcharged.

(5) Notwithstanding subsections (3) and (4), the Board may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made, and the Board shall cause the Director General to be notified of the withdrawal and the Director General shall thereupon notify the person surcharged.

(6) The amount of any surcharge made under subsection (3) and not withdrawn under subsection (5) shall be a civil debt due to the Organization from the person surcharged and may be sued for and recovered in any court at the suit of the Organization and may also if the Board so directs be recovered by deduction—

(a) from the salary of the person surcharged; or

(b) from the pension of the person surcharged,

by equal monthly instalments not exceeding one-fourth of the total monthly salary or pension of that person, as the case may be.

PART VIII

SOCIAL SECURITY APPELLATE BOARD

**Matters to be decided by Appellate Board**

**59.** (1) The Appellate Board shall have the power to decide in respect of any question, dispute, claim or appeal referred to the Appellate Board by any person relating to following matters:

- (a) whether any person is an employee within the meaning of this Act;
- (b) whether an employer or employee is liable to pay contribution;
- (c) whether any activity carried out by any person is an industry within the meaning of this Act;
- (d) whether an insured person has lost an employment in accordance with this Act;
- (e) the wages or assumed monthly wages of an insured person for the purposes of this Act;
- (f) the rate of contribution payable by an employer in respect of his employee;
- (g) whether a person is or was an employer in respect of any employee;
- (h) the entitlement of any insured person to any benefit including the amount and duration of the benefit;
- (i) any claim by the Organization to recover any arrears of contribution from an employer;
- (j) any decision, order or direction made or issued by the Organization under this Act;
- (k) any claim by the Organization against any person to recover any benefits which have been paid out not in accordance with this Act;

- (l) any claim by the Organization against a training provider for any payment made by the Organization which has been paid to the training provider by mistake or fraudulently claimed by the training provider; or
- (m) any other matter which is in dispute—
  - (i) between an employer and the Organization;
  - (ii) between an insured person and the Organization;
  - (iii) between a training provider and the Organization;
  - (iv) between an insured person and an employer; or
  - (v) between an insured person or employer and a training provider.

(2) Any question, dispute, claim or appeal by an insured person, employer, training provider or any person in relation to any matter under this Act shall be filed to the Appellate Board for decision.

(3) No civil court shall have jurisdiction to decide or deal with any question, dispute, claim or appeal referred to in subsection (1), or to adjudicate on any liability which is to be decided by the Appellate Board under this Act or any regulations under this Act.

### **Institution of proceedings, etc.**

**60.** (1) All proceedings before the Appellate Board shall be instituted in the Appellate Board established for the area in which the insured person was working at the time of the question, dispute, claim or appeal arises.

(2) The Chairman of the Appellate Board may, upon application made by the parties to the Appellate Board, transfer any matter pending before him in a State or area to any other Appellate Board in another State or area and shall give his reasons for allowing or not allowing the application for transfer.

(3) The Appellate Board to which any matter or proceedings is transferred under subsection (2) shall continue to decide on the matter or proceedings as if the matter or proceedings had been originally instituted in such Appellate Board.

### **Commencement of proceedings**

**61.** (1) The proceedings before an Appellate Board in respect of any question, dispute, claim or appeal referred to in section 59 shall be commenced by an application in the manner as prescribed.

(2) Every application under subsection (1) shall be made within sixty days from the date on which the cause of action arises.

(3) For the purpose of subsection (2)—

(a) the cause of action in respect of a claim for benefits shall be deemed to arise from the date the insured person received the written decision of the Organization on such claim; and

(b) the cause of action in respect of any claim by the Organization for recovering contributions from an employer shall be deemed to arise from the date of the evidence of contributions payable is due to be received by the Organization.

### **Powers of Appellate Board**

**62.** (1) The Appellate Board shall have all the powers of a Sessions Court Judge for the purposes of summoning and enforcing the attendance of witnesses, the discovery and production of documents and materials, administering oath and recording evidence.

(2) All costs incidental to any proceedings before the Appellate Board is subject to the discretion of the Appellate Board.

(3) An order of the Appellate Board shall be enforceable as if it was a judgment of a Sessions Court.

**Representation in proceedings before Appellate Board**

**63.** Any person may, at any proceedings before the Appellate Board except the appearance of the person for the purposes of his examination as a witness, appear personally or be represented by a legal practitioner, or by any person authorized in writing by the person, or where there is no authorization in writing, by any person allowed by the Appellate Board to appear on behalf of the person.

**Reference to High Court**

**64.** The Appellate Board may submit any question of law for the decision of the High Court and the Appellate Board shall decide the question pending before the Appellate Board in accordance with such decision.

**Appeal**

**65.** (1) No appeal shall be made to the High Court against an order of the Appellate Board unless it involves a question of law or a mixed question of law and fact.

(2) The appeal referred to in subsection (1) shall be made within sixty days from the date of the written order is made by the Appellate Board.

**Stay of payment pending appeal**

**66.** Where the Organization has made an appeal against an order of the Appellate Board, the Appellate Board may, and if directed by the High Court shall, pending the decision of the appeal, withhold the order appealed against relating to the payment of any sum of money.

PART IX

EMPLOYMENT SERVICES OFFICER, ENFORCEMENT AND  
INVESTIGATION

**Appointment and functions of Employment Services Officer**

**67.** (1) The Minister may appoint such number of Employment Services Officer who shall have the following functions:

- (a) to verify on loss of employment;
- (b) to carry out the re-employment placement programme including job search, job counselling, job matching, job placement, career advising and vocational training;
- (c) to collect, analyse and provide labour market information;
- (d) to undertake and coordinate studies on labour and labour market issues, including social security;
- (e) to perform any other functions as determined by the Organization from time to time.

(2) The Director General may give any direction to any Employment Services Officer as he thinks necessary to ensure that the functions of the Employment Services Officer is performed in accordance with this Act.

**Power to examine training**

**68.** The Employment Services Officer may examine any training provided by a training provider including the following:

- (a) any premises and facilities used for the training whether in compliance with any directions given by the Organization under this Act;
- (b) any training programme and duration of the training whether conducted as agreed by the Organization;
- (c) any document and record relating to the attendance of an insured person; and

- (d) any document and record relating to claims for training fees submitted by the training provider to the Organization.

### **Powers of enforcement, inspection and investigation**

**69.** (1) The Employment Services Officer shall have all the powers of a police officer of whatever rank as provided for under the Criminal Procedure Code [*Act 593*], except the power to arrest without warrant, in relation to enforcement, inspection and investigation, and such powers shall be in addition to the powers conferred by this Act and not in derogation thereof.

(2) The Employment Services Officer may examine any person if the Employment Services Officer has reasonable grounds to believe that the person has relevant information or document relating to any industry.

### **Power to require information and conduct inspection**

**70.** (1) For the purpose of obtaining information as to whether any person has made payment of contributions or any other information relating to a claim of benefits under this Act, the Director General or any officer of the Organization authorized by the Director General may, by notice in writing, require any person who he has reasonable grounds to believe that the person has any information or document, or is capable of giving any evidence, that is relevant to the payment of contributions or to the claim for benefits under this Act—

- (a) to provide such information to the Director General or any officer of the Organization authorized by the Director General within such time as may be specified in the notice; or
- (b) to attend personally before the Director General or any officer of the Organization authorized by the Director General and to produce for examination any book, account, record and other documents including an electronic record as the Director General or any officer of the Organization authorized by the Director General deems necessary.

(2) Where it appears to any Magistrate upon written information on oath and after such enquiry as he thinks necessary that there is reasonable grounds to believe that in any place or building there is any book, account, record or other documents including an electronic record the production of which has been required under subsection (1) but has not been produced, such Magistrate may issue a warrant authorizing the Director General or any officer of the Organization authorized by the Director General, with or without assistance, enter the place or building, by force if necessary, and inspect the place or building, seize, take possession of and detain any such book, account, record or other documents including electronic record.

(3) Any person who fails to comply with subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

### **Obstructing, etc., Director General, Deputy Directors General and Employment Services Officer**

**71.** Any person who—

- (a) fails to comply with any direction given by the Director General, or any Deputy Director General or Employment Services Officer while exercising his powers and performing his functions under this Act or any regulations made under this Act; or
- (b) in any way assaults, hinders or obstructs the Director General, or any Deputy Director General or Employment Services Officer while exercising his powers and performing his functions under this Act or any regulations made under this Act,

commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

**Fraud or forgery in connection with payment of contributions or claim for benefits**

**72.** Any person who commits or conspires to commit any act of fraud or forgery in connection with the payment of contributions or a claim for benefits commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

**Giving false or misleading information or document**

**73.** Any person who—

- (a) provides or causes any person to provide any information or document to the Organization which he knows or has reason to believe is false or misleading; or
- (b) makes in writing or signs any declaration, form, report, certificate or other document required by this Act or any regulations made under this Act which is untrue or incorrect in any material particular,

commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

**Court's order in respect of contributions or benefits due and payable to Organization**

**74.** (1) Any person who has been found guilty of any offence under section 72 or 73 and cause any non-payment of contributions to the Organization or cause any benefit under this Act is improperly received, the court before which the person is found guilty shall order such person to pay to the Organization the amount of any contribution or benefit, together with any interest credited on such amount, due and payable to the Organization.

