

Employers approve reduction in foreign worker extension levy fee

KONG SEE HOH / 25 FEB 2019 / 09:30 H.



EMPLOYERS and industries have welcomed the government's decision to lower the extension levy fees for foreign workers, who have worked in the country for more than 10 years, by as much as RM4,000.

However, employers feel that the RM6,000 levy for the manufacturing, services and construction sectors — down from RM10,000 as it was previously — was still too high.

Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan said although the government has lowered the levy by RM4,000, or 35%, it was still a burden for employers in the three sectors, as the fee is for an extension of just one year.

Speaking to *China Press* in an interview published today, Shamsuddin hoped the government would revert to the RM1,850 levy that was previously imposed on foreign workers.

"Nevertheless, the reduction in levy (as decided by the Cabinet) will help lighten the burden on the private sector to a certain extent. The RM10,000 levy announced earlier by the government was really a big burden for employers," he said.

“Many employers had to send their foreign workers home (after they have worked for 10 years) with the hope of re-employing them. But some of these workers seek out new employment upon returning to Malaysian.”

SME Association of Malaysia president Datuk Michael Kang also said the government’s decision to lower the foreign worker levy from RM10,000 to RM6,000 would reduce the burden on employers.

He said the RM10,000 levy currently in force had forced many employers to let go of their experienced workers at the end of their 10-year employment, causing many of these workers to become illegal workers.

“The latest government move will help SMEs to legalise the illegal workers, as small and medium-size industries have been facing an acute shortage of foreign labour in the past few months,” he added.

The new rate, which was announced by Finance Minister Lim Guan Eng on Saturday, saw the levy for the agriculture and plantation sectors reduced from RM3,500 to RM2,000.