

TARIKH : 16 MAC 2024
AKHBAR : THE STAR
MUKA SURAT : 5

Guidelines on wage policy in May

Guidelines on wage policy in May

Pilot project to be carried out between June and August this year

By GERARD GIMINO,
TEH ATHIRA YUSOF
and JUNAID IBRAHIM
newsdesk@thestar.com.my

PETALING JAYA: Some light will finally be shed on the proposed Progressive Wage Policy when its guidelines are ready in May.

Economy Minister Rafizi Ramli (*pic*), who announced the policy in November, said a pilot project will then be carried out between June and August this year.

"Some RM50mil has been allocated to carry out the pilot project, which includes paying incentives to companies that take part in the Progressive Wage Policy," he said in a written parliamentary reply yesterday.



Rafizi said a cross-ministry and agency effort will be taken to ensure the pilot project runs smoothly.

The progressive wage system will involve those earning a monthly salary of between RM1,500 and RM4,999 who will

be upscaled with training to receive higher wages. Employers will also be given cash incentives to cover the additional salaries.

It will involve some four million workers in formal sectors and limited only to Malaysian citizens. Businesses, especially small and medium enterprises are encouraged to participate, but multinational and government-linked companies are exempted from the project, as they are deemed to be paying competitive wages already.

"Four task forces have been established and are now working on refining the implementation mechanism of the policy," Rafizi said.

The task forces will be responsible

for preparing guidelines on the yearly wage increments, developing the enrolment system and companies selected to partake in the Progressive Wage Policy, and also developing the training modules as well as upskilling.

Rafizi said the task force responsible for upskilling and productivity, led by HRD Corporation, was now preparing training modules aligned with the needs of micro, small and medium enterprises.

He said 73% of courses were on non-technical aspects such as management, communication, supervision and linguistics.

"The remaining 27% will be technical courses," he said, adding that some 2,000 free online

courses will also be prepared.

Rafizi was responding to a question by Tan Hong Pin (PH-Bakri) who asked whether the government had prepared guidelines on the progressive wage model and its pilot project.

The Economy Minister presented the White Paper on the Proposed Progressive Wage Policy in Parliament on Nov 30. It was part of an effort to ensure that workers receive higher wages in line with increased productivity.

The document contains three main mechanisms – voluntary implementation, incentive-based approaches and government allocation injections, and the responsibility of workers in enhancing productivity.