

## SOCSSO-Frequently Asked Question

### 1. Who is a principal employer ? Who is an immediate employer ?

A principal employer is an employer who has employees directly working for him.

An immediate employer is one who undertakes subcontract work for the principal employer.

### 2. Who is categorized as an employee under the Employees' Social Security Act, 1969 ?

An employee is any person who is employed for wages under a contract of service or apprenticeship with an employer, whether the contract is expressed or implied or is oral or in writing, or in connection with the work of an industry to which the Act applies.

### 3. Is it compulsory for temporary employees to be covered under the Employees Social Security Act, 1969 ?

Yes. Temporary employees must be covered.

### 4. What are the procedures to register with PERKESO ?

An employer has to complete the employer registration form (Form 1) and employee registration form (Form 2) to be submitted to the nearest PERKESO office with copies of the following documents :-

<b>1. Private Limited Company</b> Form 9 and 49 ( 2 copies )	<b>2. Sole Proprietor/ Partnership</b> Form D and A ( 2 copies )	<b>3. Legal Firms</b> Certificate of legal practice ( 2 copies)
<b>4. Clinics</b>  - Form 12  - Practice Certificate ( 2 copies each )		

### 5. What an employer must do to inform PERKESO when an employee resigns ?

An employer must submit Form 3( Employment Termination Form ) to the nearest PERKESO office. This is to ensure updating of the employee's record in Form 8A ( Monthly Contribution Schedule).

### 6. What is the age limit to contribute ?

All eligible employees must contribute irrespective of age. Employers shall pay contributions under the first category for employees below the age of 55 years and the second category for employee who have attained 55 years of age. An employee above 50 years of age entering an industry covered by the Act for the first time and has never contributed, will have to pay under the second category.

### 7. Is there any penalty imposed to the employer who fails to register/contribute ?

An employer can be prosecuted and charged up to RM10,000 or jailed up to 2 years or both.

## **8. How are the contribution rates determined ?**

Contribution rates are based on employee's wages including overtime, commission, service charge, paid annual leave, sickness, maternity, rest day, public holiday, incentive, subsistence, housing and others. All payments calculated either hourly, daily, weekly, monthly or by task are considered wage. Monthly contribution rates are as shown in the contribution schedule based upon 24 wage categories.

## **9. How contributions can be paid ?**

Contributions can be made at appointed banks such as Maybank, Bumiputra-Commerce, Public Bank, RHB bank, Post offices (for Sabah and Sarawak) and certain banks in specified areas. Special payment forms have to be completed.

## **10. What is the rate of the contribution ascertained for an employee who stops work in the middle of the month ?**

An employer needs to make contribution payment based on the wages paid to the employee for the number of days worked in that month. For example, if salary is paid up to 15<sup>th</sup>, then the contribution to be paid is based on 15 working days only.

## **11. How an employee can check either the contributions have been paid ?**

The employee can visit any PERKESO office and bring along his National Registration Identity Card.

## **12. What are the differences between the first category contribution and second category contribution?**

The contribution of the first category covers employees under the Employment Injury Insurance Scheme and Invalidity Pension Scheme. The second category only covers employees under the Employment Injury Insurance Scheme. The first category is paid for employees below 55 years of age.

## **13. Why is the interest on late contributions levied on an employer ?**

An employer is liable to pay monthly contributions not later than the last day of the following month. For example, for the month of January, contributions must be paid by 28th of February. If payment is made after that date interest shall be charged and the rate is 6 % per annum in respect of each day of default. If the interest is less than RM5, then the amount to be paid for that month is RM5.

## **14. How to make the payment on the interest of late contributions ?**

Interest can be paid at RHB Bank and Public Bank/Public Finance only by submitting the notice on interest on late contribution to the Bank. You must state PERKESO's account number for payment. There is no need to fill the bank slip. Payment by cheque must be made separately for each month.

## **15. How an accident can be reported and what are documents needed to make a claim ?**

An employer shall report to PERKESO by completing the accident report form (Form 21) and submitting it together with a claim form (Form 10), work attendance record, medical leave certificates and a copy of the employee's national register identity card. If the accident happens while traveling to or from the work place, a police report and sketch map showing the journey taken is also required is mandatory.

**16. What benefits will the employee be entitled if he/she meets with an employment injury ?**

The employee will be paid temporary disablement benefit if he/she is certified unfit to work by a doctor for at least 4 days including the day of accident. This benefit will be paid for the period he is unable to work.

If the medical board confirms that the employee suffers permanent disability as a result of the injuries sustained , he will be entitled to permanent disablement benefit.

**17. Does SOCSO cover an employee who contracts with a disease related to his employment ?**

Yes. PERKESO will pay benefits for an occupational disease related to employment. Examples of occupational diseases are loss of hearing due to prolonged exposure in a noisy working environment, respiratory diseases or severe asthma due to dust or powder inhalation especially sawmill workers.

**18. What are the types of occupational diseases that is covered by SOCSO ?**

The complete list of occupational diseases is as stated in the Fifth Schedule of the Employees' Social Security Act,1969.

**19. How an employee who has contracted an occupational disease can make a claim ?**

The employee or his representative shall complete form PKS (P) 68 ( occupational disease report form ( if he is still in employment ) or form PKS (P) 69 ( if he has stopped work ). The documents required to support the claim are :

- \* Form 10 ( Claim Form )
- \* Medical Report in the prescribed form
- \* Form 13 or original sick leave certificate

For loss of hearing, other than the documents stated above, a noise monitoring report has to be submitted as well.

**20. Does SOCSO's finance cost for medical treatment? Where the treatment is available?**

Any employee who meets with an accident due to employment or while commuting ( to and from work ) or contracts an occupational disease is eligible for free medical treatment at approved panel clinics or government hospitals. The employee must bring along the accident report form (Form 21) or occupational disease report form ( Form PKS 68 or PKS 69) or a letter from the employer.

**21. What benefits are payable to the family if an employee dies?**

When the employee dies due to employment injury, his dependants are eligible to receive dependant's benefit. If the employee dies before attaining 55 years of age and the cause of death is not related to his employment, his dependants will receive survivors' pension. Dependants are the widow, children or widower who is dependent on the deceased employee. If the employee is unmarried then his dependent parents, grandparents or brothers and sisters are eligible.

Funeral benefit amounting to RM1,500 also payable.

## **22. What is the invalidity pension ?**

Invalidity pension is a pension payable to an employee who as a result of a permanent morbid condition which is unlikely to be cured loses two third of his earning capacity. Examples of chronic diseases that can result in invalidity are heart disease, end stage renal failure, cancer, mental illness and severe asthma.

## **23. How to claim for the invalidity pension ?**

The applicant must submit Form PKS (F) 41 ( invalidity notice ), a medical report in the prescribed form, letter of termination of employment ( if already stopped work ) and a copy of certified national registration identity card/birth certificate.

## **24. How to claim for the permanent disablement benefit ?**

The applicant must make a written application at PERKESO office for reference to the medical board. The employee has to bring along a medical report and a copy of his national registration identity card.

## **25. In what circumstance the constant attendance allowance can be paid ?**

This allowance is paid to an employee who suffers total permanent disability ( that is 100 % loss of earning capacity) or invalidity and is certified in need of constant attendance by a medical board or appellate medical board.

The rate of this allowance is 40 % of the total ( permanent disability rate subject to a maximum RM500 per month). This payment is made directly to the employee.

## **26. Who are eligible to apply for education loans ?**

Dependent children below 21 years of age of an insured person receiving a monthly benefit are eligible to apply for education loans for the purposes of studying in a college or a local institution of higher learning