



CIRCULAR NO: 09/2018

DATE: 18 June 2018

TO: ALL MEMBERS

COMPANIES TO REGISTER WITH PSMB UNDER THE PSMB ACT 2001 BEFORE 30 JUNE 2018

The Ministry of Human Resources (MoHR) has given employers who have yet to contribute 1% of workers' monthly salary towards the Human Resources Development Levy until 30 June 2018 to register with Pembangunan Sumber Manusia Berhad (PSMB). Employers who fail to register or pay up by the mentioned date would have to face possible legal actions under Section 13(1) of the Human Resources Development Act 2001.

PSMB is an agency set up in 1993 under MoHR. PSMB is empowered under the PSMB Act 2001 to provide for the imposition and collection of a human resources development levy for the purpose of promoting the training and development of employees, apprentices and trainees, the establishment and the administration of the Fund by the Corporation and for matters connected therewith.

Under the PSMB Act 2001, all employers with at least 10 local workers in the manufacturing, mining and quarrying sectors as well as 38 service sub-sectors including hospitality, shipping, air transport and telecommunications, must register with PSMB. Liable employers are subject to a levy amounting to one per cent of their employees' monthly wages.

Section 13(1) of the PSMB Act 2001 stipulates that every employer who is covered under the Act is required to register with PSMB within such time and manner as may be prescribed. Any employer who is convicted for not registering with PSMB may be fined up to an amount not exceeding RM10,000 or face imprisonment of up to a year, or both [Section 13 (2)].

MPMA would like to strongly encourage members who are covered under the PSMB Act 2001 to register with PSMB before 30 June 2018.

Reference articles in the media:

<https://www.nst.com.my/news/nation/2018/06/376961/one-months-grace-given-employers-who-have-yet-contribute-human-resources>

<http://www.theedgemarkets.com/article/employers-given-until-end-june-contribute-hrd-levy---kuala-segaran>

<https://www.malaymail.com/s/1638644/minister-errant-employers-have-until-june-30-to-register-for-hrd-levy>

Yours sincerely,

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