

Employers Required to Pay Salary Up to March 31, 2020 During The Control Movement Order Period.



**SOALAN LAZIM (FAQ'S)**  
**MENGENAI PERINTAH KAWALAN PERGERAKAN**  
**KEMENTERIAN SUMBER MANUSIA**

Pursuant to the latest announcement from the HR Minister yesterday in Malay Mail stating that all employees whether their work from home or not are entitled to their salaries throughout the restriction of movement order currently in effect until March 31.. We also received a FAQ from Majlis Keselamatan Negara (MKN) via their telegram that the JTK has issued a FAQ with regards to this matter addressing the relevant questions pertaining to salary payment during this MCO (Movement Control Order) period.

Obviously, this announcement wasn't made earlier when all employers needed the right guidance and direction on Tuesday, March 17, 2020 and all employers in non-essential business sectors was prohibited from operating during the two weeks of MCO (Control Movement Order) period between Mach 18-31, 2020. Those of us who managed to seek some advisement from the JTK (Jabatan Tenaga Kerja) were advised to pay the employees salaries till March 17, 2020 for the days work had been performed and no pay for the period between March 18-31, 2020 until an announcement from the government or ministry.

We trust everyone of us were frantically looking for direction and after reviewing and consulting with multiple sources, where most Industrial Relations and Labor experts in Malaysia was consistent, we took the stand of discussing with the employees and put them on unpaid leaves. This is also because a day earlier our Prime Minister announced the economic stimulus package to combat our current crisis. He clearly mentioned that employees who are, has and will be put on unpaid leave during this difficult times shall be supported under the ERP (Employment Retention Program) effective March 1, 2020. The program shall provide employees who are on unpaid leaves shall be entitled to claim for subsidy of RM 600 per month under the program up to a period of 6 months for those earning RM 4000 and below. This claim shall be made via the Employment Insurance Scheme where the employee and employer has been contributing since its introduction.. The total amount allocated is RM 120 Million.

In addition to that, we had to endure a false document being circulated via social media stating that employers are obliged to pay the employees salary from March 18-31, 2020. Later that evening, we were made to understand that the document was not issued nor circulated the Ministry of Human Resource.

## **To pay or Not to Pay**

The fact remains, this is the latest announcement from the HR Minister himself and followed by the latest FAQ from JTK as attached with this memo states that all employers are required to pay salaries to their employees for the period of March 18-31, 2020 whilst some businesses are unable to operate. Failure to do so will result in the business being imposed a penalty. As your HR Consultant, we would urge you to comply to the directive but however you could make the payment for the period of March 18-31, 2020 by the end of this month or latest by 7th day of the following month which is in compliant to the Employment Act (1955).

At the same time, we need to observe the current scenario and monitor closely for any new updates in the event the current MCO period is further extended and what's the next course of action.

## **Does ERP (Employment Retention Program) Apply During the MCO ?**

Based on the FAQ circulated from JTK via MKN, we are made to understand that the ERP benefit to provide subsidy of RM 600 per month for employees on unpaid leave would not apply during the MCO period as all employees are required to be paid a salary. This is their stand at the moment. However, we have to wait and see what's the next course of action in the event the MCO period is further extended.

Also, please stay at home and lets arrest this virus spread as it is hurting all employers and employees. Don't think we could afford another extension of Control Movement Order or a complete lockdown.

We also look forward to knowing what's the next economic stimulus package that would assist and support the Malaysian SME businesses. We will continue to communicate with and update you on any latest developments as is it happens.

This is the first time Malaysia has enforced such an order and first time we all going through this experience.

Yours sincerely

IHR Consulting Sdn Bhd.