(2) The amount of any contribution or benefit referred to in subsection (1) shall be certified by an officer of the Organization authorized by the Director General to be due from such person prior to the date of such finding of guilt and the certification of the authorized officer shall be prima facie evidence of the amount due and payable.

(3) Any contribution or benefit referred to in subsection (1) shall be recoverable in the same manner as, and shall be appealable as if it was, an order for payment of compensation under section 426 of the Criminal Procedure Code, except where the court directs payment of the sum of money to be made by instalments, the court shall direct that the sum of money be paid in not more than six instalments within six months.

### **Copy of entry to be prima facie evidence, and production of documents**

**75.** (1) In any legal proceedings under this Act, a copy of any entry in the accounts of the Organization duly certified by an officer of the Organization authorized by the Director General shall be prima facie evidence of such entry having been made and of the truth of the contents of the entry.

(2) The court may, upon application by the Public Prosecutor, require any person to produce any document which is in his possession and relevant to the case, and such documents shall be produced within the time specified by the court.

### **Prosecution**

**76.** No prosecution shall be instituted for any offence under this Act or any regulations made under this Act except by or with the consent in writing of the Public Prosecutor.

### **Compounding of offences**

**77.** (1) The Minister may, with the approval of the Public Prosecutor, make regulations prescribing—

- (a) any offence under this Act or any regulations made under this Act as an offence which may be compounded;
- (b) the criteria for compounding such offence; and
- (c) the method and procedure for compounding such offence.

(2) The Director General or any officer of the Organization authorized in writing by the Director General may, with the consent in writing of the Public Prosecutor, at any time before a charge is being instituted, compound any offence prescribed as an offence which may be compounded by making a written offer to the person reasonably suspected of having committed the offence to compound the offence upon payment to the Director General of a sum of money not exceeding fifty per centum of the amount of the maximum fine to which the person would have been liable to if he had been convicted of the offence, within such time as may be specified in the written offer.

(3) An offer under subsection (2) may be made at any time after the offence has been committed but before any prosecution for it has been instituted, and where the amount specified in the offer is not paid within the time specified in the offer, or such extended time as the Director General may grant, prosecution for the offence may be instituted at any time after that against the person to whom the offer was made.

(4) Where an offence has been compounded under subsection (2), no prosecution shall be instituted in respect of the offence against the person to whom the offer to compound was made, and any document or thing seized in connection with the offence may be released by the Director General, subject to such terms as the Director General thinks fit.

(5) All sums of moneys received by the Director General under this section shall be paid into and form part of the Fund.

## PART X

### GENERAL

#### **Duty to keep returns, particulars, etc.**

**78.** (1) Every employer shall keep or maintain any returns, particulars, register book or record pertaining to each employee.

(2) The Employment Services Officer may request the employer to submit any returns, particulars, register book or record referred to in subsection (1).

(3) Any person who contravenes subsection (1) or fails to comply with the request under subsection (2) commits an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

### **Appointment of collection agent**

**79.** The Organization may appoint such number of collection agents for the purpose of recovery of any debt due to the Organization.

### **Engagement of auditors, actuaries, etc.**

**80.** The Organization may, subject to such terms and conditions, engage such auditors, actuaries, technical advisers, bankers, stockbrokers, surveyors, consultants or any other persons as the Organization deems fit to assist the Organization in the performance of its functions.

### **Public servant**

**81.** The Director General, Deputy Directors General, all members of the Board, the Committee and committee established under section 9, Employment Services Officers and officers and servants of the Organization, while discharging their duties under this Act or any regulations made under this Act, shall be deemed to be a public servant within the meaning of the Penal Code [*Act 574*].

### **Power of Organization to establish or take over companies**

**82.** (1) The Organization may, with the approval of the Minister and the Minister of Finance, establish or take over any company under the Companies Act 2016 [*Act 777*] to carry out, administer, conduct and manage any project, joint venture, privatization programme, scheme, enterprise or any other matter which has been planned or undertaken by the Organization for the purposes of the System.

(2) The Organization may give directions to the company referred to in subsection (1) on matters relating to the administration, finance and operation of the company which are consistent with the provisions of this Act, and such company shall give effect to the directions.

### **Power to exempt**

**83.** The Minister may, by order published in the *Gazette* and subject to such conditions specified in the order, exempt—

(a) any industry or class of industries; or

(b) any employer or employee, or class of employers or employees,

from any of the provisions of this Act or any regulations made under this Act.

### **Power to amend schedule**

**84.** The Minister may, by order published in the *Gazette*, amend the First Schedule.

### **Power to make regulations**

**85.** (1) The Minister may make such regulations as may be expedient or necessary for the better carrying out of the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), regulations may be made for all or any of the following purposes:

(a) all matters relating to contributions and benefits including the manner in which the contribution or the benefit to be calculated, and the procedure for making a claim for benefits;

(b) the procedure for the determination of loss of employment and contributions qualifying conditions;

- (c) the conditions which shall be complied with by an insured person who is receiving any benefit;
- (d) all matters relating to the training of insured persons;
- (e) all matters relating to training providers including the duties of the training providers, procedure for making a claim for training fees and documents to be provided or maintain by the training provider;
- (f) the procedure of any proceedings before the Appellate Board;
- (g) all matters relating to the re-employment placement programme;
- (h) the procedure for the registration of industries and employees;
- (i) any other matter to be prescribed under this Act.

(3) Any regulations made under this Act may prescribe an act or omission in contravention of the regulations to be an offence and may prescribe for penalties of a fine not exceeding ten thousand ringgit or imprisonment for a term not exceeding two years or both for such offence.

### **Disposal of documents after more than three years**

**86.** (1) The Director General may authorize any paper-based document belonging to the Organization to be copied onto an electronic medium by such means so as to ensure that the exact image of that document is capable of being viewed, reproduced and copied.

(2) Where a paper-based document has been copied in accordance with subsection (1), the Director General may authorize the disposal of the paper-based document after the expiry of a period of three years from the making of such electronic copy.

(3) A copy of the paper-based document kept on an electronic medium in accordance with subsection (1) shall be admissible as evidence of any fact stated therein in accordance with section 90A of the Evidence Act 1950 [*Act 56*].

**Recommendations to review System**

**87.** (1) The Board may, when substantial changes in the general level of earnings resulting from substantial changes in the cost of living, examine the situation on the basis of an actuarial valuation made and make recommendations to the Minister to review the System under this Act.

(2) The recommendations of the Board referred to in subsection (1)—

- (a) shall be accompanied by the actuarial report;
- (b) shall take into account the social policy of the Government;  
and
- (c) may include—
  - (i) a proposal for a new rate of contributions;
  - (ii) a proposal for changes in the rates of the job search allowance, early re-employment allowance, reduced income allowance and training allowance and the amount of training fee; and
  - (iii) a proposal for new types of benefits.

**Offences by body corporate, etc.**

**88.** (1) If an employer who is a body corporate, partnership or society commits an offence under this Act—

- (a) in the case of a body corporate, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer of the body corporate;
- (b) in the case of a partnership, every partner in the partnership at the time of the commission of the offence; or
- (c) in the case of a society, every office-bearer of the society at the time of the commission of the offence,

may be charged severally or jointly in the same proceedings with the body corporate, partnership or society.

(2) If the body corporate, partnership or society is found to have committed the offence, the director, manager, secretary or other similar officer of the body corporate, the partner in the partnership and the office-bearer of the society referred to in subsection (1) shall be deemed to have committed that offence unless, having regard to the nature of his functions in that capacity and to all circumstances, he proves—

- (a) that the offence was committed without his knowledge, consent or connivance; and
- (b) that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

### **Organization may deal with authorized person**

**89.** (1) In all matters pertaining to benefits under this Act, the Organization may deal directly with the insured person or an official of a registered trade union authorized in writing by such insured person or a legal practitioner representing such insured person.

(2) The Organization may refuse to entertain any representation made by any other person.

### **Electronic submission of documents**

**90.** (1) Subject to subsection (2), the Organization may allow any returns, particulars, records, notices, reports, registers or other documents required to be submitted or furnished under this Act or regulations made under this Act by an electronic medium or by way of an electronic transmission.

(2) The conditions and specifications under which the returns, particulars, records, notices, reports, registers or other documents referred to in subsection (1) are to be submitted or furnished shall be as determined by the Organization.

(3) The returns, particulars, records, notices, reports, registers or other documents referred to in subsection (1) shall be deemed to have been submitted or furnished by a person to the Organization on the date the acknowledgment of receipt of such returns, particulars, records, notices, reports, registers or other documents are transmitted electronically by the Organization to the person.

(4) The acknowledgment of receipt by the Organization, returns, particulars, records, notices, reports, registers or other documents submitted or furnished pursuant to subsection (3) shall be admissible as evidence in any proceedings.

#### FIRST SCHEDULE

##### [Section 2]

1. Any person whose employment is of casual nature and who is employed otherwise than for the purposes of the employer's industry.
2. Any domestic servant, that is a person employed exclusively in the work or in connection with work of a private dwelling house and not of any trade, business or profession carried on by the employer in such dwelling house and includes a cook, house servant (including bedroom and kitchen servants), waiter, butler, child's or baby's nurse, valet, footman, gardener, washer man or washer woman, watchman, groom and driver or cleaner of any vehicle licensed for private use.
3. Any person who is permitted to win minerals or produce of any kind from or on the land of another and who, in consideration of such permission, gives a proportion of the minerals or produce so won to that other person or pays to him the value of such proportion.
4. The spouse of an employer.
5. Any person detained in any prison, Henry Gurney School, approved school, place of detention, mental hospital or leper settlement.
6. Any member of the public service of the Federation and the States.
7. Any employee of the local authority or statutory body.
8. Any employee who has not attained the age of eighteen years or who has attained the age of sixty years.
9. Any employee who has attained the age of fifty-seven years and in respect of whom no contributions were payable under this Act before he attained the age of fifty-seven years.

