‘Employers given enough time to meet new levy arrangement’

NATION

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By **Fatimah Zainal**

PETALING JAYA: Employers have been given adequate time to make the necessary adjustments to meet the new levy arrangement effective Jan 1, said the Human Resources Ministry.

In a statement yesterday, the ministry said employers had a year and a half to make the necessary adjustments to meet the new levy arrangement.

Additionally, since February this year, employers who were granted approval to employ foreign workers were compelled to sign an employer undertaking, it said.

The employer undertaking, a duly signed commitment made compulsory by the Government on every foreign worker, contains salient terms which bind bosses to bear the levy cost for their foreign workers effective Jan 1.

Since February this year, a total of 5,687 employers had signed the undertaking to employ a total of 160,131 foreign workers.

Meanwhile, as of Dec 19, a total of 522 employers – particularly those who had recently been granted approval to employ a total of 11,514 foreign workers – will also be compelled to sign it, the ministry said.

“This decision by the Government in respect of the employer undertaking shall also be applicable to all other employers who had employed foreign workers prior to Feb 1,” it added.

However, Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan said the “letter of undertaking” was twisting the arm of employers.

“It is unfair for the Government to impose the undertaking letter on employers because if employers refuse to sign, they will not get any foreign workers.

“Employers have no choice but to sign the letter to get the required foreign workers,” he said when contacted yesterday.

Shamsuddin said pushing the levy to employers would increase inflation rate as industries will be forced to pass the buck to customers in order to survive.

“The biggest beneficiaries of this new policy will be the foreign workers and not the Government or industries,” he added.

Employers stand to lose about RM3bil to RM4bil working capital, while foreign workers remit between RM3bil and RM4bil annually to their home countries.

“The Government revenue will also go down in terms of taxes paid by industries, as our margins will also suffer,” Shamsuddin said.

On Tuesday, MEF appealed for the current status quo, whereby foreign workers pay the levy themselves, to be maintained.

On March 25 last year, the Cabinet gave the green light for the levy to be fully borne by bosses under the Employer Mandatory Commitment, which was supposed to take effect on Jan 1 this year.

This meant that employers would no longer be able to deduct the levy from the wages of foreign workers in a move to ensure that bosses were fully responsible for them.

However, the Government postponed the implementation to January 2018 after taking into account feedback from employers’ organisations.

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