



**Ang Weina** (Moderator)  
National Global Employer Services Leader  
Deloitte



**Julie Tan**  
Business Process Solutions Leader  
Deloitte



**Shareena Benedict Martin**  
Business Process Solutions Director  
Deloitte



**Amirtheyeswary MCPirapu**  
Partner, Litigation and Alternative Dispute  
Resolution  
Iza Ng Yeoh & Kit

## Deloitte Webinar for MABC

**Responding to COVID-19 - Employers do's and don'ts**  
LIVE Webcast

Monday 4 May 2020 | 3.00 p.m. – 4.00 p.m (MY time)



**MAKING AN  
IMPACT THAT  
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# Prihatin Rakyat Economic Stimulus Package

Assistance available for employers

EPF

EAS – Employer Advisory Services

SOCSSO

- WSP – Wage Subsidy Programme
- ERP – Employment Retention Programme

HRDF

Waiver of HRDF contribution for 6 months for all sectors effective 1 April 2020



## Employer Advisory Services (EAS)

Areas	Details
Conditions to be eligible	<ul style="list-style-type: none"> <li>• Have 200 employees or less on payroll.</li> <li>• Ensure that all monthly contribution payments (both employee and employer portions) up to the February 2020 contribution date (January 2020 wage) are in order.</li> <li>• Ensure that the employee's share of the payment for the contribution months being applied for (April, May or June) has been paid up.</li> </ul>
What can be deferred	Company can apply to defer only the <b>"Employer's" share of Contribution</b> Payment for <b>April, May and June 2020</b> contributions (ie for March, April & May 2020 wages).
Effective date	Applications can be made from 23 April 2020 onwards
How to apply	May submit application via the <b>e-CAP function in i-Akaun (Majikan)</b> on a monthly basis. More info can be found on <a href="http://kwsp.gov.my/en/ecap-faq">kwsp.gov.my/en/ecap-faq</a>
Tenure of services	April to June 2020 and any deferment to be paid over maximum 3 months
Payment method	Instalment Payment(s) can be made via:- <ul style="list-style-type: none"> <li>• i-Akaun (Majikan) portal; or</li> <li>• EPF counters; or</li> <li>• EPF-appointed bank counters</li> </ul>
What companies should be aware of	<ul style="list-style-type: none"> <li>• Employee's share of contribution are not included in this restructuring.</li> <li>• Waiver or reduction of late payment charges can be requested upon the approved payment restructuring plan</li> <li>• Employer still needs to pay the dividend accrued on the contributions</li> </ul>



# Wage Subsidy Programme

Size of Company	75 employees or less (classified as Micro)	76 – 200 employees (classified as Medium)	More than 200 employees (classified as Large)
Amount of subsidy offered	RM1,200 per staff per month	RM800 per staff per month	RM600 per staff per month
Maximum number of staff eligible	75 employees	200 employees	200 employees
Duration of subsidy	3 months from 1 Apr OR month of application		
Requirements/Conditions			
Percentage of decline of revenue	Not applicable	Decline of 50% or more of revenue or income by comparing total revenue or income for January 2020 with the following months.  The following may also be considered:- <ol style="list-style-type: none"> <li>1. High operation costs</li> <li>2. High expenditure costs (including wage payments)</li> <li>3. Company's tight cash flow (less than 6 months' liquidity)</li> <li>4. High debt/liability costs</li> <li>5. Closure of the business due to Movement Control Order</li> </ol>	
Registration of Employer	<ol style="list-style-type: none"> <li>1. Employer and employee need to be registered with PERKESO as at 1 April 2020</li> <li>2. Employer has registered with Companies Commission of Malaysia (CCM) or Local Authority (Pihak Berkuasa Tempatan – PBT) before 1 January 2020.</li> <li>3. The Company/Employer has commenced operations before 1 January 2020.</li> </ol>		
Employee's salary per month	RM4,000 and below		
Other requirement	Employer who opt to accept the subsidies need to retain the employee for 6 months <ol style="list-style-type: none"> <li>i. 3 months during which subsidy is received</li> <li>ii. 3 months after receiving the subsidy</li> </ol>		

## Wage Subsidy Programme (Cont'd)

Size of Company	75 employees or less (classified as Micro)	76 – 200 employees (classified as Medium)	More than 200 employees (classified as Large)
Effective date	From 1st April 2020 onwards		
How to apply	Apply through <a href="http://www.prihatin.perkeso.gov.my/">http://www.prihatin.perkeso.gov.my/</a> from 9th April 2020		
Deadline	15 September 2020 subject to availability of funds allocated or decision by Government.		
Payment method	WSP will be banked into employer's bank account within 7 – 14 days upon approval		





