

A BILL

*i n t i t u l e d*

An Act to amend the Employment Insurance System Act 2017.

[ ]

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

**Short title and commencement**

**1.** (1) This Act may be cited as the Employment Insurance System (Amendment) Act 2022.

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

**Amendment of section 16**

**2.** The Employment Insurance System Act 2017 [*Act 800*], which is referred to as the “principal Act” in this Act, is amended in subsection 16(2) by substituting for the words “four thousand ringgit” wherever appearing the words “five thousand ringgit”.

**Amendment of Second Schedule**

3. The Second Schedule to the principal Act is amended in paragraph 2—

(a) by substituting for item 45 the following item:

<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
“45. When wages exceed RM4,000 but not exceed RM4,100	RM8.10	RM8.10	RM16.20”; and

(b) by inserting after item 45 the following items:

<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
“46. When wages exceed RM4,100 but not exceed RM4,200	RM8.30	RM8.30	RM16.60
47. When wages exceed RM4,200 but not exceed RM4,300	RM8.50	RM8.50	RM17.00
48. When wages exceed RM4,300 but not exceed RM4,400	RM8.70	RM8.70	RM17.40
49. When wages exceed RM4,400 but not exceed RM4,500	RM8.90	RM8.90	RM17.80
50. When wages exceed RM4,500 but not exceed RM4,600	RM9.10	RM9.10	RM18.20
51. When wages exceed RM4,600 but not exceed RM4,700	RM9.30	RM9.30	RM18.60

<i>Monthly Wages</i>	<i>Employer's Contribution</i>	<i>Employee's Contribution</i>	<i>Total</i>
52. When wages exceed RM4,700 but not exceed RM4,800	RM9.50	RM9.50	RM19.00
53. When wages exceed RM4,800 but not exceed RM4,900	RM9.70	RM9.70	RM19.40
54. When wages exceed RM4,900 but not exceed RM5,000	RM9.90	RM9.90	RM19.80
55. When wages exceed RM5,000	RM9.90	RM9.90	RM19.80".

**Amendment of Third Schedule**

4. The Third Schedule to the principal Act is amended in paragraph 8—

(a) by substituting for item 45 the following item:

<i>Actual monthly wages of the month</i>	<i>Total contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
“45. When wages exceed RM4,000 but not exceed RM4,100	RM16.20	RM4,050”; and

(b) by inserting after item 45 the following items:

<i>Actual monthly wages of the month</i>	<i>Total contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
“46. When wages exceed RM4,100 but not exceed RM4,200	RM16.60	RM4,150
47. When wages exceed RM4,200 but not exceed RM4,300	RM17.00	RM4,250
48. When wages exceed RM4,300 but not exceed RM4,400	RM17.40	RM4,350

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<i>Actual monthly wages of the month</i>	<i>Total contribution</i>	<i>Corresponding assumed monthly wages for the month</i>
49. When wages exceed RM4,400 but not exceed RM4,500	RM17.80	RM4,450
50. When wages exceed RM4,500 but not exceed RM4,600	RM18.20	RM4,550
51. When wages exceed RM4,600 but not exceed RM4,700	RM18.60	RM4,650
52. When wages exceed RM4,700 but not exceed RM4,800	RM19.00	RM4,750
53. When wages exceed RM4,800 but not exceed RM4,900	RM19.40	RM4,850
54. When wages exceed RM4,900 but not exceed RM5,000	RM19.80	RM4,950
55. When wages exceed RM5,000	RM19.80	RM4,950”.

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EXPLANATORY STATEMENT

This Bill seeks to amend the Employment System Insurance Act 2017 (“Act 800”). The proposed amendments seek to improve social security coverage under the Employment Insurance System that will give benefit to the employees.

2. *Clause 1* contains the short title and the provision on the commencement of the proposed Act.

3. *Clause 2* seeks to amend section 16 of Act 800 to increase the maximum limit of the insurability amount of wages of an employee under Act 800 from four thousand ringgit a month to five thousand ringgit a month.

4. *Clause 3* seeks to amend the Second Schedule to Act 800 to introduce new contribution rates payable by the employer and employee in the Second Schedule when the wages of an employee exceed four thousand ringgit and five thousand ringgit respectively.

5. *Clause 4* seeks to amend the Third Schedule to Act 800 to introduce new total contribution rates and corresponding assumed monthly wages for the month when the wages of an employee exceed four thousand ringgit and five thousand ringgit respectively.

*FINANCIAL IMPLICATIONS*

This Bill will not involve the Government in any financial expenditure.

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