



# KitaPrihatin

Kerangka Inisiatif Tambahan Pakej Rangsangan Ekonomi Prihatin Rakyat

## FREQUENTLY ASKED QUESTIONS

### WAGE SUBSIDY PROGRAM 2.0

#### EMPLOYMENT INSURANCE SYSTEM (EIS), SOCSO

NO. 6/2020 | 25 SEPTEMBER 2020

**1. What are Wage Subsidy Program (PSU) and Wage Subsidy Program 2.0 (PSU 2.0) all about?**

- Wage Subsidy Program (PSU) and Wage Subsidy Program 2.0 (PSU 2.0) are financial assistance programs paid to employers for all local employees earning RM4,000 or less.
- Applications for PSU began on 1 April and ends on 30 September 2020.
- Under the PRIHATIN economic stimulus package announced on the 27th of March 2020, PSU subsidised wages for 3 months. Under the PENJANA national economic recovery plan announced on the 5th of June, PSU was extended for an additional 3 months (bringing the total number of months to 6).
- On the 23rd of September 2020, the Prime Minister announced that the PSU will be extended for an additional 3 months for existing employers currently receiving it; while businesses that have yet to apply for PSU may receive 6 months of aid in total. This program is known as **PSU 2.0**
- The PSU aims to support affected businesses by the economic impact of the COVID-19 crisis as well as prevent workers from losing their jobs and source of income.

**2. When will PSU 2.0 be implemented?**

- PSU 2.0 applications will be open to employers on **1 October 2020**.

**3. When is the deadline for PSU 2.0 applications?**

- All PSU 2.0 applications must be submitted by **31 December 2020**.

**4. How do employers qualify for PSU 2.0, and what will they receive?**

- Please refer to Table 1:

**TABLE 1: PSU 2.0 ELIGIBILITY AND BENEFITS**

a) Company Size	75 or fewer employees	76 - 200 employees	201 or more employees
b) No. of Eligible Employees	75	200	200
<b>c) Subsidy Rates</b>			
Current PSU Recipients	RM600 per employee per month for <b>3 months</b>		
New Applicants	RM600 per employee per month for <b>6 months</b>		
<b>d) Eligibility:</b>			
Decreased in Sales or Revenue	Businesses sales or revenue have decreased by at least 30% year-on-year (from 2019 to 2020) after the implementation of the Recovery Movement Control Order (RMCO).		
Registered with SOCSO	<ol style="list-style-type: none"> <li>1. <b>Employers and employees</b> registered with and contributed to SOCSO <b>prior to 1 September 2020</b>.</li> <li>2. Employers should have registered with the Companies Commission of Malaysia (SSM) or the relevant local authority <b>prior to 1 September 2020</b>.</li> </ol>		
Employee Wages	Employees earning RM4,000 or less.		
Other Conditions	Employers are <b>forbidden from retrenching</b> all employees earning RM4,000 or less. However, they are allowed to reduce working hours or wages <b>if their workers agree</b> after negotiation		
How to Apply	Employers may apply on <a href="http://prihatin.perkeso.gov.my">prihatin.perkeso.gov.my</a>		

## 5. Who is INELIGIBLE for PSU 2.0?

- Employers and employees who have not registered with or contributed to SOCSO before 1 September 2020;
- Employers who registered with the SSM / ROS / ROB/ relevant local authority and began operating on or after 1 September 2020;
- Employers who are not registered with the Inland Revenue Board (IRB);
- Employees who earn more than RM4,000 a month;
- Retrenched employees;
- Employees hired under the Penjana Kerjaya Hiring Incentive Program;
- Civil servants, employees of statutory bodies at both state and federal levels, employees of local authorities, and the self-employed (including freelancers);
- Foreign workers and expatriates; and
- Employers who **withdrew their successful PSU 2.0 applications after approval from PERKESO.**

## 6. What are the documents required when applying for PSU 2.0?

- The documents are:
  - i. Names of eligible employees (based on the size of the company);
  - ii. The employer's bank account information (copy of first page of the bank statement);
  - iii. The Business Registration Number (BRN) used to open the company bank account (please refer to the bank to avoid confusion);
  - iv. A copy of SSM / ROS / ROB / relevant local authority registration certificate; and
  - v. The PSU2.0 Declaration Form.

