

27 OCT 2000

Budget-Mahathir (Bonus)

10 PER CENT PAY HIKE ALREADY GIVEN, SO NO BONUS, SAYS PM

KUALA LUMPUR, Oct 27 (Bernama) -- Government servants do not get any bonus in the 2001 Budget tabled today as they have just received a 10-per cent salary increase, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

In fact, he said, what government servants earned following the 10 per cent hike was even more than a month's bonus.

"We've raised civil servants pay by 10 per cent. This 10 per cent is more than one month's salary," Dr Mahathir said at a media conference at Parliament House lobby after Finance Minister Tun Daim Zainuddin tabled the budget proposals for next year.

He was asked about the highly expected bonus payment in the 2001 Budget by government employees who enjoyed such perk in past budget announcements.

The prime minister replied that although there was no bonus this time around, the government had reduced taxes.

"This means many of the workers may not have to pay taxes," he said.

Dr Mahathir said tax reductions proposed in the 2000 Budget would indirectly add to the earnings of workers other than those getting increased allowances namely policemen, soldiers, firemen, customs officers, anti-smuggling personnel, doctors and headmasters.

When tabling the 2001 Budget Daim announced tax rebates to individuals, increasing to RM350 from RM110 and to RM350 from RM60 for the wife, with the eligible taxable income bracket for this rate increased to RM35,000 from RM10,000.

"(In the past) the government paid civil servants bonus when it earned more," said the prime minister.

Approached by reporters later, Daim reinforced the prime minister's explanation that government servants were only recently given the 10 per cent pay hike, the equivalent of which far exceeded one month's bonus.

"... moreover they've just got their pay rise," he said.

Asked on the possibility of him announcing the much anticipated bonus at a later date, Daim said: "If I did not mention it in the budget speech, that means there is no bonus."

-- BERNAMA

SLR MNY RYN