

CIRCULAR NO. 73/2020

DATE: 25 APRIL 2020

EPF LAUNCHES E-CAP TO ALLOW SMES TO DEFER AND RESTRUCTURE EMPLOYER CONTRIBUTIONS

The Employees Provident Fund (EPF) launched the Employer COVID-19 SME Assistance Programme (e-CAP) on 23 April 2020 to assist qualified SMEs manage their monthly cash flow and continue operating their businesses, while still enabling workers to keep their jobs. The programme allows employers to apply for deferment and restructuring of Employer Share Contribution Payment for April, May and June 2020 contributions (March, April & May 2020 wages).

ELIGIBILITY

- SME EPF-registered employers only
- Have 200 employees or less on payroll
- Ensure that all monthly contribution payments (both employee and employer portions) up to the February 2020 contribution date (January 2020 wage) are in order.
- Ensure that the employee's share of the payment for the contribution months being applied for (April, May or June) has been paid up

E-CAP RESTRUCTURING OF CONTRIBUTION PAYMENTS

Eligible SMEs can apply for a deferment and restructuring of the employer's share of EPF contributions for the months of April, May and June 2020.

Deferred contribution for the respective months can be settled over a maximum period of 3 months:

DEFERRED CONTRIBUTION	RESTRUCTURED PAYMENT COMMENCES
April	From July to September 2020
May	From August to October 2020
June	From September to November 2020

ACCESS FOR e-CAP

- Beginning 23 April 2020
- Eligible companies to submit their application via the e-CAP function in i-Akaun (Majikan) on a monthly basis

RESTRUCTURED CONTRIBUTIONS PAYMENT METHOD

- Instalment payment via i-Akaun (Majikan) portal, EPF counters or EPF-appointed bank counters
- The monthly restructuring payment does not include the usual statutory contribution payments. Employees share of contribution is not included in this restructuring - this is to be settled separately.
- Companies that wish to exit before the completion of the restructuring plan are required to make a full settlement

LATE PAYMENT CHARGES & DIVIDENDS

- EPF will impose late payment charges on employers who failed to make their contribution payment on time
- Employers can apply for waiver or reduction of late payment charges upon the approved payment restructuring plan on a case-by-case basis.
- Dividends will be credited following the due contribution month to ensure that no dividend losses are borne as a result of late contribution payments

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EMPLOYERS NOT ELIGIBLE FOR eCAP

- Larger companies that are affected by Covid-19 and with good track record with the EPF can still contact the Employer Advisory officers to discuss customised arrangements on a case-by-case basis

Visit <https://www.kwsp.gov.my/en/ecap-faq> for e-CAP FAQ.

Thank you.

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