## 7. What is Business Registration Number (BRN)?

- Business Registration Number (BRN) is the company registration number provided to the bank when opening the company bank account.
- Employees should request the BRN directly from their banks to ensure accuracy.
- Employers must download, complete, and upload the BRN Form on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my) together with their application.

- The company's BRN and bank account information are necessary to enable payment via Electronic Fund Transfer (EFT).
- Failure to provide the correct BRN will delay the payment process.

**8. What is PSU2.0 Declaration Form?**

- The PSU2.0 Declaration Form serves as a written confirmation that the employer declares all information provided to be factual and accurate. All employers regardless of size or sector must submit a declaration form.

**9. Why are employees earning more than RM4,000 a month ineligible for PSU 2.0 although they also contribute to SOCSO?**

- The Government introduced the PRIHATIN economic stimulus package, which includes the PSU 2.0, to assist employers negatively impacted by Covid-19 with continuing their business operations and retaining their employees. B40 employees earning RM4,000 or less a month are prioritised as low-income workers are more likely to be severely impacted if they are retrenched as a result of the Covid-19 pandemic.

**10. For PSU 2.0 application purposes, what wages count towards the RM4,000 limit?**

- Wages are defined as per the 1969 Employees' Social Security Act (Act 4). All remuneration in cash e.g. basic salary / overtime / commission / payments in lieu of annual leave, sick leave, maternity leave, public holidays / service charges count as wages. Wages are also subjected to RM 4,000 ceiling.

**11. Do employers currently receiving PSU subsidies need to reapply for PSU 2.0?**

- Employers **currently receiving PSU subsidies must** apply for PSU 2.0 on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my) from **1 October 2020**.

**12. After the first PSU 2.0 application is approved, do employers need to reapply in each subsequent month?**

- Employers **do not need** to reapply in each subsequent month. However, they are required to update the information provided on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my) if there are any changes like business closure, reduction in the number of eligible employees, etc.
- If there is any change to the number of eligible employees (**increase or decrease**), the employer must provide an update by the **15th of the month**.
- Applications that misstate the number of local employees (does not tally with the information on ASSIST) will be queried. Employers should make sure all information is accurate before submitting their applications to avoid delays.
- SOCSO reserves the right to **reject** any application if the information provided is inaccurate.
- Employers who falsify information may face legal action.

**13. My business started operating before 1 September 2020, but I am not registered with SOCSO. Can I apply for PSU 2.0?**

- Employers must register with SOCSO as well as SSM / relevant local authorities / any other professional associations before 1 September 2020 and employ at least one local worker to qualify for the PSU 2.0.

**14. An employer registered with SOCSO prior to 1 September 2020. S/he has an employee not registered with SOCSO who started working on 1 February 2020. Can the employer apply for PSU 2.0?**

- The employer can apply for the PSU 2.0. However, the employee must start working and **be registered under the employer** (on SOCSO's ASSIST portal) prior to **1 September 2020**.

**15. My PSU application was approved in June 2020. Can I apply for PSU 2.0?**

- Yes, employers who fulfill all conditions listed in Table 1 (Q4 (d)) by 31 December 2020 can apply for PSU 2.0. Successful applicants will receive subsidies for an extra 3 months.

**16. My PSU application was previously rejected. Can I apply for the PSU 2.0?**

- Yes, employers who fulfill all conditions listed in Table 1 (Q4 (d)) by 31 December 2020 can apply for PSU 2.0 on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my).

**17. An employer's PSU application was approved but some applications of employees were rejected as they were not registered with SOCSO prior to 1 April 2020. Can the employer apply for PSU 2.0 on behalf of these employees?**

- Yes. The employer can submit a PSUB application for the registered employees after April 1, 2020. The employer will receive the wage subsidy at the rate of RM 600 monthly per employee for **only three months** under PSU 2.0 by fulfilling the eligibility requirements in Table 1 (Question 4 (d)).

