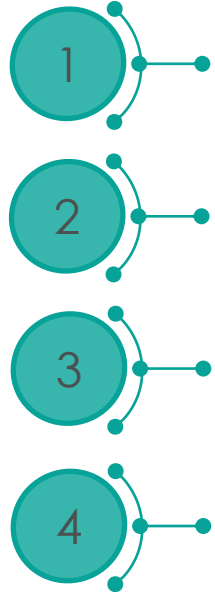




EXPANSION OF THE PSMB ACT 2001

TABLE OF CONTENT



1 WHO?

- HRD CORP AT A GLANCE

2 WHAT?

- INSIGHTS INTO THE EVOLUTION OF THE ACT
 - COVERAGE OF THE PSMB ACT 2001

3 WHY?

- RATIONALE ON THE EXPANSION OF THE PSMB ACT 2001
 - OUR VALUE PROPOSITIONS

4 HOW?

- EMPLOYER REGISTRATION PROCESS





HRD CORP: AT A GLANCE

MINISTRY OF HUMAN RESOURCES

MINISTER

YB Datuk Seri M. Saravanan

DEPUTY MINISTER

YB Datuk Haji Awang Bin Hashim

SECRETARY GENERAL

Ybhg. Dato' Jamil Bin Rakon

DEPUTY SECRETARY GENERAL (POLICY & INTERNATIONAL)

Ybhg. Datuk Muhd Khair Razman Bin Mohamed Annuar

DEPUTY SECRETARY GENERAL (OPERATIONS)

Ybrs. Tuan A Maniam

DEPARTMENTS UNDER MINISTRY OF HUMAN RESOURCES

1. LABOUR DEPARTMENT OF PENINSULAR MALAYSIA
2. DEPARTMENT OF OCCUPATIONAL SAFETY AND HEALTH
3. MANPOWER DEPARTMENT
4. DEPARTMENT OF SKILLS DEVELOPMENT
5. INDUSTRIAL RELATIONS DEPARTMENT
6. LABOUR DEPARTMENT OF SABAH
7. LABOUR DEPARTMENT OF SARAWAK
8. TRADE UNION AFFAIRS DEPARTMENT
9. INDUSTRIAL COURT

STATUTORY BODIES UNDER MINISTRY OF HUMAN RESOURCES

1. SOCIAL SECURITY ORGANISATION (SOCSO)
2. **HUMAN RESOURCES DEVELOPMENT CORPORATION**
3. SKILL DEVELOPMENT FUND CORPORATION
4. NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH (NIOSH)

Our Transformation: 21 April 2021



Understanding Our New Brand

Vision

Every Malaysian trained and employable

Mission

Improving lives through the promotion of lifelong learning and the acquisition of future work skills



**Delivering Quality,
Developing Excellence**

We deliver quality to empower Malaysian employers, individuals and training providers to develop excellence in their respective areas.

HRiD CORP
HUMAN RESOURCE DEVELOPMENT CORPORATION

The Human Resources Development Corporation (HRD Corp) has evolved from managing a sizeable Fund since its inception in 1993 to helping to future-proof the economic transformation of Malaysia through the country's most valuable asset – its people – defines our purpose at work, every single day.