## Wage Subsidy Programme vs Employment Retention Programme

Program	Employment Retention Program (ERP)	Wages Subsidy (WSP)
Source	Employment Retention Program (ERP) 2020 on 16 March 2020	PRIHATIN announced on 27 March 2020 Additional assistance under PRIHATIN announced on 6 April 2020
Beneficiary	All employees including temporary workers who have been asked to go on no-pay leave by employer for period of 1 to 6 months	Employer – to encourage staff retention
Effective date	1 March 2020 (Applications start on 20 March 2020)	1 April 2020
Applied by	Employer – company will receive the funds and need to disseminate to affected employees within 7 days of receipt	Employer
Requirement	Employee with salary of RM4,000 and below Minimum unpaid leave is 30 days in the month applied for	Employee with salary of RM4,000 and below Employer must retain the particular employee for at least 6 months Fulfill the conditions
Quantum of assistance	RM600 per employee per month for between 1 – 6 months	RM600 – RM1,200 per month per staff for 3 months (depending on size of company)
Method of application	Applications must be made by employer on behalf of their employee via ERPC-19 email to <a href="mailto:erpc19@perkeso.gov.my">erpc19@perkeso.gov.my</a> Refer <a href="https://www.perkeso.gov.my">https://www.perkeso.gov.my</a>	<a href="http://prihatin.perkeso.gov.my/">http://prihatin.perkeso.gov.my/</a>

# Payroll obligations during & post MCO

## Payroll obligations during & post MCO

Type of contribution/deduction	EOT for March contribution/deduction	EOT for April contribution/deduction	Any EOT for subsequent contributions/deduction
Monthly payroll tax deduction (PCB)	31 May 2020	31 May 2020	TBA
EPF	30 April 2020	15 May 2020	15th of following month
SOCSSO	30 April 2020	31 May 2020	Last day of the following month
HRDF	Exempted	Exempted	Exempted up to August contribution



# IRB audits on employers

- *“Business As Usual”* for post MCO
- IRB letters for information for example audited accounts, tax computation details
- Automatic Exchange of Information (AEOI) on taxpayers’ overseas financial information
- Foreign workers’ tax compliance – tax return filing, declaration in Form E

# Other options to ease cash flow for business

## Other cash flow easing measures for businesses

Deferment of monthly tax instalment payments for Small and Medium Enterprises (SMEs) for 3 months or 6 months for companies related to the tourism industry commencing from 1 April 2020.

25% reduction on foreign workers' levies

Private premises owners are encouraged to reduce or waive rental during the Movement Control Order (MCO) period, up to 3 months after the MCO ends.

All banks are required to provide financial relief in the form of payment moratorium comprising restructuring and rescheduling loans for affected businesses and individuals.

Employers may negotiate with their employees on the terms of employment, including the implementation of pay cuts and the option of unpaid leave during the MCO period.



# Legal considerations

## Legal considerations - common questions posed by employers on Do's and Don'ts

Is the employer required to pay salary of employees during the MCO period (or any extension thereof)?

Options available to the employer that is facing financial difficulties during the MCO period (or any extension thereof)?

Can the employer compel employee to take annual leave/unpaid leave during the MCO period (or any extension thereof)?

Can the employer retrench employees during the MCO period (or any extension thereof)?

# Combating COVID-19 with resilience

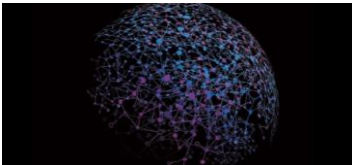
A collection of insights to help business manage and mitigate risks with COVID-19



## The heart of resilient leadership: Responding to COVID-19

A guide for senior executives. Five fundamental qualities of resilient leadership distinguish successful CEOs as they guide their enterprises through the COVID-19 crisis. Learn specific steps that can help blunt the crisis's impact- and enable your organisation to emerge stronger.

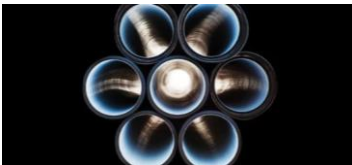
<https://www2.deloitte.com/global/en/insights/economy/covid-19/heart-of-resilient-leadership-responding-to-covid-19.html>



## COVID-19: Managing cash flow during a period of crisis

Cash flow management needs to be an integral element of a company's overall COVID-19 risk assessment and action planning in the near term. Management teams will need to evaluate their cash flow requirements, develop appropriate actions under various scenarios, and assess potential risks to their customer base and supplier network.

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-COVID-19-managing-cash-flow-in-crisis.pdf>



## COVID-19: Managing supply chain risk and disruption

A decades-long focus on supply chain optimisation to minimise cost, reduce inventories, and drive up asset utilisation has removed buffers and flexibility to absorb disruptions – and COVID-19 illustrates that many companies are not fully aware of the vulnerability of their supply chain relationships to global shocks.

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-COVID-19-managing-supply-chain-risk-and-disruption.pdf>



## Future of Work: Ways of working in uncertain times

To sustain and thrive in uncertain times brought forward by COVID-19, organisations must explore new ways of working. This has placed a spotlight on the need for corporate resilience and the ability to embrace virtual collaboration tools and practices.

[https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/Future\\_of\\_Remote\\_Work\\_Final\\_031420.pdf](https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/Future_of_Remote_Work_Final_031420.pdf)



## Business Continuity Management: With a zoom in on the health crisis response plan

An effective Business Continuity Management (BCM) programme is a critical component of successful business management. Experience shows that typically over 50 percent of businesses without an effective business continuity plan will ultimately fail following a major disruption.

<https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/risk/lu-business-continuity-management.pdf>



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