

Put it **BACK**



**Employers
want RM71
million HRDF
contribution returned**

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KUALA LUMPUR: Employers are objecting to the transfer of RM71 million of their contributions to the Human Resource Development Fund (HRDF) to a consolidated fund.

They want the money returned to the employers' individual accounts instead.

"The HRDF has no right to turn employers' contributions into consolidated funds," said Malaysian Employers Federation (MEF) chief Datuk Shamsuddin Bardan.

Shamsuddin was commenting on a move by HRDF to put about RM71 million in a consolidated fund for utilisation on a "first-come-first-served" basis by registered employers.

The RM71 million is what is left of RM86.3 million taken from employers' individual accounts earlier in June this year and allocated for the iMalaysia Globally Recognised Industry and Professional Certification (iMalaysiaGRIP) training and upskilling programme endorsed by

the government.

However, only RM15.2 million out of the sum was utilised, leaving about RM71 million, which HRDF chief executive CM Vignaesvaran said in a circular dated Dec 22, will be put into a consolidated fund for use effective April 1.

The circular urges employers to make use of their contributions by "encouraging their employees to apply for certification courses" before April 2016.

Besides HRDF-registered employees, the programme is also open to non-registered employees who will be funded through a RM150 million matching government grant allotted specifically for the programme.

Previously, the ministry had also endorsed a similar certification programme which was akin to a college certificate, but the programme has since been shelved.

"Contributors' money should remain as contributors' money, and what is left of the 30% taken last June should be rebated to the accounts of individual contributors," said Shamsuddin, who strongly objects to the move and sees it as a breach of trust on HRDF's part.

Shamsuddin said the MEF had earlier expressed concern over the implementation of the iMalaysiaGRIP programme.

He said the HRDF should have had a formal meeting with the federation before its implementation.

"Just because an individual contributor does not use the fund for a certain period of time, does not give the HRDF the right to take the money from the company's account," he said.

A HR practitioner echos the MEF's view, saying HRDF's proposed consolidated fund

Fund to hit billion ringgit mark

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operating on a first-come-first-served basis will create unfairness and likely be open to abuse.

“For example, a registered employer which has contributed little will be able to withdraw amounts disproportionate to its contributions,” said Shamsuddin (*pix*).



“On the other hand, big contributors which have yet to use their training funds will have their money swallowed up by others drawing from the consolidated fund.”

The HRDF collects about RM600 million annually from about 15,000 employers nationwide.

In the face of low utilisation of the money for training, accumulated funds are expected to reach the billion ringgit mark next year.

According to the programme guidelines, a maximum of 15 employees of non-registered employers will be allowed in each class of 25 people.

The rest must be employees of registered employers.

Employers are advised to schedule training sessions on weekends.

Many employers, however, say this is not practical as on most weekends, their workers are needed to meet orders and deadlines.