



HR Latest Update : 23rd March, 2020
I-HR Consulting Sdn Bhd

HR FREQUENTLY ASKED QUESTION
UNPAID LEAVE AND EMPLOYMENT RETENTION PROGRAM (ERP)

On March 16, 2020 our Prime Minister Tan Sri Muhyiddin Yassin announced the implementation of the 2020 economic stimulus package with additional measures to mitigate the impact of the Covid-19 pandemic. The government has allocated the sum of RM 120 million under the Employment Retention Program to support the employers and employees affected by the widespread of the COVID-19 virus.

As part of the economic stimulus package, they have introduced an ERP (Employment Retention Program) to assist employees whom has been served the notice to go on unpaid leaves as part of the Company's cost cutting measures will be entitled to immediate financial assistance of RM 600 per month for period not exceeding 6 months.

This program will be undertaken by The Social Security Organisation (SOCSO /PERKESO) . They explained that the temporary financial aid via the ERP will be offered to the employees and employer who fulfills the criteria mentioned below:

What are the eligibility & pre requisites to qualify for ERP?

1. All private sector employees including part time employees that has registered and contributed to the Employment Insurance Scheme (EIS) fund and whose monthly salary is RM 4,000 and below, shall be entitled to this program.
2. The following employees shall not be entitled to this program.
 - Employees whose services were terminated
 - Public sector employees.
 - Self Employed including freelancers
 - Foreign Workers and Expatriates
3. This program only applies to employees who has been served the notice to go on unpaid leave ~~since~~ starting 1st March, 2020 (minimum of 30 days) between 1 (one) up to 6(six) months.

General Guideline

4. The RM600 incentive cannot be claimed during the MCO period (18th March 2020 to 31st March 2020) as the minimum qualification is 30 days. Hence, the financial subsidy depends on the duration and start date of the notice period. If the start date and end date is one month, then the payment shall be RM 600 a month and it will be paid to every employee who has been served the notice.
5. If the duration of the unpaid leave is two months, then the employee shall be entitled to two months subsidy of RM 600 per month totaling to RM 1,200.
6. The total maximum duration of the subsidy entitlement is 6 months depending on the start date of the notice being issued.
7. The employer is responsible and accountable to transmit the payment directly to the employees account within 7 days from the date the employer received the payment.
8. In the event the employer has falsified or provided misleading information to PERKESO or failed to transmit the payment to the employee, PERKESO then reserves the right to suspend future applications and undertake legal action against the employer.
9. The employer could submit their application via online ~~or~~ through the standard application forms provided to any PERKESO branch offices on behalf of the employees and must be responsible to transmit the payment directly to the employees.



10. Every employer is required to submit the application form ERPC-19 (attachment 1), the unpaid leave notice documentation with full list of the affected employees and other documents specified in the ERPC-19 form to email: erpc19@perkeso.gov.my or via the online system once its fully operational (PKS/SIP/208/275/30(3))

11. The affected employee listing must have the following information a) full name b) IC Number c) Position d) Last Drawn Salary Information e) Email Address and Telephone Contact Number f) Duration on unpaid leave

Effective date of the program is March 1, 2020.

FREQUENTLY ASKED QUESTIONS: EMPLOYMENT RETENTION PROGRAM (ERP)

1. What's the objective of this program and when is the effective implementation date?

The objective of this program is to assist the employers whose business is affected by Covid-19 and they had no other choice but to undertake drastic cost cutting measures which includes serving unpaid leave notices to their employees. The effective date of this program is March 1, 2020 to a date that is to be determined by PERKESO later.

2. What is ERP (Employment Retention Program)?

ERP is an immediate financial assistance program implemented to provide aid to the employers whose business is affected by the spread of Covid-19 to provide their employees a monthly financial subsidy of RM 600 a month during the unpaid leave period.

3. What are the basic qualification criteria to receive the ERP aid?

It covers all private sector employees (full timers/part timers) who are registered and contributes to EIS and is limited to employees earning RM 4,000 and below.

4. Who is responsible to submit the application?

All application is to be submitted by the employer.

5. Am I eligible to claim the RM600 incentive as announced by the government as replacement for the salary that was not paid by the employer during the movement control order (MCO)?

No. The RM600 incentive cannot be claimed during the MCO period as the minimum qualification is 30 days

6. How do we apply for ERP?

All employers that fulfill the qualification criteria as mentioned above in this document could submit in their application via online or by filling up the relevant forms as described above. All applications could be submitted effective March 20, 2020.

7. How does the employer transmit the payment to the employees?

The payment should be made directly to the employees account within 7 days from the date the employer receives the money from PERKESO. Failure to make the payment would subject the employer to legal action and suspension of all future applications.

8. What's the duration of this benefit?

The duration of this benefit is between 1-6 months depending on the duration of the notice of unpaid leave.

9. How is payment computed i.e on daily, weekly or monthly basis?

The payment is computed based on monthly basis to subsidize the monthly salary of an employee during the period of them being on unpaid leave.

10. What happens to employees who are still not recalled for work after the end duration of their unpaid leave and was subsequently retrenched?

Employees who are not recalled at the end of the unpaid leave period shall be construed as having lost their employment and shall be entitled to seek the benefit under EIS (Employment Insurance Scheme)

11. Can employees who has been terminated apply for any benefit under the EIS (Employment Insurance Scheme)?

Yes. Employees could apply for employment loss benefit, employment replacement program, reskilling programs where the training cost and allowance are borne by PERKESO. The employees could also register themselves under the EIS portal to seek alternative employment (eisjobs.perkeso.gov.my)



12. Why is the ERP paid through the employer and not directly to the employee?

The decision is made on the basis all affected employees are benefiting in totality and to avoid any employees being left out for whatsoever reasons and at this moment PERKESO finds this would be the most effective method in order to expedite the payment process.

13. Why are those employees earning more than RM 4,000 not entitled to the ERP despite the fact they do also contribute?

The main purpose of this program is assist those in the lower income bracket especially those in the B40 category in line with the government's underlying principle to assist those household whose combined earning is less than RM 3,900

For further inquiries, please kindly contact their customer service line at 1-300-22-8000 or email them directly at perkeso@perkeso.gov.my or [facebook.com/perkeso](https://www.facebook.com/perkeso).

Source & Related Articles

1. Media Statement on Economic Stimulus Package (Pakej Rangsangan Ekonomi 2020) (PRE2020) from the Prime Minister's office.
Reference: Kenyataan Media > Pejabat Perdana Menteri > Mesyuarat Majlis Tindakan Ekonomi Bil. 1/2020.
This media statement was issued on the 16 March 2020.
2. Media Statement on Employment Retention Program (ERP) from SOCSO.
Reference: Kenyataan Media > PERKESO > Program Pengkalan Pekerjaan (ERP) untuk Pekerja Terima Notis Cuti Tanpa Gaji.
This media statement was issued on 17 March 2020.
3. FAQ on the Employment Retention Program (ERP) from SOCSO.
Reference: Lampiran 2 > Soalan Lazim > Program Pengkalan Pekerjaan.
This document was issued on 18 March 2020 at 3.00pm
4. FAQ on the Movement Control Order from MOHR.
Reference: Soalan Lazim (FAQ's) > Mengenai Perintah Kawalan Pergerakan > Kementerian Sumber Manusia
This document was issued on 19 March 2020
5. FAQ on the Movement Control Order from MOHR No. 2
Reference: Soalan Lazim (FAQ's) > Berkaitan Perintah Kawalan Pergerakan > Kementerian Sumber Manusia > Bilangan 2
This document was issued on 20 March 2020