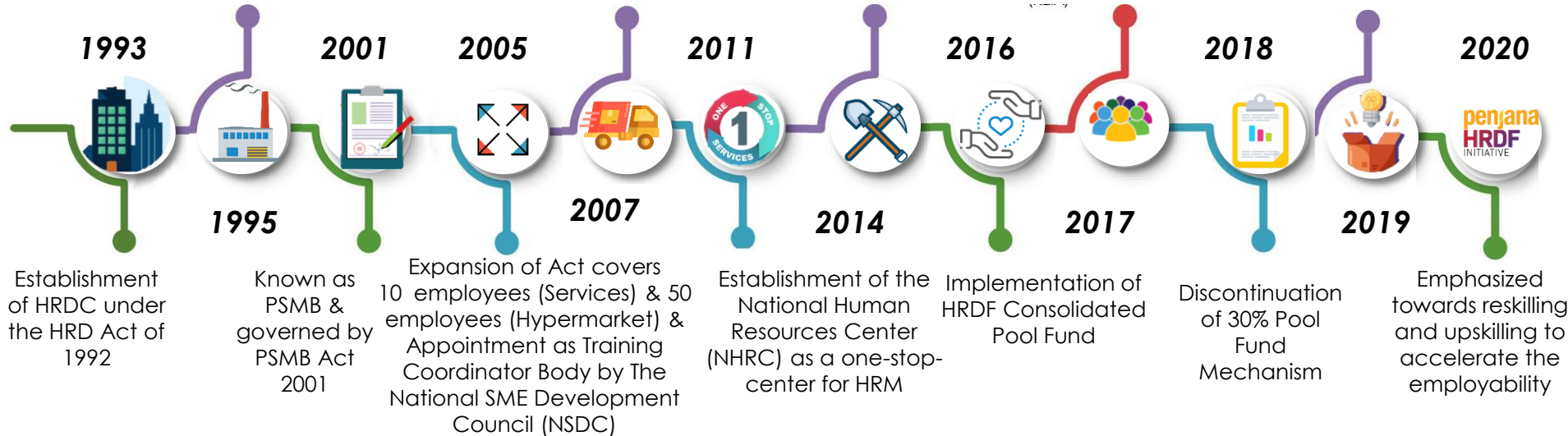
Employers with 10-49 employees and paid-up capital ≥ RM 2.5Mil (Manufacturing) & 9 Services Sub Sectors

Sub-sectors (Service) expanded to Commercial, Land & Railway Transport Services

Expansion of Act into Mining & Quarrying Sector and 19 Services Sub-sector

Amendment of First Schedule of the Act covering employers with ≥ 10 employees

HRD Corp Reforms and launched of revised strategic Initiatives





COVERAGE OF PSMB ACT

LIST OF COVERAGE UNDER 1ST SCHEDULE OF PSMB ACT , 2001

EFFECTIVE DATE : 1st MARCH 2021

Mandatory Category

a) Employers with min. 10 local employees.

b) 1% from total gross salary + fixed allowance

c) Reference : Section 14 (1)



* Agriculture, Forestry and Fishing

* Mining and Quarrying

* Manufacturing

* Electricity, Gas, Steam And Air Conditioning Supply

* Water Supply; Sewerage, Waste Management And Remediation Activities

* Construction

* Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles



* Transportation And Storage

* Accommodation And Food Service Activities

* Information And Communication

* Financial And Insurance/Takaful Activities

* Real Estate Activities

* Professional, Scientific And Technical Activities

* Administrative And Support Service Activities



* Education

* Human Health And Social Work Activities

* Arts, Entertainment And Recreation

* Activities of business, employers and professional membership organizations

* Activities of other membership organizations

* Repair Of Computers And Personal And Household Goods

* Other personal service activities



Optional Category



Min. numbers of Local employees



Industry/Sectors/Activities



Levy rate



Reference

<p>a) Employers with min. 5 to 9 local employees.</p>	<ul style="list-style-type: none"> Industry/sectors/activities listed under MANDATORY Category above. 	<p>0.5% at entry and increase at 1% if employees increase</p>	<p>* Section 15 (2) * Section 15(4) / (5) / (6) / (7) – if more than 9 employees after registration levy rate at 1% until end of year.</p>
<p>b) Employers with min. 5 local employee or more for Non-Government Organizations (NGO)</p>	<p>Non-government organizations with activities listed below :</p> <ul style="list-style-type: none"> * trade unions, religious organization, and political organization, * Residential nursing care facilities including home for elderly and disable, mental retardation, mental health and substance abuse, orphanages and other residential care activities. * Social work activities without accommodation. 	<p>0.5% at entry level and all the time.</p>	<p>* No maximum of employees as stated in category (a.).</p>

Not Covered Category

Min. numbers of Local employees

Industry/Sectors/Activities

Levy rate

Reference

<p>a) Employers with min. 1 (one) employee</p>	<ul style="list-style-type: none"> Federal Government, State Government, Local Council, and Statutory Body. 	<p>Not applicable</p>	<p>Not applicable</p>
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Levy Exemption for new industry covered under the Expansion of Act

Period of Exemption



* 1 March 2021 – 31 May 2021 (Levy payment for March, April and May) New covered employers only paid Levy beginning June 2021.