SECOND SCHEDULE

[Section 18]

RATES OF CONTRIBUTION

1. For the purposes of this Schedule—
  - (a) “monthly wages” means the wages payable to an employee in respect of any wage period ending in the month; and
  - (b) “wage period” means the period in respect of which the wages earned by an employee are payable.
2. Contributions shall be calculated based on the monthly wages and shall be at the rate as specified in Part I, Part II or Part III in accordance with the determination by the Minister under subsection 18(3).

PART I—RATES OF CONTRIBUTION

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
1	Wages up to RM30 ... ..	10 sen	10 sen	20 sen
2	When wages exceed RM30 but not exceed RM50	20 sen	20 sen	40 sen
3	When wages exceed RM50 but not exceed RM70	30 sen	30 sen	60 sen
4	When wages exceed RM70 but not exceed RM100	45 sen	45 sen	90 sen
5	When wages exceed RM100 but not exceed RM140	60 sen	60 sen	RM1.20
6	When wages exceed RM140 but not exceed RM200	85 sen	85 sen	RM1.70
7	When wages exceed RM200 but not exceed RM300	RM1.25	RM1.25	RM2.50
8	When wages exceed RM300 but not exceed RM400	RM1.75	RM1.75	RM3.50
9	When wages exceed RM400 but not exceed RM500	RM2.25	RM2.25	RM4.50
10	When wages exceed RM500 but not exceed RM600	RM2.75	RM2.75	RM5.50

*Bill*

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
11	When wages exceed RM600 but not exceed RM700	RM3.25	RM3.25	RM6.50
12	When wages exceed RM700 but not exceed RM800	RM3.75	RM3.75	RM7.50
13	When wages exceed RM800 but not exceed RM900	RM4.25	RM4.25	RM8.50
14	When wages exceed RM900 but not exceed RM1,000	RM4.75	RM4.75	RM9.50
15	When wages exceed RM1,000 but not exceed RM1,100	RM5.25	RM5.25	RM10.50
16	When wages exceed RM1,100 but not exceed RM1,200	RM5.75	RM5.75	RM11.50
17	When wages exceed RM1,200 but not exceed RM1,300	RM6.25	RM6.25	RM12.50
18	When wages exceed RM1,300 but not exceed RM1,400	RM6.75	RM6.75	RM13.50
19	When wages exceed RM1,400 but not exceed RM1,500	RM7.25	RM7.25	RM14.50
20	When wages exceed RM1,500 but not exceed RM1,600	RM7.75	RM7.75	RM15.50
21	When wages exceed RM1,600 but not exceed RM1,700	RM8.25	RM8.25	RM16.50
22	When wages exceed RM1,700 but not exceed RM1,800	RM8.75	RM8.75	RM17.50
23	When wages exceed RM1,800 but not exceed RM1,900	RM9.25	RM9.25	RM18.50
24	When wages exceed RM1,900 but not exceed RM2,000	RM9.75	RM9.75	RM19.50
25	When wages exceed RM2,000 but not exceed RM2,100	RM10.25	RM10.25	RM20.50
26	When wages exceed RM2,100 but not exceed RM2,200	RM10.75	RM10.75	RM21.50
27	When wages exceed RM2,200 but not exceed RM2,300	RM11.25	RM11.25	RM22.50
28	When wages exceed RM2,300 but not exceed RM2,400	RM11.75	RM11.75	RM23.50

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
29	When wages exceed RM2,400 but not exceed RM2,500	RM12.25	RM12.25	RM24.50
30	When wages exceed RM2,500 but not exceed RM2,600	RM12.75	RM12.75	RM25.50
31	When wages exceed RM2,600 but not exceed RM2,700	RM13.25	RM13.25	RM26.50
32	When wages exceed RM2,700 but not exceed RM2,800	RM13.75	RM13.75	RM27.50
33	When wages exceed RM2,800 but not exceed RM2,900	RM14.25	RM14.25	RM28.50
34	When wages exceed RM2,900 but not exceed RM3,000	RM14.75	RM14.75	RM29.50
35	When wages exceed RM3,000 but not exceed RM3,100	RM15.25	RM15.25	RM30.50
36	When wages exceed RM3,100 but not exceed RM3,200	RM15.75	RM15.75	RM31.50
37	When wages exceed RM3,200 but not exceed RM3,300	RM16.25	RM16.25	RM32.50
38	When wages exceed RM3,300 but not exceed RM3,400	RM16.75	RM16.75	RM33.50
39	When wages exceed RM3,400 but not exceed RM3,500	RM17.25	RM17.25	RM34.50
40	When wages exceed RM3,500 but not exceed RM3,600	RM17.75	RM17.75	RM35.50
41	When wages exceed RM3,600 but not exceed RM3,700	RM18.25	RM18.25	RM36.50
42	When wages exceed RM3,700 but not exceed RM3,800	RM18.75	RM18.75	RM37.50
43	When wages exceed RM3,800 but not exceed RM3,900	RM19.25	RM19.25	RM38.50
44	When wages exceed RM3,900 but not exceed RM4,000	RM19.75	RM19.75	RM39.50
45	When wages exceed RM4,000	RM19.75	RM19.75	RM39.50

## PART II—RATES OF CONTRIBUTION

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
1	Wages up to RM30 ... ..	10 sen	10 sen	20 sen
2	When wages exceed RM30 but not exceed RM50	25 sen	25 sen	50 sen
3	When wages exceed RM50 but not exceed RM70	35 sen	35 sen	70 sen
4	When wages exceed RM70 but not exceed RM100	50 sen	50 sen	RM1.00
5	When wages exceed RM100 but not exceed RM140	70 sen	70 sen	RM1.40
6	When wages exceed RM140 but not exceed RM200	RM1.00	RM1.00	RM2.00
7	When wages exceed RM200 but not exceed RM300	RM1.50	RM1.50	RM3.00
8	When wages exceed RM300 but not exceed RM400	RM2.10	RM2.10	RM4.20
9	When wages exceed RM400 but not exceed RM500	RM2.70	RM2.70	RM5.40
10	When wages exceed RM500 but not exceed RM600	RM3.30	RM3.30	RM6.60
11	When wages exceed RM600 but not exceed RM700	RM3.90	RM3.90	RM7.80
12	When wages exceed RM700 but not exceed RM800	RM4.50	RM4.50	RM9.00
13	When wages exceed RM800 but not exceed RM900	RM5.10	RM5.10	RM10.20
14	When wages exceed RM900 but not exceed RM1,000	RM5.70	RM5.70	RM11.40
15	When wages exceed RM1,000 but not exceed RM1,100	RM6.30	RM6.30	RM12.60
16	When wages exceed RM1,100 but not exceed RM1,200	RM6.90	RM6.90	RM13.80
17	When wages exceed RM1,200 but not exceed RM1,300	RM7.50	RM7.50	RM15.00

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
18	When wages exceed RM1,300 but not exceed RM1,400	RM8.10	RM8.10	RM16.20
19	When wages exceed RM1,400 but not exceed RM1,500	RM8.70	RM8.70	RM17.40
20	When wages exceed RM1,500 but not exceed RM1,600	RM9.30	RM9.30	RM18.60
21	When wages exceed RM1,600 but not exceed RM1,700	RM9.90	RM9.90	RM19.80
22	When wages exceed RM1,700 but not exceed RM1,800	RM10.50	RM10.50	RM21.00
23	When wages exceed RM1,800 but not exceed RM1,900	RM11.10	RM11.10	RM22.20
24	When wages exceed RM1,900 but not exceed RM2,000	RM11.70	RM11.70	RM23.40
25	When wages exceed RM2,000 but not exceed RM2,100	RM12.30	RM12.30	RM24.60
26	When wages exceed RM2,100 but not exceed RM2,200	RM12.90	RM12.90	RM25.80
27	When wages exceed RM2,200 but not exceed RM2,300	RM13.50	RM13.50	RM27.00
28	When wages exceed RM2,300 but not exceed RM2,400	RM14.10	RM14.10	RM28.20
29	When wages exceed RM2,400 but not exceed RM2,500	RM14.70	RM14.70	RM29.40
30	When wages exceed RM2,500 but not exceed RM2,600	RM15.30	RM15.30	RM30.60
31	When wages exceed RM2,600 but not exceed RM2,700	RM15.90	RM15.90	RM31.80
32	When wages exceed RM2,700 but not exceed RM2,800	RM16.50	RM16.50	RM33.00
33	When wages exceed RM2,800 but not exceed RM2,900	RM17.10	RM17.10	RM34.20
34	When wages exceed RM2,900 but not exceed RM3,000	RM17.70	RM17.70	RM35.40
35	When wages exceed RM3,000 but not exceed RM3,100	RM18.30	RM18.30	RM36.60