**18. How can employers prove that their sales / revenue have decreased by at least 30%?**

- Employers may provide concrete monthly sales figures when applying on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my). The figures should show that sales or revenue in a certain month decreased by at least 30% compared to the same month in the previous year after the RMCO.

**• Examples:**

<b>Month / Year</b>	<b>Sales / Revenue</b>
September 2019	RM 100,000
September 2020	RM 69,500
August 2019	RM 120,000
August 2020	RM 78,000

- 19. My employee resigned voluntarily after receiving both PSU and PSU 2.0. Do I need to reapply?**
- No, employers do not need to reapply. They only need to update the list of eligible employees by the **15th of the month** on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my). Failure to report any changes may result in legal action.
- 20. What can employees do if their employer withholds wages, reduces wages, orders them to take unpaid leave or retrenches them despite receiving PSU or PSU 2.0 subsidies?**
- Employees may check whether their employer have successfully applied for the PSU on <https://eiscentre.perkeso.gov.my/>.
  - They may also submit a complaint at [e-aduanpsu](http://e-aduanpsu).
  - Any other labour disputes may be referred to the Department of Labour (JTK) at 03-8890 3404 / 03-88862409 / [jtksm@mohr.gov.my](mailto:jtksm@mohr.gov.my).
- 21. What will SOCSO do if an employer is proven to have defied PSU and PSU 2.0 regulations?**
- SOCSO has the right to suspend all future payments and reclaim any money that has been paid to the employer. The employer may also face legal action.
- 22. My company employs both local and foreigner workers who are registered with SOCSO. May I leave out foreign workers when calculating the size of my company workforce?**
- No, employers must include all employees in their declaration including their foreign workers.
- 23. For PSU 2.0 application purposes, are employers also considered as employees when calculating the size of their company workforce?**
- For PSU 2.0 application purposes, employees will be defined using the definition stipulated under in Act 4 of the 1969 Employees' Social Security Act.

- 24. How can employers check their application status?**
- Employers will receive a reference number after they completed their application on [prihatin.perkeso.gov.my](http://prihatin.perkeso.gov.my). They may check their application status by entering their reference number.
  - A list of approved employers (including the number of employees approved) may also be found on website <https://eiscentre.perkeso.gov.my/>.
- 25. Do employers still need to pay SOCSO and EIS contributions after receiving PSU and PSU 2.0 aid?**
- Yes, employers must pay contributions as mandated by Act 4 and Act 800.
- 26. Can employers utilise a portion of their PSU or PSU 2.0 aid to pay their share of SOCSO and EIS contributions?**
- No, employers may not utilise any of their PSU or PSU 2.0 aid to pay their share of SOCSO and EIS contributions.
- 27. Do employers need to pay contributions on behalf of employees on unpaid leave who are receiving PSU or PSU 2.0 aid?**
- Yes, employers must pay SOCSO and EIS contributions when salaries are paid each month as usual.
- 28. An employer has registered multiple employer codes on SOCSO's ASSIST portal. Are PSU and PSU 2.0 payments made based on the multiple different employer codes or the employer only?**
- PSU 2.0 payments are issued based on a company's SSM / ROS / ROB / trading license / registration with professional regulatory body. Payments are **NOT** made based on the number of individual branches with different employer codes.
  - Applications from different branches of a company (using different employer codes) that only has one SSM / ROS / ROB / trading license / professional regulatory body registration will be combined and considered as **one application**.



- When different branches of the same company (with only one SSM / ROS / ROB / trading license / registration with professional regulatory body) apply using different employer codes, the company size used to determine payment rates will be calculated based on the **combined workforce of all the branches**.
- The number of employees eligible to receive PSU or PSU 2.0 aid will be determined based on the company's SSM / ROS / ROB / trading license / registration with professional regulatory body.

## **IMPLEMENTATION DATE**

**FAQ No. 6/2020 will come into force on 25 September 2020. Inquiries may be directed to our Customer Service Officers at 1-300-22-8000.**

**SOCIAL SECURITY ORGANISATION (SOCSO)**

**25 SEPTEMBER 2020**