

03 JUN 1999

Daim-Payment

CIVIL SERVANTS TO GET RM600 SPECIAL PAYMENT

KUALA LUMPUR, June 3 (Bernama) -- Civil servants will receive RM600 in special payment to be paid over six months from July, Finance Minister Tun Daim Zainuddin announced today.

Except for superscale officers, the special payment would also be made out to government pensioners, Daim said in a statement here.

He said the government thanked all workers, especially civil servants, for contributing towards positive industrial relations conducive to national economic recovery.

"The government has taken various measures to revive the economy so that the people's living standards improve further and that more job opportunities are available to boost their income," Daim said.

The government was also taking measures to increase aggregate demand through investment and consumer spending so as to consolidate the economy.

The special payment was in line with this, he said.

In the two-paged statement, Daim however did not specify the financial implication on the government for making the special payment.

This would be the government's second special payment to 800,000 civil servants after the RM400 paid out to them last December.

When announcing the earlier special payment, Prime Minister Datuk Seri Dr Mahathir Mohamad said it was to ease new year financial burden of parents with school-going children.

Dr Mahathir had however said that the government could not afford to pay civil servants bonus for 1998.

Cuepacs, the largest public sector employees union, had earlier proposed that the government provide incentives to government servants in lieu of the bonus which the government could ill afford because of the economic downturn.

The government first paid civil servants bonus of half-month salary in 1993 or a minimum of RM400 and then one month salary or a minimum of RM600 in 1994 and 1995.

In 1996 government servants received bonus of one month salary or a minimum of RM700 for the lowest category, followed by one month salary in 1997 or a minimum of RM700 paid in two instalments.

The Public Service Department spent RM338 million on last year's special payment of RM400 compared to RM1 billion in earlier bonus payouts.

-- BERNAMA

MNY RYN