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
36	When wages exceed RM3,100 but not exceed RM3,200	RM18.90	RM18.90	RM37.80
37	When wages exceed RM3,200 but not exceed RM3,300	RM19.50	RM19.50	RM39.00
38	When wages exceed RM3,300 but not exceed RM3,400	RM20.10	RM20.10	RM40.20
39	When wages exceed RM3,400 but not exceed RM3,500	RM20.70	RM20.70	RM41.40
40	When wages exceed RM3,500 but not exceed RM3,600	RM21.30	RM21.30	RM42.60
41	When wages exceed RM3,600 but not exceed RM3,700	RM21.90	RM21.90	RM43.80
42	When wages exceed RM3,700 but not exceed RM3,800	RM22.50	RM22.50	RM45.00
43	When wages exceed RM3,800 but not exceed RM3,900	RM23.10	RM23.10	RM46.20
44	When wages exceed RM3,900 but not exceed RM4,000	RM23.70	RM23.70	RM47.40
45	When wages exceed RM4,000	RM23.70	RM23.70	RM47.40

## PART III – RATES OF CONTRIBUTION

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
1	Wages up to RM30 ... ..	15 sen	15 sen	30 sen
2	When wages exceed RM30 but not exceed RM50	30 sen	30 sen	60 sen
3	When wages exceed RM50 but not exceed RM70	45 sen	45 sen	90 sen
4	When wages exceed RM70 but not exceed RM100	65 sen	65 sen	RM1.30
5	When wages exceed RM100 but not exceed RM140	90 sen	90 sen	RM1.80
6	When wages exceed RM140 but not exceed RM200	RM1.30	RM1.30	RM2.60

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
7	When wages exceed RM200 but not exceed RM300	RM1.90	RM1.90	RM3.80
8	When wages exceed RM300 but not exceed RM400	RM2.65	RM2.65	RM5.30
9	When wages exceed RM400 but not exceed RM500	RM3.40	RM3.40	RM6.80
10	When wages exceed RM500 but not exceed RM600	RM4.15	RM4.15	RM8.30
11	When wages exceed RM600 but not exceed RM700	RM4.90	RM4.90	RM9.80
12	When wages exceed RM700 but not exceed RM800	RM5.65	RM5.65	RM11.30
13	When wages exceed RM800 but not exceed RM900	RM6.40	RM6.40	RM12.80
14	When wages exceed RM900 but not exceed RM1,000	RM7.15	RM7.15	RM14.30
15	When wages exceed RM1,000 but not exceed RM1,100	RM7.90	RM7.90	RM15.80
16	When wages exceed RM1,100 but not exceed RM1,200	RM5.75	RM5.75	RM11.50
17	When wages exceed RM1,200 but not exceed RM1,300	RM9.40	RM9.40	RM18.80
18	When wages exceed RM1,300 but not exceed RM1,400	RM10.15	RM10.15	RM20.30
19	When wages exceed RM1,400 but not exceed RM1,500	RM10.90	RM10.90	RM21.80
20	When wages exceed RM1,500 but not exceed RM1,600	RM11.65	RM11.65	RM23.30
21	When wages exceed RM1,600 but not exceed RM1,700	RM12.40	RM12.40	RM24.80
22	When wages exceed RM1,700 but not exceed RM1,800	RM13.15	RM13.15	RM26.30
23	When wages exceed RM1,800 but not exceed RM1,900	RM13.90	RM13.90	RM27.80
24	When wages exceed RM1,900 but not exceed RM2,000	RM14.65	RM14.65	RM29.30

*Bill*

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
25	When wages exceed RM2,000 but not exceed RM2,100	RM15.40	RM15.40	RM30.80
26	When wages exceed RM2,100 but not exceed RM2,200	RM16.15	RM16.15	RM32.30
27	When wages exceed RM2,200 but not exceed RM2,300	RM16.90	RM16.90	RM33.80
28	When wages exceed RM2,300 but not exceed RM2,400	RM17.65	RM17.65	RM35.30
29	When wages exceed RM2,400 but not exceed RM2,500	RM18.40	RM18.40	RM36.80
30	When wages exceed RM2,500 but not exceed RM2,600	RM19.15	RM19.15	RM38.30
31	When wages exceed RM2,600 but not exceed RM2,700	RM19.90	RM19.90	RM39.80
32	When wages exceed RM2,700 but not exceed RM2,800	RM20.65	RM20.65	RM41.30
33	When wages exceed RM2,800 but not exceed RM2,900	RM21.40	RM21.40	RM42.80
34	When wages exceed RM2,900 but not exceed RM3,000	RM22.15	RM22.15	RM44.30
35	When wages exceed RM3,000 but not exceed RM3,100	RM22.90	RM22.90	RM45.80
36	When wages exceed RM3,100 but not exceed RM3,200	RM23.65	RM23.65	RM47.30
37	When wages exceed RM3,200 but not exceed RM3,300	RM24.40	RM24.40	RM48.80
38	When wages exceed RM3,300 but not exceed RM3,400	RM25.15	RM25.15	RM50.30
39	When wages exceed RM3,400 but not exceed RM3,500	RM25.90	RM25.90	RM51.80
40	When wages exceed RM3,500 but not exceed RM3,600	RM26.65	RM26.65	RM53.30
41	When wages exceed RM3,600 but not exceed RM3,700	RM27.40	RM27.40	RM54.80
42	When wages exceed RM3,700 but not exceed RM3,800	RM28.15	RM28.15	RM56.30

	<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
43	When wages exceed RM3,800 but not exceed RM3,900	RM28.90	RM28.90	RM57.80
44	When wages exceed RM3,900 but not exceed RM4,000	RM29.65	RM29.65	RM59.30
45	When wages exceed RM4,000	RM29.65	RM29.65	RM59.30

THIRD SCHEDULE

[Sections 18, 34, 35, 36 and 37]

RATES OF BENEFITS

1. The rates for the job search allowance shall be as follows:
  - (a) eighty percent (80%) of the assumed monthly wages for the first month;
  - (b) fifty percent (50%) of the assumed monthly wages for the second month;
  - (c) forty percent (40%) of the assumed monthly wages for the third and fourth month;
  - (d) thirty percent (30%) of the assumed monthly wages for the fifth and sixth month.
  
2. The rates for the early re-employment allowance shall be—
  - (a) in the case where an insured person accepts an offer of employment and reports duty for work within the waiting period, twenty-five percent (25%) of the total job search allowance which he is entitled to;
  - (b) in the case where an insured person accepts an offer of employment within the waiting period but reports duty for work within the period of receiving a job search allowance, twenty-five percent (25%) of the total balance of the job search allowance remains unpaid; or
  - (c) in the case where an insured person accepts an offer of employment and reports duty for work within the period of receiving a job search allowance, twenty-five percent (25%) of the total balance of the job search allowance remains unpaid.
  
3. The rates for the reduced income allowance shall be as follows:
  - (a) eighty percent (80%) of the assumed monthly wages for the first month;
  - (b) fifty percent (50%) of the assumed monthly wages for the second month;

- (c) forty percent (40%) of the assumed monthly wages for the third and fourth month;
- (d) thirty percent (30%) of the assumed monthly wages for the fifth and sixth month.
4. The training allowance—
- (a) shall be paid at the rate of twenty-five percent (25%) of the assumed monthly wages calculated on daily basis but shall be subject to a minimum of ten ringgit and a maximum of twenty ringgit per day; and
- (b) shall be paid monthly according to the number of training days attended by the insured person.
5. The maximum amount of the training fee shall be four thousand ringgit.
6. The assumed monthly wages shall be an amount equal to the amount of the monthly wages for each month for which the contributions have been paid or is payable within six consecutive months immediately preceding the month in which the loss of employment occurred, divided by the number of months for which contributions were paid or payable.
7. For the purpose of determining the assumed monthly wages under paragraph 6—
- (a) in the case where the monthly wages is not paid to an insured person, the monthly wages of the insured person shall be an amount equal to the amount of the monthly minimum wages in accordance with the Minimum Wages Order made under the National Wages Consultative Council Act 2011 [*Act 732*]; and
- (b) in the case where an insured person receives the monthly temporary disablement benefit under the Employees' Social Security Act 1969, the monthly wages of the insured person shall be the actual wages of the insured person prior to receiving the monthly temporary disablement benefit.
8. The assumed monthly wages specified in paragraph 6 for each month shall be the amount specified in Part I, Part II or Part III of this Schedule which shall correspond to the rate of contributions paid or payable for the month according to Part I, Part II or Part III of the Second Schedule, respectively.