Any activities/industry covered under 1st Schedule before 1st March 2021.

- * Manufacturing
- * Services
- * Mining & Quarrying

Section under PSMB Act , 2001 (Act 612)

Section 13 (1)

“Every employer to whom this Act applies shall register with the Corporation within such time and in such manner as may be prescribed.”



Section 13 (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 one year or to both.”

Regulations 4 (1)

“An employer to whom the Act applies on the date of coming into operation of these regulations shall submit Form 1 of the schedule to the Corporation not later than thirty days after the date of coming into operation of these regulations.”



RATIONALE ON THE EXPANSION OF PSMB ACT 2001



Mandated by the Government of Malaysia

To level the playing field among employees and increase training access for all employers in Malaysia to sustain rapid, systematic national up-skilling and improved productivity of labour.

OBJECTIVES

- More Malaysians to have access to structured training
- Ensure access to training resources for all employers without coverage of HRD Corp
- Ensure equal access of training opportunities for all employees
- Continuous training or skills enhancement for high-skills segment
- Up-skilling and re-skilling for entry-level skilled and middle-skilled segments to high-skilled status
- To prepare a future ready workforce against technology displacement
- To facilitate upward mobility of Malaysia's workforce

OUTCOMES

- ✓ Uplift Malaysia as developed nation and achieve high-income
- ✓ 35% skilled workforce
- ✓ Mitigate future high technical unemployment
- ✓



OUR VALUE PROPOSITIONS



**National Human Capital Development (HCD)
Agenda**



Financial Assistance & Government Funding



Productivity (Impact & Growth)



Consultancy & Advisory



Allowable Tax Expense



**Access to Various Resources and Continuous
Engagement**

Illustrative
Average Employee Wage* In Malaysia Per Month



RM2,463

Cost to Business Per Employee Per Month



• EPF (13%)** RM320.19



• SOCSO (1.75%) RM43.10



• EIS (0.2%) RM4.93



• **LEVY (1%) RM 24.63**

Total

RM392.85

HRD Corp Training Benefits

Access to enterprise training programmes
 (freedom of choice by employer)



Access to strategic initiatives
 (includes Government Fund)



Access to value-added services and consultation from HRD Corp

Source: *Salaries and Wages Survey Report 2016, Department of Statistics Malaysia; **For employees receiving a salary of RM5,000 and below

HRD CORP-REGISTERED FIRMS TRAIN MORE & TRAIN A HIGHER SHARE OF WORKER

TRAINING

Services Manufacturing Mining & Quarry



24%

A firm's likelihood of providing training

19%

Share of workers trained

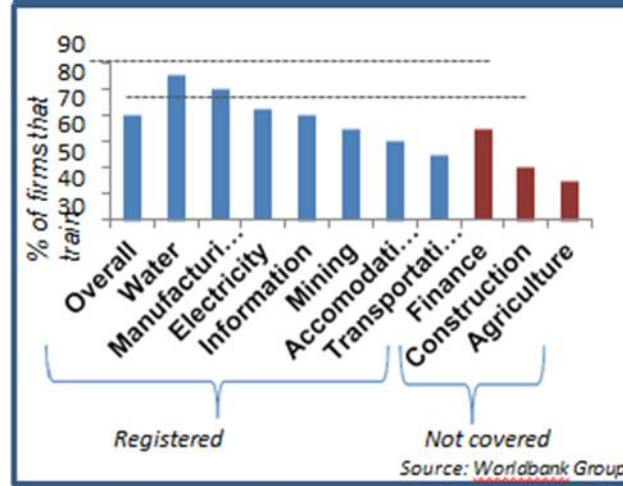
IMPACT

3%

Increase in productivity



1/4 HRD Corp trainings resulting promotions from unskilled to skilled job



BY SECTOR

HRD Corp-Registered firms **train higher share** of workers than Construction Agriculture

