

**PRESS STATEMENT
SECRETARIAT
NATIONAL WAGES CONSULTATIVE COUNCIL
IMPLEMENTATION OF MINIMUM WAGES**

(Translation)

The Minimum Wages Order 2012 makes it mandatory for an employer employing 6 or more employees to pay their employees minimum wages of RM900 per month in Peninsular Malaysia and RM800 per month in Sabah, Sarawak and Federal Territory of Labuan with effect from 1 January 2013.

However, the Government has received feedback that some employers especially the small and medium employers were unable to pay minimum wages as provided in the Order. To overcome the employers' issues, particularly the small and medium employers who are unable to implement the minimum wages, the Government hereby agrees:

- (i) that an employer to apply on individual basis to the Secretariat of the National Wages Consultative Council, for an extension of the date for enforcement of the implementation. Consideration for the extension of the date of enforcement is for foreign workers only to enable employers to restructure wages for foreign workers. The local employees have to be paid the minimum wages effective 1 January 2013. Employers who are applying for extension of the date of enforcement are not permitted to make salary deduction for levy payment and costs of accommodation of the employees; or
- (ii) as for employers who have implemented the minimum wages but are facing problems in paying wages to employees, the Government has agreed that the employers are to apply to the Labour Department for permission to make deductions from the employees' wages for levy payments and costs of accommodation. However, salary deduction for costs of accommodation shall not be applicable to the plantation sector. Employers who have implemented the minimum wages are not permitted to apply for the extension of the date of enforcement.

The implementation of the minimum wages shall proceed except for employers whose application to appeal for extension of the date of implementation are approved.

**SECRETARIAT
NATIONAL WAGES CONSULTATIVE COUNCIL
20 February 2013**