

Total costs incurred by employers three times higher when medical leave is abused

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Depending on a company's policy, the employer normally foots the medical bill issued by the health facility where the employee went for a medical check-up and received the medical certificate (MC).

PETALING JAYA: The cost to employers is some 300% higher when employees abuse sick leave. Considering the Malaysian Employers Federation (MEF) had previously said RM20.71 billion in losses were suffered through 10.7 million lost days between June 1, 2018 and May 31, 2019, the current figures could be far higher.

MEF president Datuk Dr Syed Hussain Syed Husman said it is more unfortunate if the employee is actually not ill and merely abusing the healthcare privilege provided by the employer.

"The total cost incurred by the employer is at least 300% more when an employee abuses medical leave compared with when he is working.

"This is because the allegedly sick employee's salary continues to be paid, the company's performance is at stake when assigned work gets delayed due to an employee abusing sick leave, and it gets worse if there are tasks and assignments that need urgent attention.

"Employers will then incur additional overtime cost since another employee has to stand in to complete it," he told *theSun*.

Human resource and talent recruitment specialist Nurul Izzah Abdul Salam said an employee who is covered by the Employment Act 1955 is entitled to paid sick leave based on his length of service with the company.

"Employees with less than two years' service are entitled to up to 14 days paid sick leave annually, and those who have worked more than two years but less than five years are entitled to 18 days.

"After five years of service, an employee will get 22 days of paid sick leave annually. However, employees must be examined by a registered medical practitioner and be certified as being sick enough to require such leave."

She said depending on a company's policy, the employer normally foots the medical bill issued by the health facility where the employee went for a medical check-up and received the medical certificate (MC).

"Some companies set (sick leave claim limits at) RM60 a month while others have an annual limit of RM20,000. There is no standard limit for a single sick leave claim," she added.

Nurul Izzah also said the company's performance could be affected when employees abuse their sick leave.

"Employees are given tasks, assignments and responsibilities they have to complete within a specific time frame or deadline. When they abuse sick leave, the work will be postponed indefinitely and their assigned tasks will not be fulfilled as scheduled. That can certainly harm the company's performance and bottom line.

"If a member of a team abuses sick leave, it can impact the productivity of others as they need to cover for the one who went on sick leave, which will lead to demotivation and a sluggish company culture."

She said whether an employee abuses medical leave or otherwise, the company still needs to bear the cost of paying his salary.

"Eventually, the employer becomes unhappy with such employees, who may be deemed unreliable and cannot be trusted to deliver their tasks."

Lawyer Kokila Vaani Vadiveloo said despite facing productivity and financial losses, a company cannot dismiss an employee for producing an MC unless it can be proven that it (the MC) is fake.

"If there is an abuse of sick leave, such as obtaining a fake MC, then it can be considered misconduct that warrants termination.

"The employer has every right to challenge the authenticity of an MC, and if it is proven as fake, action can be taken against the employee under Section 14 of the Employment Act. This will be on grounds of misconduct that is inconsistent with the fulfilment of the expressed or implied conditions of the employee's service."