HRD Corp-Registered firms **train more** than Finance Construction Agriculture

LARGER WAGEBILL, HIGHER WAGES FOR TRAINED WORKERS

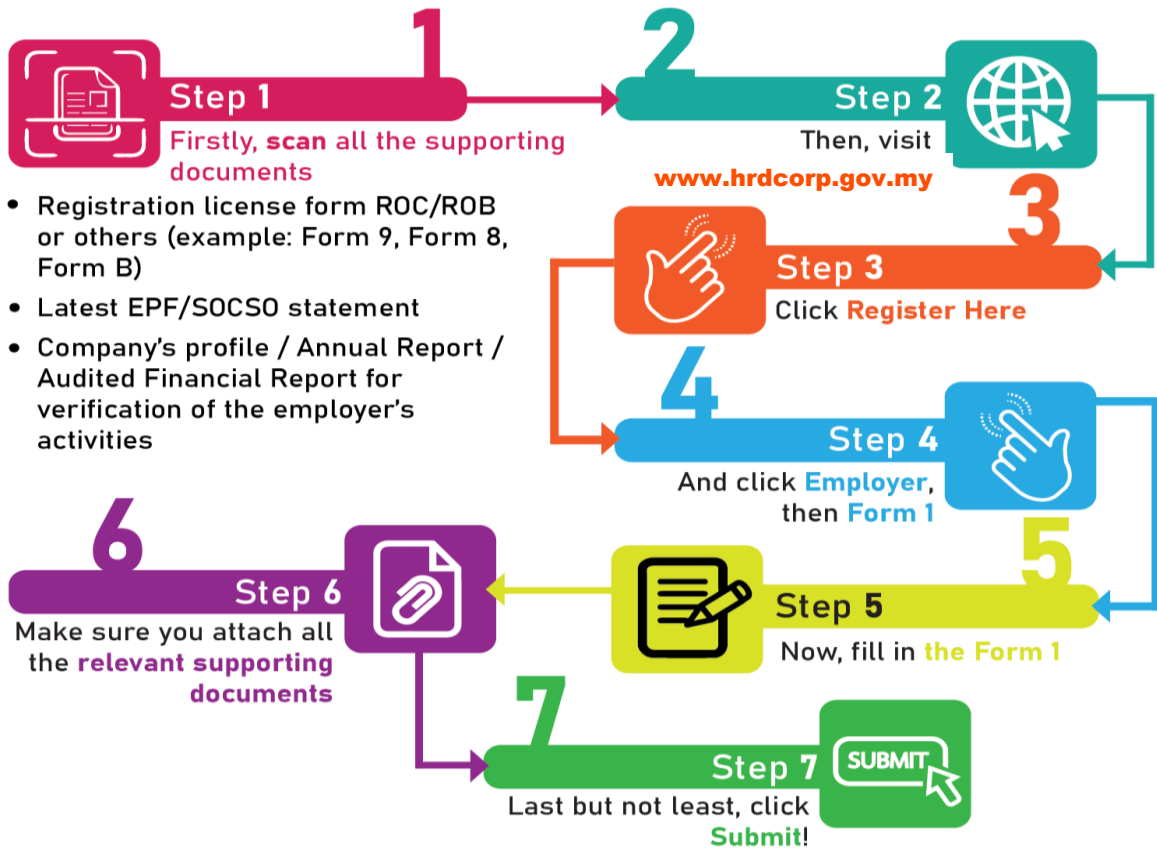


Source : World Bank



EMPLOYER REGISTRATION PROCESS

How To Register : Form 1 (Submission of Information & Registration of Employers)



Online Application





HRD CORP

CUSTOMER JOURNEY FOR NEW EMPLOYER



STEP 01 Registration



(Process will take within 7 working days)

- Employer to submit Form 1 and attach supporting documents such as business licence / company's registration documents / Form 9 / Section 17 / Section 14 (Superform) / latest EPF statement / company profile / audited annual report.
- Contribution of levy subject to Malaysian employees only.
- Approval letter will be sent via email followed by User ID and Password to login the E-Tris system.