## PART I—ASSUMED MONTHLY WAGES

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
1	Wages up to RM30 ... ..	20 sen	RM20

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
2	When wages exceed RM30 but not exceed RM50	40 sen	RM40
3	When wages exceed RM50 but not exceed RM70	60 sen	RM60
4	When wages exceed RM70 but not exceed RM100	90 sen	RM85
5	When wages exceed RM100 but not exceed RM140	RM1.20	RM120
6	When wages exceed RM140 but not exceed RM200	RM1.70	RM170
7	When wages exceed RM200 but not exceed RM300	RM2.50	RM250
8	When wages exceed RM300 but not exceed RM400	RM3.50	RM350
9	When wages exceed RM400 but not exceed RM500	RM4.50	RM450
10	When wages exceed RM500 but not exceed RM600	RM5.50	RM550
11	When wages exceed RM600 but not exceed RM700	RM6.50	RM650
12	When wages exceed RM700 but not exceed RM800	RM7.50	RM750
13	When wages exceed RM800 but not exceed RM900	RM8.50	RM850
14	When wages exceed RM900 but not exceed RM1,000	RM9.50	RM950
15	When wages exceed RM1,000 but not exceed RM1,100	RM10.50	RM1,050
16	When wages exceed RM1,100 but not exceed RM1,200	RM11.50	RM1,150
17	When wages exceed RM1,200 but not exceed RM1,300	RM12.50	RM1,250
18	When wages exceed RM1,300 but not exceed RM1,400	RM13.50	RM1,350

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
19	When wages exceed RM1,400 but not exceed RM1,500	RM14.50	RM1,450
20	When wages exceed RM1,500 but not exceed RM1,600	RM15.50	RM1,550
21	When wages exceed RM1,600 but not exceed RM1,700	RM16.50	RM1,650
22	When wages exceed RM1,700 but not exceed RM1,800	RM17.50	RM1,750
23	When wages exceed RM1,800 but not exceed RM1,900	RM18.50	RM1,850
24	When wages exceed RM1,900 but not exceed RM2,000	RM19.50	RM1,950
25	When wages exceed RM2,000 but not exceed RM2,100	RM20.50	RM2,050
26	When wages exceed RM2,100 but not exceed RM2,200	RM21.50	RM2,150
27	When wages exceed RM2,200 but not exceed RM2,300	RM22.50	RM2,250
28	When wages exceed RM2,300 but not exceed RM2,400	RM23.50	RM2,350
29	When wages exceed RM2,400 but not exceed RM2,500	RM24.50	RM2,450
30	When wages exceed RM2,500 but not exceed RM2,600	RM25.50	RM2,550
31	When wages exceed RM2,600 but not exceed RM2,700	RM26.50	RM2,650
32	When wages exceed RM2,700 but not exceed RM2,800	RM27.50	RM2,750
33	When wages exceed RM2,800 but not exceed RM2,900	RM28.50	RM2,850
34	When wages exceed RM2,900 but not exceed RM3,000	RM29.50	RM2,950
35	When wages exceed RM3,000 but not exceed RM3,100	RM30.50	RM3,050

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
36	When wages exceed RM3,100 but not exceed RM3,200	RM31.50	RM3,150
37	When wages exceed RM3,200 but not exceed RM3,300	RM32.50	RM3,250
38	When wages exceed RM3,300 but not exceed RM3,400	RM33.50	RM3,350
39	When wages exceed RM3,400 but not exceed RM3,500	RM34.50	RM3,450
40	When wages exceed RM3,500 but not exceed RM3,600	RM35.50	RM3,550
41	When wages exceed RM3,600 but not exceed RM3,700	RM36.50	RM3,650
42	When wages exceed RM3,700 but not exceed RM3,800	RM37.50	RM3,750
43	When wages exceed RM3,800 but not exceed RM3,900	RM38.50	RM3,850
44	When wages exceed RM3,900 but not exceed RM4,000	RM39.50	RM3,950
45	When wages exceed RM4,000	RM39.50	RM3,950

PART II—ASSUMED MONTHLY WAGES

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
1	Wages up to RM30 ... ..	20 sen	RM20
2	When wages exceed RM30 but not exceed RM50	50 sen	RM40
3	When wages exceed RM50 but not exceed RM70	70 sen	RM60
4	When wages exceed RM70 but not exceed RM100	RM1.00	RM85
5	When wages exceed RM100 but not exceed RM140	RM1.40	RM120

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
6	When wages exceed RM140 but not exceed RM200	RM2.00	RM170
7	When wages exceed RM200 but not exceed RM300	RM3.00	RM250
8	When wages exceed RM300 but not exceed RM400	RM4.20	RM350
9	When wages exceed RM400 but not exceed RM500	RM5.40	RM450
10	When wages exceed RM500 but not exceed RM600	RM6.60	RM550
11	When wages exceed RM600 but not exceed RM700	RM7.80	RM650
12	When wages exceed RM700 but not exceed RM800	RM9.00	RM750
13	When wages exceed RM800 but not exceed RM900	RM10.20	RM850
14	When wages exceed RM900 but not exceed RM1,000	RM11.40	RM950
15	When wages exceed RM1,000 but not exceed RM1,100	RM12.60	RM1,050
16	When wages exceed RM1,100 but not exceed RM1,200	RM13.80	RM1,150
17	When wages exceed RM1,200 but not exceed RM1,300	RM15.00	RM1,250
18	When wages exceed RM1,300 but not exceed RM1,400	RM16.20	RM1,350
19	When wages exceed RM1,400 but not exceed RM1,500	RM17.40	RM1,450
20	When wages exceed RM1,500 but not exceed RM1,600	RM18.60	RM1,550
21	When wages exceed RM1,600 but not exceed RM1,700	RM19.80	RM1,650
22	When wages exceed RM1,700 but not exceed RM1,800	RM21.00	RM1,750

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
23	When wages exceed RM1,800 but not exceed RM1,900	RM22.20	RM1,850
24	When wages exceed RM1,900 but not exceed RM2,000	RM23.40	RM1,950
25	When wages exceed RM2,000 but not exceed RM2,100	RM24.60	RM2,050
26	When wages exceed RM2,100 but not exceed RM2,200	RM25.80	RM2,150
27	When wages exceed RM2,200 but not exceed RM2,300	RM27.00	RM2,250
28	When wages exceed RM2,300 but not exceed RM2,400	RM28.20	RM2,350
29	When wages exceed RM2,400 but not exceed RM2,500	RM29.40	RM2,450
30	When wages exceed RM2,500 but not exceed RM2,600	RM30.60	RM2,550
31	When wages exceed RM2,600 but not exceed RM2,700	RM31.80	RM2,650
32	When wages exceed RM2,700 but not exceed RM2,800	RM33.00	RM2,750
33	When wages exceed RM2,800 but not exceed RM2,900	RM34.20	RM2,850
34	When wages exceed RM2,900 but not exceed RM3,000	RM35.40	RM2,950
35	When wages exceed RM3,000 but not exceed RM3,100	RM36.60	RM3,050
36	When wages exceed RM3,100 but not exceed RM3,200	RM37.80	RM3,150
37	When wages exceed RM3,200 but not exceed RM3,300	RM39.00	RM3,250
38	When wages exceed RM3,300 but not exceed RM3,400	RM40.20	RM3,350
39	When wages exceed RM3,400 but not exceed RM3,500	RM41.40	RM3,450

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
40	When wages exceed RM3,500 but not exceed RM3,600	RM42.60	RM3,550
41	When wages exceed RM3,600 but not exceed RM3,700	RM43.80	RM3,650
42	When wages exceed RM3,700 but not exceed RM3,800	RM45.00	RM3,750
43	When wages exceed RM3,800 but not exceed RM3,900	RM46.20	RM3,850
44	When wages exceed RM3,900 but not exceed RM4,000	RM47.40	RM3,950
45	When wages exceed RM4,000	RM47.40	RM3,950

## PART III—ASSUMED MONTHLY WAGES

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
1	Wages up to RM30 ... ..	30 sen	RM20
2	When wages exceed RM30 but not exceed RM50	60 sen	RM40
3	When wages exceed RM50 but not exceed RM70	90 sen	RM60
4	When wages exceed RM70 but not exceed RM100	RM1.30	RM85
5	When wages exceed RM100 but not exceed RM140	RM1.80	RM120
6	When wages exceed RM140 but not exceed RM200	RM2.60	RM170
7	When wages exceed RM200 but not exceed RM300	RM3.80	RM250
8	When wages exceed RM300 but not exceed RM400	RM5.30	RM350

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
9	When wages exceed RM400 but not exceed RM500	RM6.80	RM450
10	When wages exceed RM500 but not exceed RM600	RM8.30	RM550
11	When wages exceed RM600 but not exceed RM700	RM9.80	RM650
12	When wages exceed RM700 but not exceed RM800	RM11.30	RM750
13	When wages exceed RM800 but not exceed RM900	RM12.80	RM850
14	When wages exceed RM900 but not exceed RM1,000	RM14.30	RM950
15	When wages exceed RM1,000 but not exceed RM1,100	RM15.80	RM1,050
16	When wages exceed RM1,100 but not exceed RM1,200	RM11.50	RM1,150
17	When wages exceed RM1,200 but not exceed RM1,300	RM18.80	RM1,250
18	When wages exceed RM1,300 but not exceed RM1,400	RM20.30	RM1,350
19	When wages exceed RM1,400 but not exceed RM1,500	RM21.80	RM1,450
20	When wages exceed RM1,500 but not exceed RM1,600	RM23.30	RM1,550
21	When wages exceed RM1,600 but not exceed RM1,700	RM24.80	RM1,650
22	When wages exceed RM1,700 but not exceed RM1,800	RM26.30	RM1,750
23	When wages exceed RM1,800 but not exceed RM1,900	RM27.80	RM1,850
24	When wages exceed RM1,900 but not exceed RM2,000	RM29.30	RM1,950
25	When wages exceed RM2,000 but not exceed RM2,100	RM30.80	RM2,050

