

Inform Labour Dept before laying off staff, reducing working hours, bosses told

By **Minderjeet Kaur** - April 14, 2020 4:54 PM



The Malaysian Employers Federation says those laid off can seek help under the Labour Department's Employee Insurance Scheme.

PETALING JAYA: The Malaysian Employers Federation (MEF) has advised companies to consult the Labour Department before laying off staff or cutting back on working hours to avoid suits in the future.

This comes after some workers have begun filing complaints against their employers for laying them off in the wake of the Covid-19 pandemic.

MEF executive director Shamsuddin Bardan said employees whose services have been terminated under unfavourable terms should seek redress for unfair dismissal.

But, Shamsuddin said, many companies may not be aware that there is a mechanism in place to help jobless Malaysians under the Employee Insurance Scheme (EIS) run by the department.

The scheme provides three months' wages spread over six months for those who have been contributing to it.

In the meantime, the department will provide retraining for the retrenched staff and offer job placements.

"Companies may not know of these facilities. I urge them to contact the Labour Department," Shamsuddin told FMT.

He said it was important to keep the department informed of retrenchments "so that the right incentives can be put in place by Putrajaya".

"The government will then have the right data on what is happening at the ground," he said.

Earlier today, Consumers Association of Subang and Shah Alam (Cassa) president Jacob George told FMT that several workers who have been laid off have started filing suits against their employers for unfair dismissal.

George said the companies had reduced their work force because of cash flow problems during the movement control order (MCO) period.

He had said some of the employers were unable to pay for items ordered before the MCO and had little money left to pay for their operations.

Shamsuddin concurred that most companies, including the bigger ones, were suffering because of the crisis.

He said that after the MCO was lifted, these companies would only be interested in restarting their businesses, with profits far from their minds.