

All will benefit from new wage rate

GOVT'S PLEDGE: It will boost people's income and improve the economy, says Riot

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WITH the exception of maids, all workers in the private sector will enjoy a higher minimum wage from July 1 onwards.

All private sector firms regardless of their staff size, will have to abide by the new ruling, according to the Minimum Wage Order (MWO) 2016, which was gazetted on April 29.

With the new order, the previous MWO 2012 no longer applies.

"The gazetting of MWO 2016 proves the commitment by the government to protecting employees' rights without ignoring the rights of employers," Human Resources Minister Datuk Seri Richard Riot Jaem said yesterday.

Economists lauded the government's move to raise the minimum wage, but employers and the small and medium-scale industry association said the move would add to their cost of business.

"Many employers are facing challenges in a weakened economy, with revenue (for some companies) reduced by between 30 per cent and 40 per cent compared with previous years," said Malaysian Employers Federation

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Datuk Seri Richard Riot Jaem
Human Resources minister

(MEF) executive director Datuk Shamsuddin Bardan.

"We have asked the government to consider postponing the new minimum wage, but the proposal was not accepted," he said.

Consumers Association of Penang president S.M. Mohamed Idris said the new minimum wage rate would benefit low-income workers and help families that were struggling.

"It would also be morally wrong for business owners and employers, citing higher operational costs, to pass on the cost to consumers."

The new minimum wage will be RM1,000 per month, or RM4.81 per hour for Peninsular Malaysia, and RM920 per month, or RM4.42 per hour for Sabah, Sarawak and Labuan.

As for the daily minimum wage rate, it is subject to a maximum of 48 hours per week.

In the peninsula, for a six-day working week (48 hours), the daily minimum wage rate is RM38.46, five days a week at RM46.15, and four days a week at RM57.69.

In Sabah, Sarawak and Labuan, for a six-day working week, the daily minimum wage rate is RM35.38, five days a week at RM42.46, and four days a week at RM53.08, the minister said.

Riot said for workers who were paid on a piece-rate, task, tonnage, trip or commission basis, the monthly salary should not be less than RM1,000 in Peninsular Malaysia, and RM920 in Sabah, Sarawak and Labuan.

"The government hopes that the new minimum wage rate can boost the income of Malaysians, as well as help improve the country's economy in achieving high-income nation status by 2020."

Prime Minister Datuk Seri Najib Razak said at a Workers Day rally on Saturday that the higher minimum wage rate would take effect as scheduled on July 1.

Prior to this, the minimum wage rate was RM900 in Peninsular Malaysia and RM800 in Sabah, Sarawak and Labuan.

Najib said the implementation of the national minimum wage policy in 2013 had benefited 1.9 million private sector workers, and was later extended to the public sector following a pay hike recently.

A copy of the order is available at http://www.mohr.gov.my/pdf/pua_20160429_P.U.%20%28A%29%20116%20-%20Perintah%20Gaji%20Minimum%202016.pdf