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
26	When wages exceed RM2,100 but not exceed RM2,200	RM32.30	RM2,150
27	When wages exceed RM2,200 but not exceed RM2,300	RM33.80	RM2,250
28	When wages exceed RM2,300 but not exceed RM2,400	RM35.30	RM2,350
29	When wages exceed RM2,400 but not exceed RM2,500	RM36.80	RM2,450
30	When wages exceed RM2,500 but not exceed RM2,600	RM38.30	RM2,550
31	When wages exceed RM2,600 but not exceed RM2,700	RM39.80	RM2,650
32	When wages exceed RM2,700 but not exceed RM2,800	RM41.30	RM2,750
33	When wages exceed RM2,800 but not exceed RM2,900	RM42.80	RM2,850
34	When wages exceed RM2,900 but not exceed RM3,000	RM44.30	RM2,950
35	When wages exceed RM3,000 but not exceed RM3,100	RM45.80	RM3,050
36	When wages exceed RM3,100 but not exceed RM3,200	RM47.30	RM3,150
37	When wages exceed RM3,200 but not exceed RM3,300	RM48.80	RM3,250
38	When wages exceed RM3,300 but not exceed RM3,400	RM50.30	RM3,350
39	When wages exceed RM3,400 but not exceed RM3,500	RM51.80	RM3,450
40	When wages exceed RM3,500 but not exceed RM3,600	RM53.30	RM3,550
41	When wages exceed RM3,600 but not exceed RM3,700	RM54.80	RM3,650

	<i>Actual monthly wages of the month</i>	<i>Total Contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
42	When wages exceed RM3,700 but not exceed RM3,800	RM56.30	RM3,750
43	When wages exceed RM3,800 but not exceed RM3,900	RM57.80	RM3,850
44	When wages exceed RM3,900 but not exceed RM4,000	RM59.30	RM3,950
45	When wages exceed RM4,000	RM59.30	RM3,950

FOURTH SCHEDULE

[Sections 32, 34 and 36]

CONTRIBUTIONS QUALIFYING CONDITIONS

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
--	--

(a) First claim

- |   |          |
|---|----------|
| (i) 12 to 15 months of contributions made in the eligibility period of 24 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.   | 3 months |
| (ii) 16 to 19 months of contributions made in the eligibility period of 24 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.  | 4 months |
| (iii) 20 to 23 months of contributions made in the eligibility period of 24 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs. | 5 months |

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(iv) 24 months of contributions made in the eligibility period of 24 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
<i>(b) Second claim</i>	
(i) 18 to 23 months of contributions made in the eligibility period of 36 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 24 to 29 months of contributions made in the eligibility period of 36 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 30 to 35 months of contributions made in the eligibility period of 36 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 36 months of contributions made in the eligibility period of 36 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
<i>(c) Third claim</i>	
(i) 24 to 31 months of contributions made in the eligibility period of 48 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(ii) 32 to 39 months of contributions made in the eligibility period of 48 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 40 to 47 months of contributions made in the eligibility period of 48 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 48 months of contributions made in the eligibility period of 48 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
(d) Fourth claim	
(i) 30 to 39 months of contributions made in the eligibility period of 60 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 40 to 49 months of contributions made in the eligibility period of 60 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 50 to 59 months of contributions made in the eligibility period of 60 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(iv) 60 months of contributions made in the eligibility period of 60 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
(e) Fifth claim	
(i) 36 to 47 months of contributions made in the eligibility period of 72 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 48 to 59 months of contributions made in the eligibility period of 72 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 60 to 71 months of contributions made in the eligibility period of 72 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 72 months of contributions made in the eligibility period of 72 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
(f) Sixth claim	
(i) 42 to 55 months of contributions made in the eligibility period of 84 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(ii) 56 to 69 months of contributions made in the eligibility period of 84 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 70 to 83 months of contributions made in the eligibility period of 84 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 84 months of contributions made in the eligibility period of 84 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
(g) Seventh claim	
(i) 48 to 63 months of contributions made in the eligibility period of 96 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 64 to 79 months of contributions made in the eligibility period of 96 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 80 to 95 months of contributions made in the eligibility period of 96 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(iv) 96 months of contributions made in the eligibility period of 96 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
<i>(h) Eighth claim</i>	
(i) 54 to 71 months of contributions made in the eligibility period of 108 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 72 to 89 months of contributions made in the eligibility period of 108 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 90 to 107 months of contributions made in the eligibility period of 108 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 108 months of contributions made in the eligibility period of 108 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
<i>(i) Ninth claim</i>	
(i) 60 to 79 months of contributions made in the eligibility period of 120 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(ii) 80 to 99 months of contributions made in the eligibility period of 120 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 100 to 119 months of contributions made in the eligibility period of 120 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 120 months of contributions made in the eligibility period of 120 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
(j) Tenth claim	
(i) 66 to 87 months of contributions made in the eligibility period of 132 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 88 to 109 months of contributions made in the eligibility period of 132 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 110 to 131 months of contributions made in the eligibility period of 132 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(iv) 132 months of contributions made in the eligibility period of 132 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
<i>(k) Eleventh claim</i>	
(i) 72 to 95 months of contributions made in the eligibility period of 144 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months
(ii) 96 to 119 months of contributions made in the eligibility period of 144 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 120 to 143 months of contributions made in the eligibility period of 144 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 144 months of contributions made in the eligibility period of 144 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months
<i>(l) Twelfth claim</i>	
(i) 78 to 103 months of contributions made in the eligibility period of 156 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	3 months

<i>Contributions qualifying conditions</i>	<i>Period of payment for job search allowance and reduced income allowance</i>
(ii) 104 to 129 months of contributions made in the eligibility period of 156 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	4 months
(iii) 130 to 155 months of contributions made in the eligibility period of 156 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	5 months
(iv) 156 months of contributions made in the eligibility period of 156 consecutive months immediately preceding the loss of employment which shall include the month in which the loss of employment occurs.	6 months

---

EXPLANATORY STATEMENT

The proposed Employment Insurance System Act 2017 (“the proposed Act”) seeks to provide for an insurance system for insured persons who have lost their employments by providing certain benefits and re-employment placement programme. The Employment Insurance System will promote active labour market policies.

PART I

1. Part I deals with preliminary matters.
2. *Clause 1* contains the short title of the proposed Act and empowers the Minister to appoint the date of coming into operation of the proposed Act.
3. *Clause 2* contains the application of the proposed Act. The proposed Act shall apply to all industries having one or more employees but shall not apply to persons described in the First Schedule to the proposed Act.
4. *Clause 3* contains the definitions of certain words and expressions used in the proposed Act.

## PART II

5. Part II deals with the administration of the Employment Insurance System (“System”).
6. *Clause 4* seeks to provide for the administration of the System by the Social Security Organization (“Organization”). *Clause 4* also seeks to provide that for the purpose of administering the System, the Organization shall vest such powers in the Social Security Organization Board (“Board”).
7. *Clause 5* seeks to provide that the Director General and Deputy Directors General of the Organization shall be the Director General and the Deputy Directors General, respectively, for the purpose of the proposed Act. *Clause 5* also empowers the Minister to appoint one or more Deputy Directors General for the purpose of the proposed Act.
8. *Clause 6* seeks to empower the Organization to enter into contracts, and hold and deal with properties upon such terms and conditions as the Organization deems fit for the purpose of the proposed Act.
9. *Clause 7* seeks to provide that all functions which may be exercised by the Organization shall be exercised by the Director General and the Director General is empowered to delegate his powers and functions to the Deputy Directors General, Employment Services Officers, or officers and servants of the Organization for the purpose of the proposed Act.

## PART III

10. Part III deals with the establishment of the Employment Insurance Committee (“Committee”) and any other committee.
11. *Clause 8* seeks to provide for the establishment and the membership of the Committee. *Clause 8* also provides for the functions of the Committee which is to advise the Board on all matters relating to the System and the investment of the Employment Insurance Fund.
12. *Clause 9* seeks to empower the Board to establish any committee to advise and assist the Board in the performance of its functions and in the exercise of its powers under the proposed Act. *Clause 9* also empowers the Board to delegate its functions and powers to any such committee subject to such terms and restrictions.
13. *Clause 10* seeks to provide for the non-eligibility for appointment as members of the Committee or any committee established under *clause 9*.
14. *Clause 11* seeks to provide for the cessation of membership of the Committee or any committee established under *clause 9* in the event of failure to attend three consecutive meetings without leave of the Chairman of the Committee or committee.

15. *Clause 12* seeks to provide for disclosure of interest of any member of the Committee or any committee established under *clause 9* if he has any direct or indirect interest in any matter being considered by the Committee or committee.

PART IV

16. Part IV deals with the registration of industries and employees, and contribution to be made under the proposed Act.

17. *Clause 13* seeks to empower the Organization to determine whether any activity carried out by any person falls within the meaning of “industry” to which the proposed Act applies.

18. *Clause 14* seeks to require every employer to register his industry to which the proposed Act applies with the Organization within such period and in such manner as prescribed. Any employer who fails to register his industry within such period as prescribed commits an offence.

19. *Clause 15* seeks to provide that an employer that has registered his industry in accordance with the Employees’ Social Security Act 1969 [*Act 4*] before the coming into operation of the proposed Act shall be deemed to have registered its industry under the proposed Act on the date the proposed Act comes into operation.

