



## MINISTER OF HUMAN RESOURCES MALAYSIA

### MEDIA STATEMENT

#### THE 2021 BUDGET INITIATIVES UNDER THE MINISTRY OF HUMAN RESOURCES

**PUTRAJAYA, 11 November** – The 2021 Budget illustrates the Government's commitment to strengthen the economy through the empowerment of human capital and the current labour market. The Ministry of Human Resources (MOHR) has been allocated with **RM1.288 billion** for the Ministry's annual expenditure and another **RM4.134 billion** for the implementation of social protection programmes, skills training and hiring incentives.

#### **SOCSSO**

**RM1.5 billion** has been allocated to SOCSSO for the **Wage Subsidy Programme 2.0**, where the limit of 200 employees has been raised to 500 employees for large companies in the tourism and retail sectors.

Following the success of **PenjanaKerjaya**, **RM2 billion** has been allocated for the implementation of **PenjanaKerjaya 2.0** as follows:

- i. An incentive for employees earning RM1,500 and above will be increased from a flat rate of RM800, to 40% of the monthly salary;

- ii. For recruitment of Person With Disabilities, long-term unemployed, single mothers and retrenched workers, employers will receive additional incentive of 20% from the employee's monthly salary;
- iii. An extra incentive of 20% from the monthly income of local employees who replace foreign workers; and
- iv. The maximum training rate that can be claimed by employers is raised from RM4,000 to RM7,000 for high skilled training or professional certifications.
- v. An incentive of **RM1,000** is allocated for apprentices for 3 months with a training grant of up to RM4,000 for **Apprenticeship Programme for Graduates**.

The 2021 Budget does not exclude the importance of social security net for workers. For this purpose, the **Self-Employment Social Security Scheme for Employment Injury** is expanded to:

- i. Members of the Malaysian Armed Force Volunteers, Police Reserve Volunteers, Malaysian Civil Defence Volunteers, and Malaysian Maritime Volunteers;
- ii. Guru Takmir, Imam, Bilal, Tok Siak, Noja, and Merbot;
- iii. Contract for Service Public sector workers; and
- iv. 40,000 delivery riders.

The duration of **Job Search Allowance** under the Employment Insurance System is extended by 3 months and the rates are 80% of monthly salary in the first month, 50% for the second till the sixth month and subsequently

30% for the last three months. An allocation of **RM150 million** will be set aside for this purpose.

### **HRDF**

The Upskilling & Reskilling Programmes will continue with the allocation of **RM100 million** to the **Human Resources and Development Fund (HRDF)** for the implementation of training programmes in collaboration with private sector employers.

An exemption from the HRDF levies will be extended, particularly for affected companies in the tourism sector for a period of 6 months from January 2020.

### **TVET**

To encourage the participation in the skills training programmes, **RM300 million** is allocated to the Skills Development Fund Corporation or PTPK to provide loans for 24,000 TVET trainees in public and private skills training institutions.

The monthly allowance under the National Dual Training System Plus or SLDN Plus is raised from RM625 to RM1,000 with an allocation of RM60 million.

Once again, I would like to mention that MOHR welcomes all the efforts and planning put by the Government into this Budget. MOHR is committed to deliver the responsibilities entrusted to us especially in addressing the challenges and implications in facing the Covid-19 pandemic.

Thank you.

**MINISTRY OF HUMAN RESOURCES**

**PUTRAJAYA**

**11 November 2020**