



IIUM/202/4/1

20th February 2023

All Deans / Directors
Kulliyahs / Divisions / Centres / Institutes / Offices / Mahallahs
International Islamic University Malaysia

Dear YBhg. Dato'/Prof./Dr./Sir/Madam,

Assalamualaikum wa rahmatullahi wa barakatuh

STAFF SERVICE CIRCULAR LETTER NO. 1/2023

**NOTIFICATION OF INCREMENT OF WAGE (SALARY) CEILING
FOR SOCSO MONTHLY CONTRIBUTIONS FROM RM4,000.00 TO RM5,000.00**

1. OBJECTIVE

The objective of this circular is to notify all Deans/Directors of the Kulliyahs / Divisions / Centres / Institutes / Offices / Mahallahs on the increment of wage (salary) ceiling for SOCSO monthly contributions from RM4,000.00 to RM5,000.00.

2. BACKGROUND

- 2.1 Social Security Organisation (SOCSO) was established in 1971 under the Ministry of Human Resources with the aim to administer, enforce and implement the Employees' Social Security Act, 1969 (amendment 2012) thus benefitting employees under the Employment Injury Insurance Scheme and the Disability Pension Scheme. Under these schemes, employees are given coverage against job-related injury and disability, workplace accidents, occupational diseases and death.
- 2.2 The Employees' Social Security Act 1969 and the Employment Insurance System Act 2017 have been amended respectively as published in the Gazette Act A1658 and Act A1657 by increasing the wage (salary) ceiling for contributions from RM4,000.00 to RM5,000.00 a month. The amendment took effect from **1st September 2022**.
- 2.3 With effect from 1st September 2022, all employees employed under a contract of service or apprenticeship shall be registered and contribute to PERKESO subject to the ceiling limit based on the salary of RM5,000.00 a month.
- 2.4 For employees who earn more than RM5,000 per month, the contribution rate shall be in the salary group of RM5,000.00 a month.
- 2.5 The implementation of new salary ceiling for SOCSO's monthly contribution for those with salary of RM5,000.00 and above is applicable to local and international employees as it is a statutory requirement.



- 2.6 The increase in the salary ceiling for contribution from RM4,000.00 to RM5,000.00 a month will lead to the increase of benefit payments for employees who suffered from employment injury/invalidity under Act 4 or loss of employment under Act 800.
- 2.7 All employers are given six (6) months transition period to comply with the new contribution rate starting from 1st September 2022 until 28th February 2023.

3. **DECISION**

- 3.1 The Staff Service Committee (SSC) Meeting No. 4/2022 held on 22nd December 2022 took note on the increment of wage (salary) ceiling for SOCSO monthly contributions is from RM4,000.00 to RM5,000.00.
- 3.2 The effective date of implementation is **1st September 2022**, i.e. effective date of amendment of Act A1658 and Act A1657. Accordingly, the difference of employee and employer's contribution to the affected staff from 1st September 2022 will be adjusted in line with the increased rate.

All Deans/Directors are kindly required to disseminate this information to all relevant staff at the Kulliyah/Centre/Division/Institute/Offices/Mahallahs.

Thank you. Wassalam.

"Leading the Way"



FAZIDAH HJ. BAKHTIAR
Executive Director
Management Services Division

- c.c. : Rector
- : Deputy Rector (Academic and Internationalisation)
- : Deputy Rector (Responsible Research and Innovation)
- : Deputy Rector (Student Development and Community Engagement)
- : Executive Director (Finance Division)
- : Executive Director (Development and Planning)
- : Campus Director, IIUM Kuantan Campus
- : Legal Adviser

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