20. *Clause 16* seeks to require every employee to be registered and insured by the employer on such date or within such period as specified in *clause 16* irrespective of the amount of wages. *Clause 16* also seeks to provide that if the wages of an employee exceed four thousand ringgit a month, his wages shall for the purpose of the proposed Act be deemed to be four thousand ringgit a month. Any employer who fails to register and insure his employee commits an offence.

21. *Clause 17* seeks to provide that an employee shall be deemed to have been registered under the proposed Act on the date the proposed Act comes into operation if he has been registered with the Organization in accordance with the Employees’ Social Security Act 1969 before the coming into operation of the proposed Act.

22. *Clause 18* seeks to provide that the contributions payable under the proposed Act in respect of an employee shall comprise a contribution payable by the employer and a contribution payable by the employee at the rate as specified in Part I of the Second Schedule to the proposed Act. *Clause 18* also empowers the Minister, after taking into consideration the sustainability of the Fund, to determine the rates of contribution to be in accordance with the proposed Part I, Part II or Part III of the Second Schedule, as the case may be, in every three years or more.

*Clause 18* also empowers the Minister to determine the minimum rate of contribution based on the amount of the monthly wages of the employee insured in accordance with the proposed Part I, Part II or Part III of the Second Schedule, as the case may be, and the minimum rate of benefits based on the amount of the assumed monthly wages of the employee insured in accordance with the proposed Part I, Part II or Part III of the Third Schedule, as the case may be.

23. *Clause 19* seeks to provide that if an employee has two or more employers, every employer shall pay the contributions in respect of the employee separately.

24. *Clause 20* seeks to provide that contribution in respect of an employee shall be paid every month for the wages payable to the employee for that month and shall cease when the employee attains the minimum retirement age.

25. *Clause 21* seeks to provide for the liability of the employer to pay interest on arrears of contribution.

26. *Clause 22* seeks to provide for the circumstances where an Employment Services Officer may assess any contribution, arrears of such contribution or interest on arrears of such contributions which are due from any employer based on any information available.

27. *Clause 23* seeks to empower the Organization to recover any arrears of contributions or interest on arrears of contributions from the employers as a debt due to the Organization. *Clause 23* also provides that the employer is entitled to recover the contributions payable by the employee in respect of the arrears from the employee for the period of not more than six months.

28. *Clause 24* seeks to prohibit an employer from reducing the wages of any employee, or discontinuing or reducing benefits payable to the employee under the conditions of service solely by reason of his liability for any contributions payable under the proposed Act. Any employer who contravenes this provision commits an offence.

29. *Clause 25* seeks to empower the Organization to appoint agents to collect and receive payment of contributions on behalf of the Organization. *Clause 25* also imposes a duty on the agents appointed to inform the Organization the actual time and date of the payment of the contributions made by the employer and the failure to do so constitutes an offence.

30. *Clause 26* seeks to provide that any contribution paid to the Organization by an employer through any agent shall be verified by the Organization.

#### PART V

31. Part V deals with benefits provided to an insured person in the event of loss of employment.

32. *Clause 27* seeks to provide that every claim for benefits under the proposed Act shall be submitted in such manner to the Organization with such evidence in support of the claim as prescribed.

33. *Clause 28* seeks to require an application for claim for benefits to the Organization to be submitted by an insured person within sixty days from the date the insured person considers that he has lost his employment.

34. *Clause 29* empowers the Organization to determine the date on which the insured person has lost his employment. *Clause 29* also seeks to provide that if a claim for benefits is made after the period of sixty days from the date on which the insured person has lost his employment, as determined by the Organization, the claim shall be rejected and the claim for benefits shall be deemed to have never been made.

35. *Clause 30* seeks to provide for the circumstances in which loss of employment occurs. *Clause 30* also seeks to provide for the meaning of voluntary resignation.

36. *Clause 31* seeks to make provisions for the Organization to determine any question or disputes on whether loss of employment has occurred.

37. *Clause 32* seeks to empower the Organization to determine whether the insured person fulfils the contribution qualifying conditions as specified in the Fourth Schedule to the proposed Act and the insured person has not attained the minimum retirement age, on the date he lost his employment.

38. *Clause 33* seeks to empower the Organization to approve or reject the claim for benefits after considering the contribution qualifying conditions. *Clause 33* also empowers the Organization to determine the relevant benefits to be provided to the insured person once his claim for benefits has been approved.

39. *Clause 34* seeks to provide that if the claim for benefits in respect of an insured person has been approved, the insured person shall be entitled to the job search allowance at the rate as specified in the Third Schedule to the proposed Act and for the period which shall be in accordance with the contributions qualifying conditions in respect of the claim for benefits by the insured person as specified in the Fourth Schedule to the proposed Act, and the payment for the job search allowance shall be made immediately after the waiting period that is the period of seven days from the date of the approval of claim for benefits.

*Clause 34* also seeks to provide that the payment for the job search allowance shall continue to be paid to the insured person though the insured person has attained the minimum retirement age if the loss of employment occurs before he attains the minimum retirement age. *Clause 34* makes provisions on the prohibition of an insured person to be in any employment during the period of receiving the job search allowance and if an insured person accepts an offer of employment during the period of receiving the job search allowance, he shall notify the Organization within seven days from the date of acceptance of the offer of employment. Contravention of these proposed provisions constitute an offence.

40. *Clause 35* seeks to provide for the circumstances in which an insured person shall be entitled to the early re-employment allowance at the rate as specified in the Third Schedule to the proposed Act. *Clause 35* allows an insured person to elect whether to accept the early re-employment allowance or not if he accepts an offer of employment and reports duty for work within the waiting period.

41. *Clause 36* seeks to provide for the circumstances in which an insured person shall be entitled for a reduced income allowance. If the insured person has two or more employments at the same time and has lost one or more of his employments whether on the same date or not, but has not lost all of the employments, he shall be entitled to a reduced income allowance for each loss of employment at the rate as specified in the Third Schedule to the proposed Act and for the period which shall be in accordance with the contributions qualifying conditions in respect of the claim for benefits by the insured person as specified in the Fourth Schedule to the proposed Act, and he shall not be entitled to a job search allowance, a training allowance or an early re-employment allowance.

*Clause 36* also seeks to provide that if an insured person who has two or more employments lost all of the employments on the same date, he is entitled to one job search allowance for one loss of employment and a reduced income allowance for the other loss of employment, and he may elect the loss of employment for which the job search allowance shall be paid.

42. *Clause 37* seeks to provide that an insured person who has lost an employment may apply to the Organization to undergo any training provided by a training provider approved by the Organization within the period the insured person receives the job search allowance, within the period of not more than twelve months after the period the insured person receives the job search allowance or within six months after accepting an offer of employment and reporting duty for work.

*Clause 37* also provides that an insured person who attends the training is entitled to a training allowance which shall not be more than six months from the date as determined by the Organization at the rate as specified in the Third Schedule to the proposed Act. The Organization shall bear any training fees charged to the insured person by a training provider in accordance with the training fees as specified in the Third Schedule to the proposed Act.

43. *Clause 38* seeks to provide that the right to receive any benefit under the proposed Act shall not be transferable or assignable and no benefits payable under the proposed Act shall be liable to attachment by any decree or order of any court.

44. *Clause 39* seeks to provide that the benefits payable to an insured person shall be paid to his dependants if he dies, is in coma or is of unsound mind. If an insured person dies, is in coma or is of unsound mind, any training allowance that has been overpaid to him shall not be recovered by the Organization.

45. *Clause 40* seeks to provide for the payment of training fee after death of an insured person for the training that the insured person has attended as agreed between the Organization and the training provider.
46. *Clause 41* seeks to provide for circumstances where the Organization may suspend any benefit being received by an insured person.
47. *Clause 42* seeks to provide for the repayment of the amount of any benefit received by an insured person which he is not entitled to.
48. *Clause 43* seeks to provide that any claim for benefits made under the proposed Act is not a bar to any representation for reinstatement of employment under the Industrial Relations Act 1967 [*Act 177*], any claim for termination or lay-off benefits payment under the Employment Act 1955 [*Act 265*], the Labour Ordinance of Sabah [*Sabah Cap. 67*] and the Labour Ordinance of Sarawak [*Sarawak Cap. 76*] and any complaint relating to premature retirement under the Minimum Retirement Age Act 2012 [*Act 753*]. If an insured person makes a claim for benefits to the Organization under the proposed Act and also makes a representation, claim or complaint under other laws, the Organization shall hold the determination on the question of loss of employment in respect of the claim for benefits until his representation, claim or complaint under other laws has been resolved.

#### PART VI

49. Part VI deals with the re-employment placement programme for an insured person.
50. *Clause 44* seeks to require an insured person to commence participation in the re-employment placement programme within the waiting period. The insured person is required to comply with any direction given by the Organization in respect of the re-employment placement programme, and shall be able and available to work, actively seeking for work, and shall undergo any training as determined by the Organization. *Clause 44* also provides for the procedure to be followed if there is any offer of employment from any employer during the re-employment placement programme.
51. *Clause 45* seeks to empower the Organization to establish any centre or institute for the purpose of providing the re-employment placement programme to insured persons.

#### PART VII

52. Part VII deals with financial provisions.
53. *Clause 46* seeks to provide for the establishment of the Employment Insurance Fund (“Fund”) to be administered and controlled by the Organization.
54. *Clause 47* seeks to provide for the expenditure to be charged on the Fund.

