

# Only small fraction of employers not paying minimum wage: MEF

*Unfair to make general statement that they are not complying, says president*

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Datuk Syed Hussain Syed Husman says that while the Malaysian Employers Federation maintains its position that the timing and amount of the new minimum wage could have been done more gradually, most employers have been adhering to the policy. – Bernama pic, June 7, 2022

**KUALA LUMPUR** – The Malaysian Employers Federation (MEF) believes only a very small number of companies are not complying with the new RM1,500 minimum wage, amid criticism levelled at bosses for supposedly denying workers their rights.

Its president Datuk Syed Hussain Syed Husman said while the MEF maintain its position that the timing and amount of the new minimum wage could have been done more gradually, most employers have been adhering to the policy.

“One must understand that the scale of employers is very wide, ranging from a person who employs more than a few people to employing thousands,” he told The Vibes yesterday.

“To make a general statement that employers are denying the minimum wage is not right or fair. We believe that all our member employers and those that come to us for advice follow the approved minimum wage.

“There may be a small number of them out there who do not follow. But we stand by the position that once it is approved and gazetted, we must follow,” he said.

In a statement yesterday, former human resources minister M. Kula Segaran urged the government to monitor and take stern action against employers who refuse to comply with the newly implemented minimum wage.

He alleged that many contract workers in government buildings are [still being paid RM1,200](#) instead of the increased rate of RM1,500.



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Previously, there have also been reports that some employers are cutting back on allowances and other benefits to match the salary increase.

Prime Minister Datuk Seri Ismail Sabri Yaakob had during the Umno general assembly in March announced that the new minimum wage would be [implemented beginning May 1](#), coinciding with Labour Day.

Leeway will only be given to micro, small and medium enterprises with less than five employees, with the implementation only to take effect beginning January next year.

Syed Hussain, however, opined that the Covid-19 pandemic and ensuing movement control orders in the past two years have businesses still reeling from their impact, particularly in terms of cash flow.

He told The Vibes that this concern had been raised on several occasions with the National Wage Consultative Council and through various other forums, but proved futile.

Regardless, Syed Hussain said businesses should not use this as an excuse to disregard the new minimum wage structure and urged all employers to comply.

“We must now learn to meet this requirement, no matter how difficult it is, as part of doing business.”

Previously in February, when talk began to surface of the new RM1,500 minimum wage, Syed Hussain had urged the government to [scrap the proposal](#), insisting that the move “will kill businesses”.

– The Vibes, June 7, 2022