

NUBE against retrenchment scheme 15

JOHOR BARU: The National Union of Bank Employees (NUBE) is opposed to the proposed National Retrenchment Scheme (NRS) which it says would be counter-productive. It will also discourage employers from paying out retrenchment benefits.

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"More employers would refuse to make any payments if they know that this scheme would take care of retrenchment benefits, in which case, the scheme would be counter-productive," it said.

In a memorandum to Prime Minister Datuk Seri Dr Mahathir Mohamad, the NUBE said that if it was necessary to have such a scheme, as proposed by the MTUC, it should be financed by the Government itself.

"According to Social Security Programmes Throughout the World (1993), in 27 countries where unemployment benefits are paid, the workers do not contribute a single cent.

"The benefit is paid for by contributions by the employer and/or

government. None of the Asean countries have such a scheme.

"If the Government wants to introduce such a scheme, it should be financed by the Government or by employers and the Government," NUBE general-secretary K. Sanmugam said.

He said it should also be noted that most of the employers who do not pay retrenchment benefits are from companies where employees are not unionised.

"It is the MTUC's duty to organise these workers," he said.