55. *Clause 48* deals with the expenditure on administration. *Clause 48* also empowers the Board to delegate to the Chairman of the Board, Director General, Deputy Directors General, any of the members of the Board, Committee or committees established under section 9, Employment Services Officer, or officers and servants of the Organization, the authority to sanction expenditure from the Fund or any other moneys vested in and under the control of the Board up to such limit as the Board may determine.

56. *Clause 49* seeks to empower the Organization to accept grants, donations, gifts or bequests made to or in favour of the Fund.

57. *Clause 50* seeks to empower the Board to invest the moneys in the Fund subject to such terms and conditions as may be determined by the Minister after consultation with the Minister of Finance.

58. *Clause 51* seeks to empower the Organization, with the consent of the Minister of Finance, to borrow any money required by the Organization for meeting any of its obligations or performing any of its functions. However, the power to borrow does not include borrowing moneys from any fund administered by the Organization under any other written law.

59. *Clause 52* seeks to require the Organization to prepare a budget each year showing the probable receipts and the estimate of the expenditure of the Organization for the ensuing year and the budget shall be submitted for the approval of the Minister.

60. *Clause 53* seeks to require the Organization to keep a proper accounts of the Fund.

61. *Clause 54* seeks to require the Organization's account to be audited annually by the Auditor General and the Board to forward to the Minister a copy of the auditor's report and any observations together with an audited copy of the accounts of the Organization.

62. *Clause 55* seeks to require the Board to submit to the Minister the annual report of the works and activities of the Organization before 30 June the following year unless otherwise extended by the Minister.

63. *Clause 56* seeks to require the Board to lay the annual report and the audited accounts of the Organization before each House of Parliament.

64. *Clause 57* seeks to require the Board to carry out actuarial review on the implementation of the System under the proposed Act and the report shall be submitted to the Minister.

65. *Clause 58* seeks to provide for circumstances and procedure where a person who is or was in the employment of the Organization may be surcharged.

#### PART VIII

66. Part VIII deals with the matters relating to the Social Security Appellate Board ("Appellate Board").

67. *Clause 59* seeks to provide for the jurisdiction of the Appellate Board to decide on any question, dispute, claim or appeal referred to the Appellate Board.

68. *Clause 60* seeks to provide that all proceedings before the Appellate Board shall be instituted in the Appellate Board established for the area in which the insured person was working at the time of the question, dispute, claim or appeal arises. *Clause 60* also seeks to provide for the transfer of proceeding to any other Appellate Board in another State or area upon application made by the parties to the Appellate Board.

69. *Clause 61* seeks to provide that the proceedings before an Appellate Board in respect of any question, dispute, claim or appeal under the proposed *clause 59* shall be commenced by an application and every application shall be made within sixty days from the date on which the cause of action arises. *Clause 61* also seeks to provide for the circumstances where cause of action is deemed to arise.

70. *Clause 62* seeks to provide that for the purposes of summoning and enforcing the attendance of witnesses, the discovery and production of documents and material, administering oath and recording evidence, the Appellate Board shall have all the powers of a Sessions Court Judge.

71. *Clause 63* seeks to allow any person to appear personally or be represented by a legal practitioner, or by any person authorized in writing by him, or by any person allowed by the Appellate Board to appear on behalf of the person at any proceedings before the Appellate Board except the appearance of the person for the purposes of his examination as a witness.

72. *Clause 64* seeks to empower the Appellate Board to submit any question of law for the decision of the High Court.

73. *Clause 65* seeks to prohibit an appeal to the High Court against an order of the Appellate Board unless it involves a question of law or a mixed question of law and fact.

74. *Clause 66* seeks to provide that the Appellate Board may, and if directed by the High Court shall, withhold the order appealed against relating to the payment of any sum of money pending the decision of the appeal.

#### PART IX

75. Part IX deals with the provisions relating to the Employment Services Officer, enforcement and investigation.

76. *Clause 67* seeks to empower the Minister to appoint Employment Service Officers and to provide for the functions of such Employment Service Officers. *Clause 67* also empowers the Director General to give any direction to any Employment Services Officer to ensure that the functions of the Employment Services Officer are performed in accordance with the provisions of the proposed Act.

77. *Clause 68* seeks to empower the Employment Services Officer to examine any training provided by a training provider.

78. *Clause 69* seeks to provide that the Employment Services Officers shall have all the powers of a police officer as provided for under the Criminal Procedure Code [*Act 593*] in relation to enforcement, inspection and investigation, except the power to arrest without warrant. *Clause 69* also empowers the Employment Services Officers to examine any person if he has reasonable grounds to believe that the person has relevant information or document relating to any industry.

79. *Clause 70* seeks to empower the Director General or any officer of the Organization authorized by the Director General to require any person to provide information and conduct inspection for the purpose of obtaining information for the purpose of the proposed Act, and any person who fails to provide the required information commits an offence.

80. *Clause 71* seeks to provide that any person who fails to comply with any direction given by, or in any way assaults, hinders or obstructs, the Director General, any Deputy Director General or Employment Services Officer while exercising his powers and performing his functions commits an offence.

81. *Clause 72* seeks to provide that any person who commits or conspires to commit any act of fraud or forgery in connection with the payment of contributions or a claim for benefits commits an offence.

82. *Clause 73* seeks to provide that any person who gives false or misleading information or document or makes in writing or signs any declaration, form, report, certificate or other document required by the proposed Act or any regulations made under the proposed Act which is untrue or incorrect commits an offence.

83. *Clause 74* seeks to provide that any person who has been found guilty of any offence under *clause 72* or *73* of the proposed Act and cause any non-payment of contributions to the Organization or cause any benefit under the proposed Act is improperly received, the Court before which the person is found guilty shall order such person to pay to the Organization the amount of any contribution or benefit, together with any interest credited on such amount, due and payable to the Organization.

84. *Clause 75* seeks to provide that a copy of any entry in the accounts of the Organization duly certified by an officer of the Organization authorized by the Director General shall be prima facie evidence of such entry having been made and of the truth of the contents of the entry. *Clause 75* also seeks to empower the court to require any person to produce any document which is in his possession and relevant to the case upon application by the Public Prosecutor and such documents shall be produced within the time specified by the court.

85. *Clause 76* seeks to provide that no prosecution shall be instituted for any offence under the proposed Act or any regulations made under the proposed Act except by or with the consent in writing of the Public Prosecutor.

86. *Clause 77* seeks to empower the Minister, with the approval of the Public Prosecutor, to make regulations prescribing any offence under the proposed Act or any regulations made under the proposed Act to be compoundable offence and the criteria, method and procedure for compounding such offence. *Clause 77* also empowers the Director General or any authorized officer to compound such offences with the consent in writing of the Public Prosecutor. All sums of moneys received by the Director General under this *clause* shall be paid into and form part of the Employment Insurance Fund.

PART X

87. Part X deals with general provisions.

88. *Clause 78* imposes a duty on every employer to keep or maintain any returns, particulars, register book or record pertaining to each employee and the Employment Service Officer may request the employer to submit such returns, particulars, register book or record. Any person who fails to comply with such duty or fails to comply with the request of the Employment Service Officer commits an offence.

89. *Clause 79* seeks to empower the Organization to appoint collection agents for the purpose of recovery of any debt due to the Organization.

90. *Clause 80* seeks to empower the Organization to engage auditors, actuaries, technical advisers, bankers, stockbrokers, surveyors, consultants or any other persons to assist the Organization in the performance of its functions.

91. *Clause 81* seeks to provide that the Director General, Deputy Directors General, all members of the Board, the Committee and any other committee established under *clause 9*, Employment Services Officers and officers and servants of the Organization, while discharging their duties under the proposed Act or any regulations made under the proposed Act, shall be deemed to be a public servant within the meaning of the Penal Code [*Act 574*].

92. *Clause 82* seeks to empower the Organization, with the approval of the Minister and the Minister of Finance, to establish or take over any company under the Companies Act 2016 [*Act 777*].

93. *Clause 83* seeks to empower the Minister to exempt any industry or class of industry, or any employer or employee or class of employers or employees, from any of the provisions of the proposed Act or any regulations made under the proposed Act.

94. *Clause 84* seeks to empower the Minister to amend the First Schedule to the proposed Act.

95. *Clause 85* seeks to empower the Minister to make regulations under the proposed Act.

96. *Clause 86* seeks to provide that the Director General may dispose any paper-based document after the expiry of a period of three years from the making of an electronic copy of such document and the electronic copy shall be admissible as evidence of any fact stated therein in accordance with section 90A of the Evidence Act 1950 [*Act 56*].

97. *Clause 87* seeks to empower the Board to make recommendations to the Minister to review the System under the proposed Act.

98. *Clause 88* seeks to deal with offences by body corporate, partnership or society.

99. *Clause 89* seeks to empower the Organization to deal directly with the insured person or an official of a registered trade union authorized in writing by such insured person or a legal practitioner representing such insured person in all matters pertaining to benefits under the proposed Act.

100. *Clause 90* seeks to provide that the Organization may allow any returns, particulars, records, notices, reports, registers or other documents required to be submitted or furnished under the proposed Act or regulations made under the proposed Act by an electronic medium or by way of an electronic transmission.

#### *FINANCIAL IMPLICATION*

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

[PN(U2)3073]