



## **SOCSCO CLARIFIES ALLEGATIONS OF LATE PROCESSING OF APPLICATIONS AND PAYMENT TO EMPLOYERS AND WORKERS**

The Social Security Organisation (SOCSCO) would like to clarify allegations of late processing of applications and payment of incentives and financial assistance for employers and workers.

SOCSCO introduced the Employment Insurance System (EIS) in 2018 as a safety net for retrenched workers who meet the requirements in the 2017 EIS Act (Act 800). The EIS supports eligible applicants with financial assistance to prevent poverty as well as case management and services to facilitate their reemployment.

As stipulated under Act 800, the 60-day application timeframe is designed to encourage retrenched workers to apply for EIS benefit as quickly as possible and prevent applicants from submitting their applications late or even years after loss of employment (LOE) occurred. Cases submitted long after LOE has occurred are difficult to investigate because evidences are highly likely misplaced, or the employer in question having ceased operating. Hence, Act 800 regulations are strict to prevent fraud, for instance, workers claiming unemployment benefits despite having returned to work.

In response to the economic slowdown due to the COVID-19 pandemic, SOCSCO implements government initiatives to protect and promote employment such as the **Employment Retention Programme (ERP)**, **Wage Subsidy Programmes (PSU)**, and the **PenjanaKerjaya Hiring Incentive Programme**, resulting in a huge increase in the workloads of our staff. Together with the regular EIS claims under Act 800, SOCSCO had processed **3.143 million applications** under all initiatives – equivalent to **4,100% more than** the total EIS monthly claims processed in 2019. SOCSCO processed only **74,795 monthly applications** for Job Search Allowance (JSA) under Act 800 in 2019.

The breakdown of applications received and processed by our EIS officers in 2020 is listed below. A total of:

- a. **262,547 JSA monthly applications** from 1 Jan – 31 Dec 2020, comprising 107,024 individuals who were retrenched. The 2020 figures alone represent a 251% increase from 74,795 monthly JSA applications in 2019.

- b. **45,684** ERP applications from employers for more than 340,252 workers on unpaid leave from 1 Apr – 15 June 2020.
- c. **1.99 million** monthly PSU 1.0 applications from about 331,950 employers to protect the jobs of over 2.725 million workers from 1 Apr – 30 Sept 2020.
- d. **314,586** monthly PSU 2.0 applications from over 96,566 employers to protect the jobs of 975,413 employees from 1 Oct – 31 Dec 2020, including
  - i. **49,776** new applications
  - ii. **264,810** PSU 1.0 extension (for 3 months)
- e. **12,132** SIP Plus (an initiative for LOE applicants who would not have qualified for the EIS benefits) monthly applications from 1 Apr – 31 Dec 2020.
- f. **772,674** monthly Hiring Incentive Programme 1.0 applications from 15,661 employers for the hiring of 128,779 workers from 5 June – 31 Dec 2020.
- g. **7,104** Mobility Assistance applications (under PenjanaKerjaya 1.0) from 5 June – 31 Dec 2020.

With our existing manpower and resources, SOCSO monitors the progress of each LOE case and claims application. Only 0.5% or 593 retrenchment cases in 2020 that are pending to be processed. No cases are ageing beyond 14 days as it is according to SOCSO's standard operating procedures.

SOCSO EIS is also actively taking steps to address the issue of heavy workloads for its officers. For example, in view of the current pandemic-induced economic downturn, job search requirements for the EIS claims have been relaxed, investigation period has been cut down to a maximum of 3 days, and the time between submitting a complete application and receiving the first payment has been reduced **to a maximum of 7 days**.

Besides processing claims for EIS benefits or government financial assistance, SOCSO also assigns EIS Case Managers to facilitate each unemployed job seeker in securing a job in the labour market. SOCSO's employment services include job matching services, job counselling, employability programmes, training and much more.

In total, SOCSO has organised **14 large-scale PenjanaKerjaya career fairs** in over 28 different locations in Malaysia as well as **242 open interview** programmes. Some of these programmes are organised online due to the COVID-19 pandemic and the Movement Control

Order. These efforts have resulted in **successful placement of 160,554 retrenched workers, the unemployed and job-seekers** into employment in 2020.

Furthermore, SOCSO is also utilising the same shared service resources such Information Technology, Corporate Communications and Finance departments to ensure the implementation of those programmes. For example, our Finance team successfully disbursed **more than RM13 billion worth of financial assistance** to eligible beneficiaries – on top of the regular business as usual (BAU) obligations in 2020. The Information Technology team has developed over three different new applications in-house to ensure effective service delivery of all government stimulus package under SOCSO, within days of the government announcement.

We are also implementing a long-term solution such as gradually recruiting more officers to quickly and efficiently process the usual LOE cases as well as applications for various employment retention and hiring incentive initiatives of the PenjanaKerjaya 2.0 under the economic stimulus package in Budget 2021. As a result of our efforts, we are pleased to report that there are very few to almost no backlogs and that all processes are proceeding smoothly.

SOCSO invites representatives from any media agency to visit SOCSO and study the application process as part of SOCSO's efforts to provide effective social protection and employment services in Malaysia.

**SOCIAL SECURITY ORGANISATION (SOC SO)**

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