

KERATAN AKHBAR

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Rafizi: B40, M40 categorisation being phased out, subsidies to be based on net disposable income



Kata Rafizi, kerajaan cuba meminimumkan ralat pengecualian subsidi yang berlaku akibat pengelasan kategori gaji, namun ia perlu dijalankan berperingkat. - Astro AWANI / SHAHIR OMAR

KUALA LUMPUR: Discussions between the Economy Ministry and the National Economic Action Council (MTEN) have started on the types of aid to be provided under the new targeted subsidies approach, says Rafizi Ramli.

"We have started discussions with MTEN on who should get what.

"Take child assistance, for example – whether the aid is going to be universal or by way of an income top-up.

"By next year, we will see a transition where the B40 and M40 (categorisations) will gradually be phased out once we roll out a more consolidated social assistance (mechanism) based on net disposable income," the Economy Minister told reporters after launching the People's Income Initiative (IPR) vending machine pilot project at Universiti Malaya Medical Centre on Wednesday (June 14).

He said that the new approach would be based on net household disposable income rather than the current static income-based approach under the B40, M40 and T20 categories.

Rafizi was asked to clarify this new approach and its impact on the T20 category.

The B40 group represents the 40% of households nationwide that have a net income of below RM4,850 per month while the M40 group represents the 40% that have a net income of between RM4,851 and RM10,960 per month.

The T20 group are the 20% of Malaysian households that have income of above RM10,960 monthly.

Last month, Prime Minister Datuk Seri Anwar Ibrahim announced that those in the T20 income group would no longer enjoy subsidies for electricity.

Rafizi also said talk of removing subsidies for those in the T20 category would be redundant once the new targeted subsidy approach is implemented next year.

He said the new approach to determine disposal household income would take into account factors such as monthly financial commitments.

He described the current static household income approach as "unfair" because this leads to some in the lower T20 band not receiving any aid although they require it.

"For example, there are people who may have a monthly household income of RM10,500 but live in the Klang Valley and have five children.

"If you take into consideration all their commitments, their net income may be the same as those in the B40 group.

"Under the previous approach, they would be cut off from any assistance and we want to minimise this," he said.

Rafizi said that the new approach would be based on data under the Central Database Hub (Padu).

He said this was the first time where data from relevant ministries would be centralised under Padu, which would provide real-time data on disposable household income.

He added that the first six months of 2023 was used to develop Padu while the next six months will be used to test the system out before it is rolled out in January next year.