Onboarding Session

A briefing session will be held to guide potential or new HRDF registered employers on the registration requirements, benefits / added value to the company, HRDF's offerings, government incentives, etc.



Customer Engagement Session

A focused sharing session will be held for the registered employers on HRDF's products and services as well as collaboration programme based on various sectors' requirements, in closing the skills and knowledge gap of Malaysian employees.



STEP 03 Grant Application



- Newly registered employer can apply the Grant Application after contributing at least one month of levy.
- Employer must apply the grant at least 7 days before the commencement of training.
- Approval must be obtained before the training commencement's date.

Claim Application

STEP 04



- Claim can be made one day after after the approval of grants and training completion.
- e-Disbursement system can be accessed or registered via eTRIS.
- Upon claim approval, the payment will be reimbursed to the employer's account.
- Training claims must be submitted within six (6) months after training completion.

Levy Payment

STEP 02

(Levy payment to be made no later than 15th date of the month)

- Upon registration approval, the email notification will state the liability date for the levy payment.
- Payment must be made via eTRIS system and Form 2 e-slip shall be generated.
- Payment method: FPX, JOMPAY or manual payment via bank counter.



Website

www.hrdcorp.gov.my

Contact Centre

1800 88 4800

Email

support@hrdcorp.gov.my

SUHAIMY : +603 2096 4606
suhaimy@hrdcorp.gov.my

LIYANA : +603 2096 4612
liyana@hrdcorp.gov.my

Northern Branch

Tingkat 2, Wisma PERKESO,
Lebuh Tenggara 2
13700, Seberang Jaya,
Pulau Pinang.

Tel : (04) 397 0779 / 398 4697
Fax : (04) 398 7350

East Cost Branch

Wisma PERKESO,
Tingkat 1, Jalan Mat Kilau
25000 Kuantan
Pahang Darul Makmur

Tel : (09) 513 2079 / 513 0715
Fax : (09) 513 0362

HEADQUARTERS

Pembangunan Sumber Manusia Berhad (545143-D)
Wisma HRD Corp
Jalan Beringin, Damansara Heights
50490, Kuala Lumpur.

Toll Free Line
1 800 88 4800
General Line: (03) 2096 4800
General Fax: (03) 2096 4999
Website: www.hrdcorp.gov.my | www.nhrc.com.my

Perak Branch

Level 19, Perak Techno Trade Centre,
Jalan Jelapang,
Bandar Meru Raya
30020 Ipoh
Perak

Tel: (06) 526 3357
Fax: (06) 526 3127

Melaka Branch

Lot 4-04, Wisma UTC,
Jalan Tan Chay Yan,
Off Jalan Hang Tuah
75300 Melaka.

Tel: (06) 282 1537
Fax: (06) 282 1536

Johor Branch

No. 50 & 50-01, Jalan Setia 3/7,
Taman Setia Indah
81100, Johor Bahru
Johor.

Tel : (07) 3538121
Fax : (07) 3538217

Sarawak Branch

Wisma PERKESO
Level 4, Lot 436,
Section 54, No. 52
Travilion Commercial Centre Padungan
93100 Kuching, Sarawak.

Tel : (082) 254 721 / 254 564
Fax : (082) 254 795

Sabah Branch

Lot B5, Tingkat 5,
Bangunan KWSP,
88598, Kota Kinabalu
Sabah.

Tel : (088) 260 114 / 236 114
Fax : (088) 252 114



THANK YOU.

www.hrdcorp.gov.my



HRDCorp



DELIVERING QUALITY, DEVELOPING EXCELLENCE